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WDP's strategy is to create as much stability as possible for the investors with respect to both dividend and 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.

Below you will find an overview of the main risks facing the company, including their potential impact and the strategy used to mitigate this potential impact¹.

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

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 downturn Substantial deterioration of the economic situation.	 Fall in the demand for storage and distribution facilities. Higher vacancy rates and/or lower rents when re-let. Reduction in fair value of the property and liquidity and consequently also the NAV. Potential tenant bankruptcies. 	Long term: lease terms averaging 6.2 years ¹ until the first maturity date. Sector diversification of clients and a low average contractual rent. Quality of the lessee portfolio with primarily reputable national and international companies and a limited annual provision for dubious debt (average of approximately 0.30% of the rent per year over the last ten years).	1/2/3
		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	Rental income and cash flow affected by an increase in vacancy rates and costs related to re-letting. Decrease in solvency in tenant portfolio and increase in the number of dubious.	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
and semi-industrial property, oversupply, deterioration in	debts, causing a decline in the rental income collection rate.	Thorough integration in the market thanks to years of experience and in-house sales teams.	1/4
tenants' financial situation.	3. Decline in fair value of property portfolio, and thus also in the NAV.	Only sites in strategic logistics hubs or secondary locations with growth potential.	1/3/4
	 Impossibility of pre-letting properties and of further developing the potential of land in the portfolio and improving its profitability. 	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 approx. 100 million euros in a portfolio of approx. 2,700 million euros (including solar panels). This offers potential over the short and medium term to flexibly anticipate the needs of clients. Normally, speculative development is not practised.	4

Market risks			
Description of risk	Potential impact	Limiting factors and control	
Investment market logistics semi-industrial property	As a result: decline in the NAV and increase in gearing ratio.	Investment strategy aimed at high-quality buildings that generate stable long-term income, based on relatively low rents.	1/2
Reduced investor demand for property.		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 53.1%, well below the legal limit of 65%.	2
		Geographic diversification of the portfolio, with over 90% 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 (33%), 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.	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 91% of the debt covered by (i) fixed-interest financial debts and (ii) floating rate and subsequently hedged against fluctuations in the interest rate by derivatives (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.	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	More difficult access to share markets to retrieve new capital/shareholders' equity and limitations in the availability of debt	Extensive and frequent dialogue with capital markets and financial counterparties and transparent communication with clear targets.	1/2/3
uncertainty in international markets.	financing with regard to existing and/or new credit facilities. 2. Sharp fluctuations in the share price.	Strict monitoring and control of any risk which could negatively affect perceptions of the company by investors and financiers.	1/3
	Less liquidity available in debt capital markets with regard to refinancing of	Aim to build long-term relationships with financial partners and investors.	1/3
	the outstanding commercial paper programme and/or outstanding bonds.	Availability of unused credit facilities to cover the commercial paper programme. ² .	3

² For further information, please refer to Chapter 6.4.2 Management report - Management of financial resources - Debt structure on page 59.

Description of risk	Potential impact	Limiting factors and control		
Strategy Unsuitable policy decisions.	Failure to achieve projected returns. Threat to the stability of revenue flow (as a result of visibility due to long lease terms and interest rate hedges). Property portfolio not adjusted 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. Continuous monitoring of changes in economic, real estate and regulatory trends (with regard to tax law, company law, GVV/SIR regulations, etc.). Experience of the management and supervision by	1/2/3 2/3 3	
Investments Economic, taxation and legal aspects with respect to acquisitions.	Inaccurate assessment of economic, tax and legal consequences of complex transactions, transfer of certain hidden liabilities in acquisitions and inadequately hedged contractual obligations. Acquisition of buildings that do not meet the quality requirements of WDP.	the Board of Directors. Extensive economic, strategic and property analysis by the investment committee for every acquisition proposal. Extensive due diligence process covering property, economic, tax, legal, accounting and administrative aspects for every acquisition – combined with the use of specialised external consultants.	2/3	
	Failure to achieve projected returns.	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	elopment specifically related velopments such as actor solvency, obtaining red permits, etc. 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.	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/	
requirea permits, etc.		Use of well-established contractors with good solvency, who submit the required guarantees.	3/5	
	Failure to achieve the projected returns on developments.	Engagement to maintain a constructive dialogue with local decision-makers.	1	
		In principle, no speculative developments are initiated. In other words, save for exceptions, 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	nation of leases (withholding tax, operating costs, tion of leases earlier etc.) and commercial costs related to	Specialised in-house teams responsible for commercial management and facility management.	1	
Termination of leases earlier		Very extensive network in the logistics property market.	1	
han initially expected.	re-letting and/or downward adjustment of rents.	Contractually required indemnity in the event of early termination of the lease.	1/2	
	Decrease in revenue and cash flows.	Preference for realistic rental levels and long-term leases.	1	

Description of risk	Potential impact	Limiting factors and control	
Vacancy	Higher vacancy rate, assumption of costs that are typically recharged to tenants	Proactive internal property management and marketing.	1
Unexpected circumstances such as bankruptcies, relocations, resulting in	(withholding tax, management costs, etc.) and commercial costs associated with re-letting.	Quality and versatility of buildings, which increases reletting potential.	1/2
vacancies.	Decline in the fair value of property, resulting in a lower NAV.	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
Negative variations in the fair value of buildings	Negative influence of the net result and NAV. Negative change in gearing ratio.	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
Negative revaluation of the property portfolio.	variations of the fair value should exceed the payable reserves.	Investment policy that focuses on 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 96 million euros (after payment of the proposed dividend for 2017).	3
Industry-specific risks Concentration of activities in the tenant portfolio.	Loss of income if a specific industry is affected by an economic downturn.	Strong sectorial diversification of the tenant base. ³	1
Maintenance and repair	Decline in results and cash flows. 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
Unexpected volatility in maintenance costs.		Stringent periodic maintenance policy that is managed within the company.	1
Obsolescence and building quality	Obsolescence of buildings reducing their commercial appeal. Loss of income and long periods during	Regular update of investment plans for the portfolio, with the objective of maintaining the highest quality levels.	1/2
Risk of structural and technical deterioration in the building's life.	which the invested capital does not generate a profit.	Ad-hoc redevelopment and renovation of obsolete properties in addition to regular investments in quality and sustainability.	1

³ For further information, please refer to Chapter 8.1.4 Property report – Review of the consolidated property portfolio – Rental situation of the available buildings on page 122.

Description of risk	Potential impact	Limiting factors and control	
Destruction of buildings Destruction by fire, natural	Discontinuity in the use of the building. 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.	
disasters, accidents, terrorism, etc.		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.	Sharp decline in income and cash flows in the event of departure of a tenant. Increased effect of a decline in the fair value of the property and consequently the NAV if investments are concentrated.	Highly diversified tenant base, where 8% of the revenue consists of revenue from solar panels, being distributed over multiple sites and the regulatory regimes of three countries (Belgium, the Netherlands and Romania).	1
	in one or more buildings.3. Dependence on green energy certificates with regard to solar energy.	Furthermore, the largest tenants are spread over several buildings, various countries and different activities.	1
		Good property portfolio spread over more than hundred and eighty 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
Tenant solvency	Sudden unexpected decrease in rental income due to a decline in collection or	Extensive tenant solvency check by external rating agency prior to inclusion in portfolio.	1
Risk of partial default of payment or bankruptcy	occupancy rates. 2. Commercial costs of re-letting for	Target for portfolio development through long-term contracts with first-rate stable, solvent tenants.	1
of clients.	vacancies due to tenant insolvency.	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	 High rate of client turnover if buildings do not meet energy and CO₂ intensity limits 	Strong in-house know-how in technology and building development and redevelopment.	1
efficient buildings.	and potential impact on rents. Higher premiums by investors if poor or restricted disclosure regarding	Continuous investment in energy efficiency and renewable energy to reduce the WDP group's ${\rm CO_2}$ footprint.	1/2
	environmental performance and the ${\rm CO}_2$ footprint of the portfolio and the company in its totality.	Continuous dialogue with investors and other stakeholders and reporting on sustainability through the European Public Real Estate (EPRA) Sustainability Best Practices Recommendations (sBPR).	2
		Qualitative and quantitative reporting regarding energy performance indicators in Chapter 9. Corporate social responsibility.	2

Description of risk	Potential impact	Limiting factors and control	
Counterparty risk Insolvency/credit risk for financial partners.	Loss of deposits (with WDP as creditor). 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	Diversification of financing sources among different instruments and counterparties. Optimised financial position, with any cash surplus used to reduce financial liabilities, insofar as this surplus is not used for new investments.	1/2
Liquidity risk Unavailability of financing or term of financing options.	(WDP as debtor). 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 operating	Conservative and prudent financing strategy with a balanced spread of maturity dates for debts maturing between 2018 and 2026, diversification of financing sources (62% through traditional loans and 38% via the debt capital market) and a large group of stable banking partners, with whom long-standing banking relationships exist.	1/3
	costs and for repayment on the maturity 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	Maintenance of sufficient lines of credit to finance operating costs and planned investments. At 31 December 2017 total undrawn confirmed long-term credit lines amounted to 130 million euros. Continuous dialogue with investors and banking	1
		partners to build solid long-term relationships.	1/2/
	 Increased refinancing risk for part of the short-term debts (14% of the total), primarily commercial paper. 	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
Cost of capital Combination of unfavourable interest rate movements, increased risk premium increased risk premium a whole and on new investments.		Protection from interest rate rises through the use of hedging instruments, with 91% of the debt hedged ⁴ . If the rise in interest rates is the result of higher inflation, the indexation of rental income is also a mitigating factor.	1/2
in equity markets and/or increase in the cost of debt.		Continuous dialogue with investors and banking partners to build solid long-term relationships.	1/2
Budget Risk that financial results will deviate from predefined budget and statutory requirements.	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.	Complexity and volatility of the fair value of hedging instruments and thus also of the NAV published in accordance with IFRS. Counterparty risk with respect to partners with whom derivatives contracts	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
	have been signed.	All derivatives are used solely for hedging purposes. No instruments are held for speculative use.	1
		Collaboration with leading financial institutions.	2

⁴ 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 58 as well as explanatory note XIV. Financial instruments on page 202.

Financial risks Description of risk Potential impact Limiting factors and control 1. Sanctions and/or increased Prudent financial policy, including continuous 1/2 Covenants and monitoring in order to meet financial parameters supervision by the regulator if certain statutory financial statutory financial parameters are such as a maximum gearing ratio of 65% and a parameters minimum Interest Coverage Ratio of 1.5x. not met (such as compliance with the gearing ratio as laid down in the GVV/ Risk of non-compliance with Pursuant to Article 24 of the GVV/SIR Royal Decree SIR Royal Decree). requirements to meet specific of 13 July 2014, WDP draws up a financial plan financial parameters under 2. Possible cancellation of credit facilities (in which the (proportional) gearing ratio at 31 credit agreements and the and diminished confidence among December 2017 was 53.1%)5 statutory regimes to which the investors and bankers in the event company is subject. of non-compliance with contractual covenants. 1. Decline in revenues and cash flows. WDP operates primarily within the euro zone. 1/2 Exchange rate risk 2. Decline in value of investments. The euro is the functional currency for the Risk of currency fluctuations company's limited operations outside the euro with respect to operations conducted outside the euro zone (Romania), and any impact of exchange rate fluctuations (either realised or through conversion effects) is not substantial.

Regulatory risks and o	other risks			
Description of risk	Potential impact	Limiting factors and control		
Regulatory framework for GVV/SIR ⁶	Loss of tax status and, in connection with this, compulsory repayment of specific credit facilities and/or bonds.	Continuous monitoring of statutory requirements and compliance with these, assisted by specialist external consultants.	1/2	
Non-compliance or amendment of the rules required by the tax- transparent regime used for the	2. Negative impact on the results or NAV in the event of any changes in the	Intensive dialogue with the regulator as part of the prudential regulation of GVVs/SIRs.	1/2	
Belgian operations.	regime.	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 ⁶	Loss of tax status and, in connection with this, compulsory repayment? Negative impact on the results or NAV	Continuous monitoring of statutory requirements and compliance with these, assisted by specialist external consultants.	1/2	
Non-compliance or amendment of the rules required by the fiscally transparent regime used for the Dutch operations.	in the event of any changes in the regime.	Intensive dialogue and further expansion of long- term relationships with financial counterparties for the credit supply.	1/2	
Regulatory framework for SIIC ⁶	Loss of tax status in the event of non-compliance with the rules. Negative impact on the results or NAV	Continuous monitoring of statutory requirements and compliance with these, assisted by specialist external consultants.	1/2	
Non-compliance or amendment of the rules required by the tax-transparent regime used for the French operations.	in the event of any changes in the regime.	Intensive dialogue and further expansion of long- term relationships with financial counterparties for the credit supply.	1/2	

⁵ For more details on the expected development of the gearing and the financial plan, we refer to note XXI. Calculation of the gearing ratio and notes regarding changes in the gearing ratio on page 211.

⁶ For further information, please see Chapter 12. General information on REIT status on page 251.

⁷ See 6.3.7. Management report – Transactions and realisations – Changes in policy regarding Dutch REIT status on page 56.

Description of risk	Potential impact	Limiting factors and control		
Changes in the regulatory framework within which the company operates Possible negative impact of translating new EU regulations in Belgian law.	Negative impact on business, result, profitability, financial well-being and prospects. 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).	Potential impact on reporting, capital requirements, use of derivatives and organisation of the company. 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	
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.	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	
	Delay in new build and/or renovation projects.			
Environmental law Regulatory changes implemented by public and/or administrative authorities.	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.	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	
	Fall in the fair value of property portfolio, and consequently the NAV.			
	Delay in new build and/or renovation projects.			
Expropriation risk Expropriation as part of public expropriations by competent government agencies.	Loss of investment value and forced sale at a loss. 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.	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	

Regulatory risks and	other risks				
Description of risk	Potential impact	Limiting factors and control			
Human resources	Negative impact on existing business relations.	Competitive pay package for employees.	1		
Turnover of key employees.	Reputational damage in relation to stakeholders.	Clear and consistent procedures in order to ensure continuity.	1/2/3		
	Loss of decisiveness and efficiency during the management decision process.	Working in teams to ensure that individuals are not solely responsible for important and strategic tasks.	1/2/3		
Politics Various decisions made by regional, national or European	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,	Continuous monitoring of the political decisions made at the various regulatory levels, making it possible to anticipate, reduce or avoid a possible impact.	1/2		
political governments, for example with regard to taxation	strategy or targets. 2. Changes in the regulatory framework for solar energy subsidies and/or new levies on renewable energy. 3. Potential impact of Brexit on WDP's clients and on the demand for storage.	Importance of realising climate objectives.	2		
or subsidy laws.		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	Negative impact on business, result, profitability, financial well-being and prospects.	Constant monitoring of existing and future legislation, regulations and requirements and related compliance, assisted by specialised external	1		
New legislation and regulations could come into force or changes could be made to existing legislation and regulations ⁸ or they could be reinterpreted and applied by agencies (including the tax authorities) or courts.	p. oopooto.	advisers.			

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 within WDP is not performed at 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.

⁸ Such as existing practices of the tax authorities as referred to in Circular Ci.RH.423/567.729 of 23 December 2004 of the Belgian Ministry of Finance on the calculation of the exit tax, which states that the actual/iair value of immovable goods involved in the 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.

Allkumus. Introduction 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, on the website www.wdp.eu

in three languages (Dutch, French and English).

Responsible for the content of the annual financial report

WDP's statutory manager, De Pauw NV, with registered office at B-1861 Meise (Wolvertem), Blakebergen 15, represented by its current representative, Tony De Pauw, declares that no government actions, 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 included in the consolidation along with a description of the main risks and uncertainties they face;
- there have been no significant changes in the financial or commercial positions of the group since 31 December 2017.

2. Statement with respect to the future

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.

3. Information from third parties

WDP declares that the information provided by the experts and the statutory auditor has been faithfully reproduced. To WDP's knowledge and based on what WDP has been able to deduce from the information published by the property 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.

For confidentiality reasons, the full report of the property experts has not been included and cannot be consulted.

4. Required components of the annual report

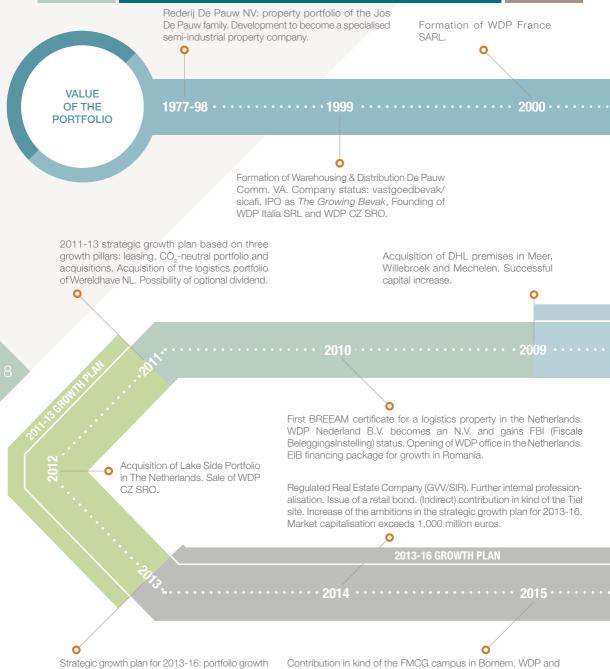
In accordance with Articles 96 and 119 of the Belgian Companies Code, the required components of the WDP annual report appear in the following chapters:

- ▶ 1. Risk factors;
- ► 6.1. Management report Consolidated key figures;
- ▶ 6.2. Management report Notes to the consolidated results 2017;
- ▶ 6.3. Management report Transactions and performance;
- 6.4. Management report Management of financial assets:
- ► 6.6. Management report Outlook;
- ▶ 6.7. Management Corporate governance; and
- ▶ 10. Financial statements.

5. Reference to Alternative Performance Measures

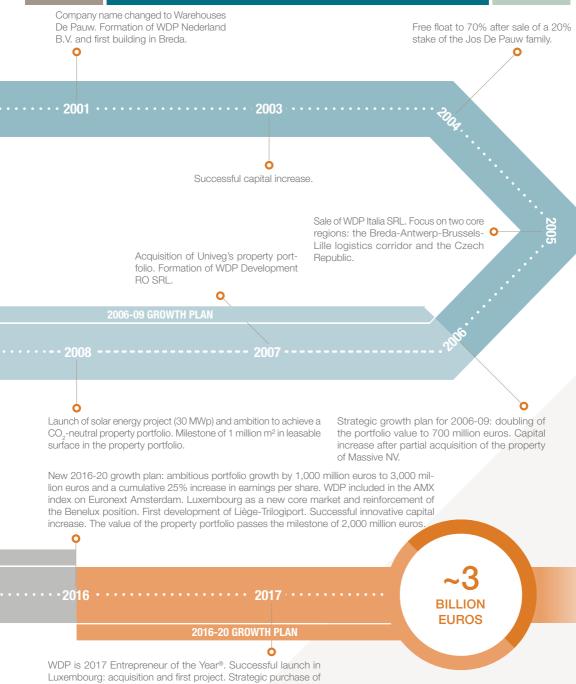
In accordance with the guidelines issued by ESMA (European Securities and Market Authority) that came into force on 3 July 2016, the definition and function of the Alternative Performance Measures (APMs) applied by WDP are being explained in a footnote where they appear in this annual financial report. 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 238. This definition will also be accompanied by a symbol (F) so the reader can easily recognise it as an APM definition.





Strategic growth plan for 2013-16: portfolio growth by 50% to 1,800 million euros and cumulative growth of EPRA Earnings per share of 20-25%. First bond issuance. Multimodal locations in Vilvoorde, WDPort of Ghent and Meerhout. Diversification: two sites on the Antwerp-Limburg logistics axis. Solar farms in Romania.

Contribution in kind of the FMCG campus in Bornem. WDP and The Greenery conclude a long-term partnership. Launch of solar panels project (30 MWp) in the Netherlands. Doubling of the portfolio in Romania to approx. 100,000 m². Kickoff of WDPort of Ghent. WDP shares also listed on Euronext Amsterdam. 2013-16 growth plan targets achieved one year early: portfolio of approx. 2,000 million euros and EPRA Earnings per share of 5.00 euros.



land in the Netherlands. Increase in participation to 80% in WDP Development RO. Raise investment volume target for 2016-20 growth plan to 1,250 million euros through further growth within existing geographical core markets.

'17



The solid financial basis of 2016 has led to project implementations in 2017 and the creation of future growth potential in the current core markets

2017 was, once again, a strong year for us with 400 million euros in new investments and an increase in the EPRA Earnings per share of 6% to 5.60 euros based on an average lower gearing ratio after the capital increase in 2016 as well as 14% more weighted average number of shares. We could therefore identify 75% or 750 million euros of the 1,000 million euros of planned portfolio growth in our core markets within the framework of the five year 2016-20 growth plan after only two years (or 40% of the time elapsing). Furthermore, we could achieve this through the vigilance we exerted with regard to long-term yields of these new assets within an international context of extremely inexpensive money that has led to a significant inflation of property prices. Within this context, we have been faster (citius), aimed higher (altius) and been better (fortius) than the results initially predicted, in line with the Olympic motto.

Citius. The implementation of the growth plan was accelerated. In 2017, a total of 250,000 m² of modern logistics facilities were finished, after the completion of more than 200,000 m² in 2016. In addition, a development pipeline of more the 350,000 m² was created with completion in the course of 2018 and later. This accelerated completion is possible due to the strong commercial platform in the Benelux and Romania combined with the technical team of project managers that lead this large number of developments.

At the same time, we have expanded our area of PV installations considerably with the completion of 25 MWp on our roof tops in the Netherlands bringing the total installed capacity to 60 MWp with another 25 MWp under development, also in the Netherlands. As a leading logistics property



partner, WDP has a strong sense of responsibility towards the environment and the community and aims to reduce the impact of logistics property on the climate, now and in the future. We have set the medium-term ambition to achieve ${\rm CO}_2$ neutrality, which includes the production of renewable energy.

Altius. In addition to our focus on property development, we have also realised a total volume of around 200 million euros in acquisitions despite a very competitive investment market

(including the increase in the participation in the Romanian entity), complementing the current portfolio, thanks to WDP's strong network and its capacity to guarantee quick implementation. We have also been able to give our entry into Luxembourg a concrete form and we are now therefore present throughout all of the Benelux as well as Northern France and Romania.

Moreover, we have prepared our balance sheet for further growth. We have therefore strengthened our basic position in the Netherlands enabling us to offer a potential of approx. 100 million euros in total across the countries, on which more than 1,000,000 m² of new-build projects can be achieved for our clients. In terms of further growth in Romania, in early 2018 WDP also strengthened the capital of its Romanian entity implying that the shareholding structure with our partner Jeroen Biermans changes as from January 2018 from 51/49 to 80/20 and the Romanian activities will be completely consolidated as from 2018 - which, in the long term, should facilitate growth of up to 500 million euros possible in this market. Our patient approach over the last ten years and our 'against the grain' vision in continuing to develop this region in our property portfolio - just as we did in the Netherlands in the past - is being rewarded and we are optimistic about the future.

Fortius. Due to the long-term property mindset that includes strict criteria for allocating capital to new investments, we are also able to monitor the yield – after all, despite our market leadership, we should dare to say 'no' to purchases that are often too expensive. This does not stop us from expanding since, as a pure player, we see enough demand for logistics property from a number of structural drivers such as the need for modern infrastructure, specialisation and automation on the part of the supply chain and e-commerce. This is why we are attempting to focus more on new projects in partnership with our clients, which leads to qualitative growth.

But, of course, we will not lose sight of the existing portfolio, since the occupancy rate continues to be the life blood of a property company – which remains very high at 97% as on 31 December 2017.

After having firmly anchored the financial foundation of the group in 2016, in 2017 we were able to maintain a healthy financial position thanks to, among other things, the strengthening of our equity base with around 90 million euros, committing 130 million euros to new financing and lowering the cost of debt to 2.5% at the end of 2017. The fact that our market capitalisation has increased further to more than 2,000 million euros has resulted in an increased liquidity of the share, which means more visibility and broader access to the capital market.

The elements above lead to a scaling up of our 2016-20 growth plan. We are therefore aiming at an investment volume of 1,250 million euros rather than 1,000 million euros (of which 750 million euros have already been identified) during this five-year period. Based on this, we are aiming for an increase in the EPRA Earnings during 2018, 2019 and 2020 of 6.00, 6.50 and 7.00 euros per share, respectively, a cumulative increase of 25% as compared to 5.60 euros in 2017. The evolution of the dividend will be linked to this.

We face the future with confidence and also 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.

Nor did this determination to continue to grow and the steady performance of the company escape the notice of the panel of judges of Entrepreneur of the Year®, which declared WDP as the winner of the 2017 edition. This award is given by EY to companies driven by innovative entrepreneur-



"WDP being given the award of Entrepreneur of the Year® 2017 is a recognition of the consistent strategy that is every now and again contrarian and our dynamic mindset and innovative entrepreneurship with faith in our own abilities. Moreover, the award is a recognition for all listed Belgian REITs, now being distinguished as commercial entreprises, not merely passive funds."

MARK DUYCK
CHAIRMAN
F BOARD OF DIRECTORS

ship reflected in their figures and, above all, a daring vision, corporate governance, internationalisation and engaged teamwork.

This great award as well as the confidence that stakeholders have in WDP are only possible because of the experience and the commitment of all employees, the members of the management team, the loyalty of our clients and the external 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

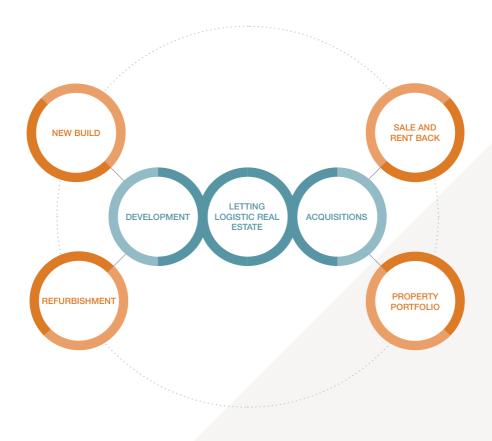


Investment segments

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 region¹ and a respected European player, also active in France and Romania.

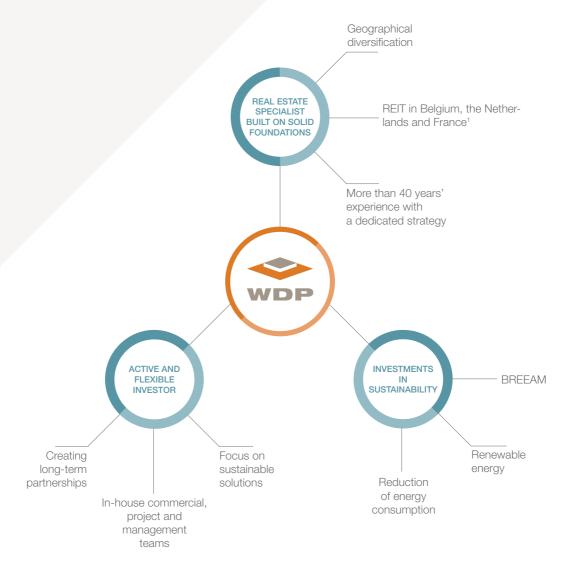
WDP has been steadily enlarging its property portfolio by developing self-financed storage and distribution facilities, based on client demand and requirements and in accordance with the highest industry standards. In addition, the GVV/SIR² also invests directly in existing quality sites, all with the purpose of being rented out under long-term leases.



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 GWV/SIR is a Regulated Real Estate Company under Belgian Law. All information on this can be found in chapter 12. General information on the REIT status on page 251.

A pure player focused on the logistics sector



¹ 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.

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.

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.

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 know-how. Not only does WDP have its own sales team focused on maximising occupancy, with attention to both existing and prospective customers; the property in its portfolio is also developed and managed under the care of its 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 well-being 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.

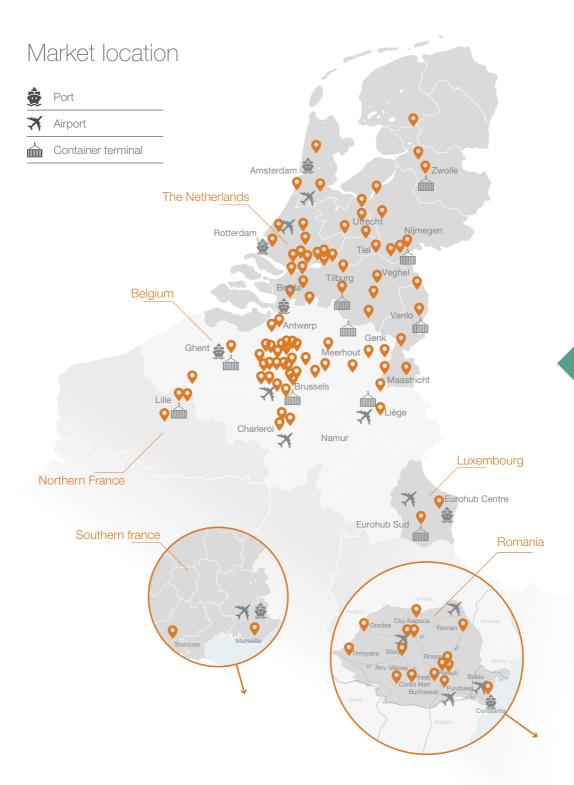
Lastly, WDP pursues a strategy in which the growth achieved by the company is clearly defined and generates added value for clients and shareholders alike, so that growth is controlled and sustainable.

Market leader in the Benelux region

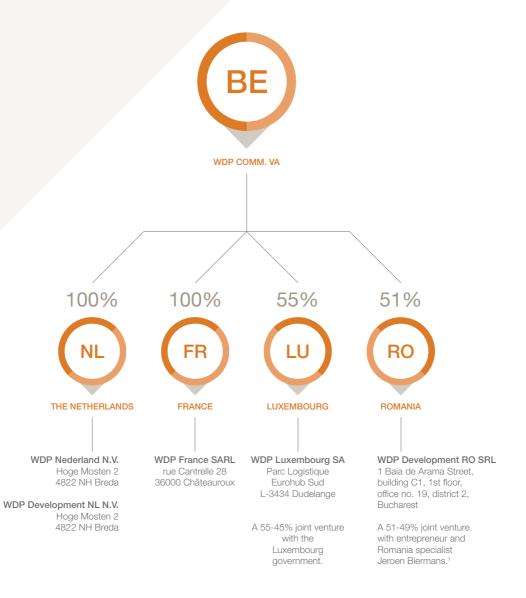
WDP is a market leader in the Benelux logistics and semi-industrial property market. Priority markets are Belgium, the Netherlands, Luxembourg and France, supplemented by the growing logistics market Romania.

Site selection is based on proximity to strategic storage and distribution hubs. More than 90% 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 mainly located in the economic heart of Western Europe, which is home to a large concentration of consumers with buying power. They are also situated in the strategic hinterland of the ports of Antwerp and Rotterdam, which serve as import and export gateways for Europe.



The WDP group



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 checking 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 equity 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.

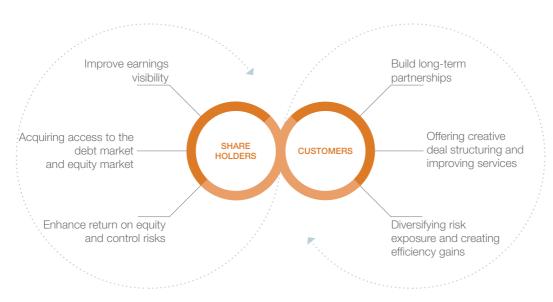
WDP invests in a new or existing property only when it is convinced of the re-letting potential after the current tenant has left. The buildings

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.



Win-win for all stakeholders Generating sustainable growth in earnings per share

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 a few of its portfolio properties and solar farms of some of its available land.

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.

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 these core markets using the defensive Real Estate Investment Trust model (REIT).

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



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1. Consolidated key figures

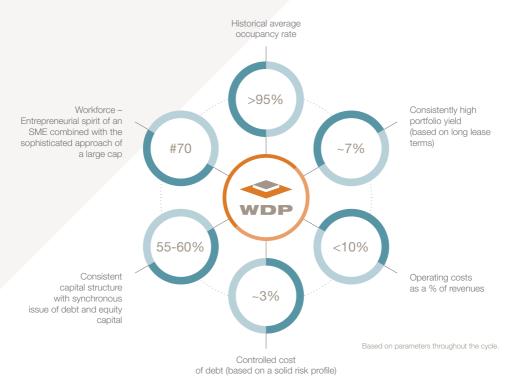
	2008	2009	2010	2011	2012	
Operational	2000	2000	2010	2011	2012	
Fair value of property portfolio (including solar panels) (in million euros)	777.8	883.7	889.2	989.4	1,163.1	
Total surface area (in m²) (including land in concession)	3,767,000	3,975,000	3,969,000	4,281,504	4,793,766	
Lettable area (in m²)	1,123,754	1,302,670	1,356,407	1,659,621	2,018,150	
Gross initial yield (including vacancies) ¹ (in %)	7.8	8.3	8.3	8.3	8.0	
Average lease term (until first expiry date) ² (in years)	n.a.	n.a.	6.1	7.2	7.2	
Occupancy rate ³ (in %)	98.7	91.7	95.7	96.7	97.3	
Operating margin ⁴ (in %)	90.1	92.4	91.8	91.7	91.3	
Results (in million euros)						
Property result	46.9	57.8	62.7	69.1	81.3	
Operating result (before the result on the portfolio)	42.2	53.4	57.5	63.3	74.3	
Financial result (excluding change in the fair value of the financial instruments) ⁵	-12.8	-18.1	-18.5	-18.9	-21.3	
EPRA Earnings ⁶	28.7	34.0	39.0	44.3	52.1	
Result on the portfolio (including share in the result of joint ventures) ⁷	-15.7	-22.7	-4.2	2.7	1.7	
Change in the fair value of the financial instruments	-28.8	-10.9	-2.3	-17.3	-18.5	
Depreciation and write-down of solar panels (including share in the result of joint ventures)	n.r.	n.r.	n.r.	n.r.	n.r.	
Net result (IFRS)	-15.8	0.4	32.6	29.7	35.3	
Financial						
Balance sheet total (in million euros)	802.7	916.1	922.4	1,018.9	1,181.1	
Shareholders' equity (excluding the fair value of financial instruments) (in million euros)	282.3	399.3	406.0	453.3	520.6	
Net financial debt (in million euros)	475.8	492.8	499.2	547.0	644.1	
Debts and liabilities included in the gearing ratio (in million euros)	506.1	506.1	509.1	561.3	655.7	
Gearing ratio (IFRS)8 (in %)	63.0	55.3	55.2	55.1	55.1	
Gearing ratio (proportionate) (in accordance with GVV/SIR Royal Decree) (in %)	63.0	55.3	55.2	55.1	56.1	
Average cost of debt ⁹ (in %)	N.B.	N.B.	4.3	4.0	3.6	
Interest Coverage Ratio ¹⁰ (in x)	3.0	2.5	2.9	3.1	3.4	
Figures per share (in euros)						
Gross dividend	2.94	2.94	2.94	2.94	3.11	
EPRA Earnings ¹¹	3.34	3.14	3.11	3.42	3.67	
Result on the portfolio (including participation in joint ventures) ¹²	-1.83	-2.29	-0.33	0.21	0.12	
Change in the fair value of financial instruments	-3.35	-1.01	-0.18	-1.34	-1.30	
Depreciation and write-down on solar panels (including share in the result of joint ventures)	n.r.	n.r.	n.r.	n.r.	n.r.	
Net result (IFRS)	-1.84	-0.21	2.60	2.29	2.49	
EPRA NAV ¹³	33.2	32.0	32.5	33.4	34.6	
IFRS NAV ¹⁴	30.4	29.3	29.6	29.4	29.9	

Some figures are subject to rounding adjustments. Consequently, it may occur that figures shown as totals in certain tables are not a precise arithmetical totals of foregoing figures.

2013	2014	2015	2016	2017
1,273.1	1,567.3	1,930.0	2,203.8	2,669.8
4,849,454	5,701,562	6,613,567	7,309,128	8,767,182
2,137,602	2,432,230	3,081,943	3,375,482	3,756,983
8.2	8.0	7.6	7.5	7.1
7.3	7.1	6.5	6.3	6.2
97.4	97.6	97.5	97.0	97.4
91.8	91.8	92.1	93.3	92.5
89.0	101.8	129.1	139.7	154.5
81.8	93.5	119.0	130.2	142.8
-21.4	-25.4	-27.1	-30.3	-25.7
59.6	67.3	90.9	100.8	121.4
-0.7	19.7	47.4	31.2	101.5
20.8	-19.4	7.8	1.8	16.5
n.r.	-2.9	-3.4	-3.5	-4.2
79.7	64.7	142.7	130.2	235.2
1,283.1	1,570.3	1,907.3	2,182.6	2,675.3
576.7	682.5	829.4	1,091.7	1,281.3
686.8	863.6	1041.8	1045.6	1,348.6
701.1	876.8	1,062.9	1,071.7	1,374.1
54.6	55.8	55.7	49.2	51.5
55.5	56.7	56.8	50.5	53.1
3.6	3.5	2.9	2.8	2.6
3.6	3.3	4.2	4.1	4.9
3.25	3.40	4.00	4.26	4.50
3.85	4.10	5.00	5.30	5.60
-0.05	1.20	2.60	1.64	4.68
1.35	-1.18	0.43	0.09	0.76
n.r.	-0.18	-0.19	-0.18	-0.19
5.15	3.94	7.85	6.86	10.84
35.9	39.2	44.9	51.2	58.3
32.8	35.2	41.5	48.4	56.3
52.70	62.68	81.24	84.89	93.43

- 1 Calculated by dividing the annualised contractual gross (cash) rents and the rental value of the unleased parts by the fair value. The fair value is the value of the property portfolio after deduction of transaction costs (mainly transfer tay).
- 2 Including solar panels that are taken accounted for at the remaining weighted average term for green energy certificates.
- 3 Calculated based on the rental values of leased properties and the unleased surface areas, including the income from solar panels. This does not include projects under development and/or renovations.
- 4 \(\mathbb{F}\) The operating margin, obtained by dividing the operating result (before the result on the portfolio) by the property result.
- 5 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.
- 6 PF EPRA Earnings: this figure is the underlying result of the core activities and indicates the degree to which the current dividend payments are supported by the profit. This result is calculated as the net result (IFRS) exclusive of the result on the portfolio, the change in the fair value of financial instruments and depreciation and write-down on solar panels. See also www.epra.com.
- 7 P Result on the portfolio (including participation in joint ventures): realised and unrealised capital gains/loss with respect to the valuation by the property experts at the end of the last financial year, 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.
- 8 The gearing ratio (IFRS) is calculated in the same manner as the gearing ratio (proportionate) in accordance with the GVW/SIR Royal Decree, but based on a consolidated balance sheet in accordance with IFRS that incorporates joint ventures using the equity method.
- 9 The average cost of debt is the weighted average annual interest rate for the reporting period, taking into account the average outstanding debts over this period.
- 10 Defined as operating result (before the result on the portfolio) divided by interest charges, minus interest income and dividends collection, minus compensation for financial leasing and others.
- 11 The EPRA Earnings per share is the EPRA Earnings based on the weighted average number of shares. See also www.epra.com.
- 12 Result on the portfolio (including participation in joint ventures) per share is the result on the portfolio based on the weighted average number of shares.
- 13 FEPRA NAV: the EPRA NAV is the NAV 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.
- 14 IFRS NAV: Net Asset Value before profit distribution for the current financial year as per the IFRS balance sheet. The IFRS NAV is calculated by dividing the shareholders' equity as per IFRS by the number of shares entitled to dividend on the balance sheet date.

Built on strong fundamentals



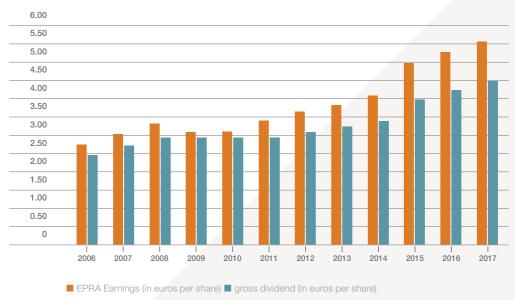
EPRA key performance indicators¹	31.12.2017	31.12.2016
EPRA Earnings (in euros per share) ²	5.60	5.30
EPRA NAV (in euros per share) ³	58.3	51.2
EPRA NNNAV (in euros per share) ⁴	55.9	47.9
EPRA Net Initial Yield (in %)	6.4	6.8
EPRA Topped-up Net Initial Yield (in %)	6.4	6.8
EPRA vacancy rate (in %)	2.9	3.3
EPRA cost ratio (including direct vacancy costs) (in %)5	9.0	9.0
EPRA cost ratio (excluding direct vacancy costs) (in %) ⁵	8.5	8.4

- 1 Financial performance indicators calculated according to EPRA (European Public Real Estate Association) Best Practices Recommendations. See also www. epra.com.
- 2 FEPRA Earnings: this is the underlying result of core activities and indicates the degree to which the current dividend payments are supported by the profit. This result is calculated as the net result (IFRS) exclusive of the result on the portfolio, the change in the fair value of financial instruments and depreciation and write-down on solar panels. The EPRA Earnings per share are the EPRA Earnings based on the weighted average number of shares. See also www. epra.com.
- 3 PEPRA NAV: the EPRA NAV is the NAV adjusted to include properties and other investments at their fair value and excludes 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.
- 4 PEPRA NAV: 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.
- 5 PEPRA cost ratio: administrative and operating costs (including and excluding direct vacancy costs), divided by the gross rental income. See also www. epra.com.

Share price versus EPRA NAV



Change in EPRA Earnings and gross dividend per share



2. Notes to the consolidated results of 2017

1. Summary

- ▶ The EPRA Earnings¹ for 2017 amount to 121.4 million euros, marking an increase of 20.5% over 2016 (100.8 million euros). EPRA Earnings per share² for 2017 amount to 5.60 euros, an increase of 5.6% over the figure of 5.30 euros in 2016, including an increase of 14% in the weighted average number of outstanding shares.
- ▶ The net result (IFRS) for 2017 amounts to 235.2 million euros, compared to 130.2 million euros in 2016, driven in part by a variation of 95 million euros (or 4%) in the underlying value of the property portfolio over 2017. The net result (IFRS) per share for 2017 amounts to 10.84 euros, compared to 6.86 euros in 2016.
- ► The occupancy rate³ was 97.4%, compared to 97.0% on 31 December 2016. The average duration (until the first termination date) of the lease contracts in the WDP portfolio is 6.2 years (including solar panels).
- ▶ On 31 December 2017, the gearing ratio was 51.5%/53.1% (IFRS⁴/proportionate), compared to 49.2%/50.5% on 31 December 2016.

- ► The EPRA NAV⁵ was 58.3 euros on 31 December 2017, compared to 51.2 euros on 31 December 2016. The IFRS NAV was 56.3 euros on 31 December 2017, compared to 48.4 euros on 31 December 2016.
- ▶ The total identified investment volume under the 2016-20 growth plan comes to approx. 750 million euros, which is 3/4 of the initially planned investment volume of 1 billion euros. This is a package of complementary acquisitions and pre-leased new construction projects for new and existing clients, resulting from the strong commercial platform in the Benelux region and Romania and WDP's position as both a developer and long-term final investor.
- ▶ Based on this, WDP has raised its investment volume target within the framework of the growth plan 2016-20 from 1 billion euros to 1.25 billion euros. The company aims to achieve this by means of continued growth within the existing core geographic markets, with emphasis on the Netherlands and Romania, given factors such as the commercialisation of the recently purchased landholdings, which is currently in full commercialisation. For the period 2018-20, we will strive for a cumulative increase in EPRA Earnings of 25%, to 7.00 euros per share, compared to 5.60 in 2017.6

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

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

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

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

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

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

- ► For 2018, WDP projects EPRA Earnings of 6.00 euros per share (an increase of 7%). Based on this outlook, the dividend for 2018 (payable in 2019) is now set to rise to 4.80 euros gross per share, marking another increase this time of 7% over 2017.6
- On 17 October 2017, WDP was awarded the honour of Belgian Entrepreneur of the Year® 2017.

2. Notes to the consolidated profit and loss account 2017 (analytical schedule)

Property result

The property result for 2017 amounts to 154.5 million euros, an increase of 10.6% compared to last year (139.7 million euros). This increase is driven by continued portfolio growth in 2016-17, primarily in Belgium, the Netherlands, France, Luxembourg and Romania, through acquisitions and the completion of pre-leased projects. Based on an unchanged portfolio, the gross rental income rose by +1.1%, mainly driven by the indexing of leases. The property result also includes 10.3 million euros in income from solar panels (compared to 8.4 million euros in the same period last year, when the installed capacity was smaller).

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

Operating property result (before the result on the portfolio)

The operating result (before the result on the portfolio) amounts to 142.8 million euros in 2017, an increase of 9.7% compared to the same period last year (130.2 million euros). Property and other general expenses amounted to 11.7 million euros for the 2017 financial year, an increase of 2.2 million euros compared to the costs for the same period in 2016, when these costs were unusually low. WDP succeeded in further controlling costs, with the operating margin⁸ for 2017 coming to 92.5% – in line with the average in recent years.

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 -25.7 million euros for 2017, an improvement over last year (-30.3 million euros). This is due to lower outstanding financial debt on average after the capital increase in November 2016, the interest received on loans provided to the Romanian joint venture and an organic improvement thanks to further optimisation in the hedges.

The total financial debt (as per IFRS) amounted to 1,349.8 million euros as at 31 December 2017, compared to 1,045.9 million euros in the same period last year. The average cost of debt comes to 2.6% for 2017, compared to 2.8% in 2016.

Share in the results of associated companies and joint ventures

The amount of 5.2 million euros for 2017 stems from the underlying result of the core activities of the Romanian and Luxembourg joint ventures. It also includes a deferred tax asset of 2.5 million

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

⁹ 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.

Consolidated results in euros (x 1,000)	FY 2017	FY 2016	∆ y/y (abs.)	Δ y/y (%)
Rental income, net of rental-related expenses	143,574	131,654	11,920	9.1%
Indemnification related to early lease terminations	801	55	745	n.r.
Income from solar energy	10,331	8,379	1,952	23.3%
Other operating income/costs	-213	-427	214	n.r.
Property result	154,493	139,661	14,831	10.6%
Property charges	-4,959	-4,044	-915	22.6%
General company expenses	-6,695	-5,376	-1,319	24.5%
Operating result (before the result on the portfolio)	142,839	130,242	12,597	9.7%
Financial result (excluding changes in the fair value of financial instruments)	-25,734	-30,284	4,550	-15.0%
Tax on EPRA Earnings	-367	-91	-275	n.r.
Deferred taxes on EPRA Earnings	-565	-751	186	n.r.
Share in the results of associated companies and joint ventures	5,247	1,645	3,602	n.r.
EPRA Earnings	121,421	100,760	20,660	20.5%
Movement in the fair value of investment property (+/-)	94,763	34,046	60,717	n.r.
Result on disposal of investment property (+/-)	929	-41	970	n.r.
Deferred taxes on portfolio results (+/-)	-79	-1,057	978	n.r.
Share in the results of associated companies and joint ventures	5,876	-1,755	7,630	n.r.
Result on the portfolio	101,489	31,193	70,296	n.r.
Changes in the fair value of the financial instruments	16,470	1,787	14,684	n.r.
Changes in the fair value of the financial instruments	16,470	1,787	14,684	n.r.
Depreciation and write-down on solar panels	-3,904	-3,066	-838	n.r.
Share in the results of associated companies and joint ventures	-319	-441	122	n.r.
Depreciation and write-down on solar panels	-4,224	-3,507	-716	n.r.
Net result (IFRS)	235,156	130,232	104.923	n.r.

Key ratios (in euros)	FY 2017	FY 2016	Δ y/y (abs.)	Δ y/y (%)
EPRA Earnings/per share ¹	5.60	5.30	0.29	5.6%
Result on the portfolio/per share ¹	4.68	1.64	3.04	n.r.
Change in the fair value of the financial instruments/per share ¹	0.76	0.09	0.67	n.r.
Depreciation and write-down on solar panels/per share ¹	-0.19	-0.18	-0.01	n.r.
Net result (IFRS)/per share ¹	10.84	6.86	3.99	n.r.
EPRA Earnings/per share ²	5.52	4.72	0.79	16.8%
Proposed payment	99,041,747	90,848,943	8,192,803	9.0%
Dividend payout ratio (versus EPRA Earnings) ³	81.6%	90.2%	-8.6%	n.r.
Gross dividend/per share	4.50	4.26	0.24	5.6%
Net dividend/per share	3.15	2.98	0.18	5.7%
Weighted average number of shares	21,687,261	18,997,071	2,690,190	14.2%
Number of outstanding shares at the end of the period	22,009,277	21,326,043	683,234	3.2%

¹ Calculated on the weighted average number of shares.

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

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

euros that was recognised in light of the recent acceleration in the expansion of Romanian activities, which means the structural profitability will allow future profit to be offset against available tax losses carried forward.

EPRA Earnings

The EPRA Earnings of WDP for 2017 amount to 121.4 million euros. This result marks an increase of 20.5% over the result of 100.8 million euros in 2016. EPRA Earnings per share are up 5.6% year-on-year, including an increase of 14% in the weighted average number of outstanding shares, primarily due to the capital increase in late 2016, which significantly improved the balance sheet.

Result on the portfolio (including share in the result of joint ventures)

The result on the portfolio (including share in the result of joint ventures)¹⁰ for the entire 2017 financial year amounts to +101.5 million euros or +4.68 euros per share¹¹. For the same period last year, this result amounted to +31.2 million euros or +1.64 euros per share. This breaks down as follows by country for 2017: Belgium (+30.0 million euros), the Netherlands (+61.3 million euros), France (+4.3 million euros), Romania (+6.8 million euros) and Luxembourg (-1.0 million euros).

The revaluation of 101.5 million euros marks an increase in the value of the underlying portfolio of 4.5% driven by sustained investor interest in logistics properties, prompting the property experts to adjust yields by an average of 36 basis points this year to date.

Change in the fair value of the financial instruments

The change in the fair value of financial assets and liabilities amounts to +16.5 million euros or +0.76 euros per share for 2017 (compared to +1.8 million euros or +0.09 euros per share in 2016). This positive impact stems from fluctuations in the fair value of the interest rate hedges entered into (Interest Rate Swaps) on 31 December 2017 due to the increase in long-term interest rates over the course of 2017.

The change in the fair value of these interest rate hedges has been fully accounted for in the profit and loss account, not in shareholders' equity. Since this impact involves a non-cash and unrealised item, it is excluded from the financial result in the analytical presentation of the results and is shown separately in the profit and loss account.

Depreciation and write-down on solar panels

The solar panels are presented on the balance sheet at fair value based on the revaluation model in accordance with IAS 16 Tangible fixed assets. In compliance with IAS 16, WDP must include a depreciation component in its IFRS accounts according to the residual life of the PV installations. The depreciation is calculated based on the fair value from the previous balance sheet date. This newly calculated net book value is then revaluated at fair value. This revaluation is recognised directly in the shareholders' equity to the extent that it still exceeds the historical cost price, plus accumulated depreciations. If it does not, then it is entered in the profit and loss account. The depreciation component and write-down amounts to -4.2 million euros. Since this impact involves a non-cash and unrealised item, it is excluded from the financial result in the analytical presentation of the results and is shown separately in the profit and loss account.

¹⁰ Result on the portfolio (including participation in joint ventures): real-ised and unrealised capital gains/loss with respect to the valuation by the property experts at the end of the last financial year, 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.

¹¹ PResult on the portfolio (including participation in joint ventures) per share: this is the result on the portfolio (including participation in joint ventures) based on the weighted average number of shares.

¹² 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.

Net result (IFRS)

The EPRA Earnings along with the result on the portfolio (including participation in joint ventures), the change in the fair value of financial instruments and the depreciation and write-down for solar panels produce a net result (IFRS) of 235.2 million euros in 2017 (compared to the same period last year, when this figure was 130.2 million euros).

The difference between the net result (IFRS) of 235.2 million euros and the EPRA Earnings of 121.4 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 writedown of the solar panels.

3. Notes on the 2017 consolidated balance sheet

Property portfolio¹³

According to independent property experts Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate, the fair value¹⁴ of the WDP property portfolio according to IAS 40 amounted to 2,567.4 million euros on 31 December 2017, compared to 2,110.0 million euros at the start of the financial year (including the *Assets held for sale*). Together with the valuation at fair value of the investments in solar panels¹⁵, the total portfolio value grew to 2,669.8 million euros, compared to 2,203.8 million euros at 2016 year-end.

This value of 2,567.4 million euros includes 2,340.5 million euros in completed properties (standing portfolio). The projects under develop-

ment account for 126.6 million euros, including Dutch projects in Echt, Barendrecht, Bleiswijk, Veghel, Moerdijk and Amsterdam and Romanian projects in Bucharest, Cluj-Napoca, Oarja, Aricestii Rahtivani (Ploiesti), Roman, Oradea, Timisoara, Ramnicu Valcea, Constanta and Paulesti. In addition, WDP also holds land reserves in Sint-Niklaas, Courcelles, Heppignies, Tiel, Bleiswijk, 's-Hertogenbosch and Schiphol and the land bank in Romania, together having a fair value of 100.3 million euros.

The investments made in solar panels were valued at a fair value of 102.4 million euros as at 31 December 2017.

The overall portfolio is currently valuated at a gross rental yield of 7.1%¹⁶. The gross rental yield after deduction of the estimated market rental value for the unleased parts is 6.9%.

Shareholder's equity

At 31 December 2017, the group's shareholders' equity (IFRS) amounted to 1,238.4 million euros, compared to 1,032.4 million euros at the end of the previous financial year. Shareholders' equity exclusive of the fair value of financial assets and liabilities (included in IFRS shareholders' equity) was 1,281.3 million euros as at 31 December 2017, compared to 1,091.7 million euros at 2015 year-end. This increase is a consequence of the capital base growth thanks to profit generation during 2017, the payment of the dividend for the 2016 financial year and the capital increase in 2017 following the optional dividend and the capital increase resulting from the partial demerger of Rettig Belgium NV by contribution in WDP in the autumn of 2017. In addition, the property portfolio also enjoyed value growth, as estimated by the independent experts. The shareholders' equity of the group (EPRA), excluding the cumulative mark-to-market (M-t-M)

¹³ Under IFRS 11 Joint arrangements, the joint ventures (mainly WDP Development RO, in which WDP retains 51%) are incorporated using the equity method. WDP's share in the portfolio of WDP Development RO (51%) and WDP Luxembourg (55%) still appeared as part of the statistics in the reporting on the portfolio.

¹⁴ For the precise valuation method used, please refer to the BE-REIT press release dated 10 November 2016.

¹⁵ Investments in solar panels are valuated in compliance with IAS 16 by applying the revaluation model.

¹⁶ Calculated by dividing the annualised contractual gross (cash) rents and the rental value of the unlet properties by the fair value. The fair value is the value of the investment properties after deduction of transaction costs (mainly transfer tax).

Consolidated balance sheet in euros (x 1,000)	31.12.2017	31.12.2016	Δ y/y (abs.)	Δ y/y (%)
Intangible fixed assets	146	160	-14	n.r.
Investment property	2,404,027	2,036,723	367,304	18.0%
Other tangible fixed assets (including solar panels)	95,876	86,218	9,658	11.2%
Financial fixed assets	97,469	24,805	72,663	292.9%
Trade receivables and other fixed assets	3,411	3,796	-386	-10.2%
Participation in affiliated companies and joint ventures – equity method	31,626	14,357	17,269	120.3%
Fixed assets	2,632,554	2,166,060	466,494	21.5%
Assets held for sale	7,525	1,367	6,158	n.r.
Trade receivables	9,042	10,662	-1,619	n.r.
Tax receivables and other current assets	22,830	2,902	19,928	n.r.
Cash and cash equivalents	1,231	340	891	n.r.
Accruals and deferrals	2,116	1,277	839	n.r.
Current assets	42,745	16,549	26,196	n.r.
Total assets	2,675,299	2,182,608	492,690	n.r.
0	400.070		5.404	0.40/
Capital	168,873	163,752	5,121	3.1%
Issue premiums	545,154	492,330	52,825	10.7%
Reserves	289,256	246,038	43,218	17.6%
Net result for the financial year	235,156	130,232	104,923	80.6%
Liabilities	1,238,439	1,032,352	206,086	20.0%
Long-term liabilities	1,158,293	931,075	227,218	24.4%
Long-term financial debt	1,108,966	866,463	242,503	28.0%
Other long-term liabilities	49,328	64,613	-15,285	-23.7%
Short-term liabilities	278,566	219,180	59,386	27.1%
Short-term financial debt	240,849	179,473	61,376	34.2%
Other short-term liabilities	37,717	39,708	-1,990	-5.0%
Liabilities	1,436,860	1,150,256	286,604	24.9%
Total liabilities	2,675,299	2,182,608	492,690	22.6%
Key ratios	31.12.2017	31.12.2016	∆ y/y (abs.)	∆ y/y (%)
(in euros per share)				
IFRS NAV	56.3	48.4	7.9	16.2%
EPRA NAV	58.3	51.2	7.0	13.8%
Share price	93.4	84.8	8.6	10.0%
Premium/Discount with regard to EPRA NAV	60.3%	65.5%	-5.2%	n.r.
	22.070	22.370	2.270	
(in euros x million)				
Fair value of the portfolio (including solar panels) ¹	2,669.8	2,203.8	466.0	21.1%
Debts and liabilities included in the gearing ratio	1,374.1	1,071.7	302.5	28.2%
Balance sheet total	2,675.3	2,182.6	492.7	22.6%
Gearing ratio (IFRS)	51.5%	49.2%	2.3%	n.r.

53.1%

50.5%

Gearing ratio (proportionate)²

n.r.

2.6%

¹ Including the proportionate share of WDP in the portfolio of WDP Development RO (51%) and WDP Luxembourg (55%).

² For the method used in the calculation of the gearing ratio, please refer to the Belgian Royal Decree of 13 July 2014 on GVVs/SIRs.

value of the interest rate hedges (included in IFRS shareholders' equity), amounted to 1,164.5 million euros on 31 December 2017.

NAV per share

The EPRA NAV per share amounted to 58.3 euros on 31 December 2017. This marks an increase of 7.1 euros compared to an EPRA NAV per share of 51.2 euros on 31 December 2016 as a consequence of the profit generation and revaluation of the portfolio, also including the dividend payment for the 2016 financial year. The IFRS NAV per share¹⁷ came to 56.3 euros on 31 December 2017, compared to 48.4 euros on 31 December 2016.

Debt

The total (long-term and short-term) financial debts have increased to 1,349.8 million euros by 31 December 2017, compared to 1,045.9 million euros as at the end of December 2016. The short-term financial debt of 241 million euros mainly includes the traditional commercial paper programme (186 million euros).

The balance sheet total rose from 2,182.6 million euros on 31 December 2016 to 2,675.3 million euros by the end of December 2017. The gearing ratio came to 51.5%/53.1% (IFRS/proportionate) on 31 December 2017, compared to 49.2%/50.5% (IFRS/proportionate) on 31 December 2016.

The weighted average term of WDP's outstanding financial debt on 31 December 2017 was 4.1 years¹⁸. If only the total drawn and undrawn long-term credits are taken into account, the weighted average term amounts to at least 4.5 years¹⁹. On

The average cost of debt was 2.6% in 2017. The Interest Coverage Ratio²¹ is equal to 4.9x for the same period, compared to 4.1x in 2016. The hedge ratio²², which measures the percentage of financial debt with a fixed or floating interest rate and subsequently hedges this by means of Interest Rate Swaps (IRS), comes to 91%, with a weighted average hedged term of 7.6 years.

³¹ December 2017, the total amount of undrawn and confirmed long-term credit facilities was 130 million euros²⁰. In addition, WDP is currently in negotiations regarding various new credit facilities. As for maturity dates in 2018, they have all been extended.

¹⁷ The IFRS NAV is calculated as shareholders' equity as per IFRS divided by the total number of shares entitled to dividend on the balance sheet date. This is the net value according to Belgian GVV/SIR legislation.

¹⁸ Including the short-term debts: these mainly consist of the commercial paper programme, which is fully hedged with backup facilities.

¹⁹ For some credits, at the request of the company, the lender may decide to extend the credit by means of an extension option. If this option is exercised every time, the weighted average term of long-term debt will be 4.8 years.

²⁰ Excluding the credit facilities to hedge the commercial paper programme.

²¹ Defined as operating result (before result on the portfolio), divided by interest charges, minus interest and dividends collection, minus compensation for financial leasing and others.

²² Medge 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 Companies Act (the GVV/SIR Act).

4. Contribution to the treasury

In 2017 WDP and its subsidiaries together paid 35.2 million euros in social, fiscal and sector-specific taxes to the treasury.

in euros (x 1,000)	FY 2017	FY 2016
Corporate tax	360	220
Exit tax	331	2,832
Advance levy	26,031	20,359
Subscription fee	1,104	921
Social security contribution (employers' contribution)	788	637
Non-recoverable VAT	746	1,659
Property tax and other taxes related to immovable goods borne by the owner	3,039	2,589
Registration fees	2,500	4,028
Other taxes	279	240
Total	35,178	33,485

3. Transactions and realisations

1. Introduction

The identified investment volume under the 2016-20 growth plan currently comes to approx. 750 million euros, which is 3/4 of the initially planned investment volume of 1 billion euros (investment volume target raised to 1.25 billion euros). This is a package of complementary acquisitions and pre-leased new construction projects for new and existing clients, resulting from the strong commercial platform in the Benelux region and Romania and WDP's position as both a developer and long-term final investor.

On 31 December 2017, the portfolio had an occupancy rate of 97.4%, compared to 97.0% at the end of 2016. This increase was driven by various leases in the Belgian portfolio. Out of the 13% of lease agreements reaching their next expiry date in 2017, 99% were successfully extended. This reaffirms the trust customers have in WDP.

2. Acquisitions and disposals

2.1. Acquisitions

During 2017 a number of successful acquisitions have been realised, with a total investment volume of 134 million euros. All of these acquisitions were made at prices in line with the fair value determined in the valuations from the independent property experts. WDP generates an overall gross initial rental yield of approx. 7.0% on this.

Belgium

ZONHOVEN. **VOGELSANCKLAAN 250:**

an industrial site featuring approx. 43,000 m² in production and warehouse space in the immediate vicinity of the Lummen motorway junction. The acquisition was completed in mid-September by means of a partial demerger and paid for by issuing new WDP shares in the amount of approx. 17 million euros. The site is leased to Rettig ICC in line with market conditions under a triple net lease for an initial minimum term of ten years.²³

WESTERLO, **NIJVERHEIDSSTRAAT 13:**

new site for US cosmetics firm Estée Lauder with an area of approx. 30,000 m² (with expansion potential for the future) under a long-term lease with a fixed term of 15 years. The investment budget for this site comes to approx. 25 million euros. The expansion of this new site was implemented in a joint venture between real estate partners WDP and Thys Bouwprojecten.24

²³ See the press release from 13 September 2017.

²⁴ See the press release from 13 July 2017.

The Netherlands

DE LIER, JOGCHEM VAN DER HOUTWEG:

within the framework of its partnership with The Greenery, WDP has acquired a parcel with 21,000 m² of buildings, formerly owned by The Greenery and leased to De Jong Verpakking, which handles carton packaging for The Greenery. De Jong Verpakking has signed an eight-year lease for the existing buildings. WDP will examine how the site can be redeveloped in the future in collaboration with De Jong Verpakking. The investment budget amounts to some 9 million euros, with a projected annual rental income of 0.6 million euros. This transaction was announced in late 2016 and completed in July 2017.

BREDA, PRINSENHIL 1-3 AND THE HAGUE, WESTVI IFTWEG 7-8:

WDP took over these two sites, measuring over 17,000 m² and approx. 33,000 m², respectively, from ProDelta. The site in Breda is leased to various logistics service providers based on leases with a remaining term of approx. one and a half years. CEVA Logistics is leasing the site in The Hague under a lease with a remaining term of around four and a half years. The total investment amount is 28 million euros, with a projected annual rental income of 2.2 million euros.

UTRECHT, RUIMTEWEG 1-5:

industrial space of over 15,000 m² leased to logistics service provider C. van Heezik under a ten-year lease. The investment budget amounts to approx. 10 million euros.

Luxembourg²⁵

In mid-October 2017, WDP successfully completed the previously announced acquisition in Luxembourg. This acquisition was carried out by purchasing 55% of the shares in the joint venture WDP Luxembourg SA (formerly S.O.L.E.I.L. SA). The remaining 45% is held by the Grand Duchy of Luxembourg, which will remain a joint venture partner. The company owns an existing building of around 26,000 m². This site is leased to Ampacet. The investment budget (based on 100% of the investment) amounts to around 22 million euros. Ampacet has a lease for the existing space with a remaining duration of three years.

France

TOULOUSE, ZAC GRAND SUD LOGISTIQUE INDUSTRIAL ZONE:

in a sale-and-rent-back transaction, WDP acquired a new warehouse of approx. 44,000 m² under construction for the retailer Action in mid-July 2017. The international non-food discounter needed a fifth distribution centre in Europe to support its further expansion and future growth. Action will use this site to supply its shops in Southern France. For this new site, Action is signing on to a fixed twelve-year lease that starts on 1 February 2018 after an occupancy preparation period. The investment budget for this transaction is some 27 million euros for WDP, with an expected annual rental income of 1.7 million euros per year.

Romania²⁶

BUCHAREST (3):

acquisition of a site strategically located along the Ring Road north-west of Bucharest. This site comes with two existing warehouses (a building of approx. 7,400 m² and a building of approx. 5,500 m²). The remaining land resources will accommodate a third building of over 6,000 m² slated for delivery over the course of Q1 2018. The buildings will be leased to Aquila under a fixed 6-year lease (with an option to extend). The investment budget amounts to a total of approx. 8 million euros.

2.2. Disposals

LEUVEN. VAART 25-35:

anticipating the need for more housing in this part of the city, WDP entered into a partner-ship agreement with project developer L.I.F.E. to convert the existing Hungaria building into a residential tower block. I Love Hungaria is slated for completion in the spring of 2019. As part of this project, WDP is selling this site in phases, in collaboration with L.I.F.E.²⁷ 52% of the surface area has already been sold.

In addition, the sites at ESTAIMPUIS, MERCHTEM and OUD-BEIJERLAND were also sold over the course of 2017. Currently, on amount of 7.5 million euros in *Assets held for sale* is recognised in the balance sheet. This covers the sites in Meer and part of the site in Leuven.

3. Projects completed in 2017

Over the course of 2017, as announced, WDP successfully delivered the following pre-leased projects. The initial gross rental yield for all of these completed projects is 6.9%, with an investment budget of approx. 143 million euros.

Belgium

ZELLIK, Z4 BROEKOOI 295:

after tenant Antalis pulled out and moved into a smaller, more customised building, the space that became available was 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) has been developed under a lease with a fixed 15-year term. The investment for this redevelopment amounts to approx. 14 million euros for WDP (excluding initial acquisition of the site).

WDPORT OF GHENT:

logistics service provider Mainfreight has moved into a new warehouse of 9,000 m² (with expansion potential to 30,000 m²) based on a long-term ten-year lease agreement (with first termination date after five years). The investment budget amounts to around 4 million euros.

BORNEM, OUDE SLUISWEG:

following the acquisition of the FMCG campus in Bornem in 2015, after completion, WDP acquired the third and final phase, currently in full commercialisation. Along with the first two phases, this site constitutes an XXL platform of approx. 100,000 m². The investment involves an amount of approx. 7 million euros.

The Netherlands

OOSTERHOUT, DENARIUSSTRAAT:

new development site of approx. 10,000 m² for Brand Masters, specialised in the development and distribution of chocolate and confectionery, under an eleven-year lease agreement. The investment budget amounts to around 7 million euros.

BARENDRECHT, DIERENSTEINWEG 30:

a new construction for the expansion of The Greenery's existing Retail DC. The new construction will also accommodate the logistics activities of Hagé International, the import department of The Greenery. A second new construction has been completed for the existing Euro Pool System container washing plant, where The Greenery's crates are washed. Altogether these come to 40,000 m². The investment budget amounts to around 18 million euros.

VEGHEL, MARSHALLWEG 2:

partial redevelopment of a strategic FMCG campus for Kuehne + Nagel, already owned by WDP. This phased redevelopment involves replacing 31,000 m² in old warehouse space with a brand-new, state-of-the-art distribution centre totalling around 48,000 m². The first phase will see the delivery of some 19,000 m². The total investment budget for this redevelopment amounts to approx. 22 million euros.²8

²⁸ See also 6.3.4 Management report – Transactions and realisations – Projects under development – Netherlands.

VENLO, TRADE PORT NOORD:

on a newly acquired land resource, WDP welcomes logistics service provider DB Schenker, already a WDP tenant in France, which has used this site to expand its operations within the Dutch Limburg region. WDP provided its tenant with a new multi-user warehouse totalling some 50,000 m². The investment amount for this project comes to approx. 30 million euros.

HEERLEN, EARL BAKKENSTRAAT:

logistics service provider CEVA Logistics, along with WDP, has expanded a pharma hub with growth potential. CEVA Logistics organises logistics for medical devices for Medtronic. The first phase of the new, fully GDP-compliant²⁹ construction amounts to over 33,000 m². CEVA Logistics is signing on to a basic five-year lease. The investment budget for WDP is approx. 32 million euros.

Romania³⁰

CLUJ-NAPOCA (4):

new construction project for Arcese that was delivered in mid-June 2017. This logistics service provider now enjoys over 4,700 m² under a five-year lease agreement. The investment budget amounts to approx. 2 million euros.

BUCHAREST (1):

on a newly purchased parcel to the north of Bucharest, a distribution centre has been set up for Decathlon: a warehouse of approx. 22,000 m² fitted with a mezzanine with an additional 6,000 m², plus 10,000 m² in expansion potential. Decathlon provisions its shops from this site and has signed on to a 30-year lease agreement (with first termination date after seven years). The investment budget amounts to approx. 15 million euros.

TIMISOARA (1):

international logistics service provider Kuehne + Nagel has moved into a new distribution centre of approx. 5,000 m² under a five-year lease. The investment budget amounts to approx. 2 million euros.

BUCHAREST (2):

a second project on this site, for retailer Carrefour, which moved into a distribution centre of around 11,000 m² with an expansion to 16,000 m² under a ten-year lease. The investment budget amounts to approx. 8 million euros.

OARJA (1):

existing tenant Röchling doubled its current warehouse space, adding around 7,700 m² in additional distribution space under a long-term ten-year lease. The investment budget amounts to around 3 million euros.

²⁹ See also 6.3.4 Management report – Transactions and realisations – Projects under development – Netherlands.

³⁰ Based on 100% of the investment

OARJA (2):

a distribution centre for logistics service provider CEVA Logistics, which handles logistics activities for Pirelli on this site. The new custom-built warehouse totalling over 11,000 m² is under a three-year fixed-term lease. The investment budget amounts to approx. 4 million euros.

4. Projects under development

WDP expects the total of projects under development of approx. 213 million euros to generate an initial gross rental yield of around 6.9%.

The Netherlands

ECHT, FAHRENHEITWEG:

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

BARENDRECHT, DIFRENSTFINWEG 30:

in line with the purchase of building C-D, this site will be redeveloped with a future gross area of approx. 23,700 m², customised for tenant The Greenery, for a term of at least 15 years (phased completion slated for the first quarter of 2018 and the first quarter of 2019). The investment budget amounts to around 10 million euros.

BLEISWIJK, MAANSTEENWEG/ SPECTRUMLAAN:

in early 2016, WDP purchased a landholding of approx. 7 hectares on this site. For Media. a distribution centre of around 25,000 m² is being set up, with delivery slated for the third guarter of 2018 (after the warehouse is fully fitted out by Media). Moreover, for Total Exotics, a customised warehouse measuring 6,000 m² is under construction, with delivery scheduled for the first quarter of 2018, based on a twelve-year lease (with the first termination date after six years). For Toolstation, a new warehouse is under construction with an area of around 11,900 m², with completion scheduled for the third quarter of 2018. Toolstation is signing on to a ten-year lease for this. The total investment budget for both projects amounts to approx. 28 million euros.

VEGHEL, MARSHALLWEG 2:

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

³¹ See also 6.3.4 Management report – Transactions and realisations – Projects completed in 2017 – Netherlands

MOERDIJK, ENERGIEWEG 4:

a distribution centre totalling approx. 18,000 m² to be specially developed for the storage of packaged hazardous substances for Gondrand Traffic under a long-term 15-year lease. WDP plans to deliver this site over the course of the second quarter of 2018. This has an investment budget of about 18 million euros.

AMSTERDAM, KAAPSTADWEG:

new distribution centre with cross-docking warehouse totalling over 14,000 m² for DHL Parcel with an investment budget of approx. 14 million euros. Completion is projected for the course of the fourth quarter of 2018. DHL Parcel will rent the premises from WDP under a 15-year long-term lease. After delivery, it will be the tenth site in the WDP property portfolio customised for DHL in the Benelux region.

ZWOLLE, PADERBORNSTRAAT:

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

ROTTERDAM, OUDELAND INDUSTRIAL PARK:

construction of a new property of around 6,700 m² for food industry supplier Synergy Food under a long-term 15-year lease. This new construction will accommodate the new production and warehouse centre, to guarantee Synergy Food adequate room for future growth and new developments. The building is slated for delivery in the fourth quarter of 2019. WDP projects an investment budget of some 7 million euros.

HEIENOORD, HOEKSE WAARD INDUSTRIAL PARK:

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

ARNHEM, IJSSELOORD 2 INDUSTRIAL PARK:

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

Luxembourg³²

EUROHUB SUD:

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

Romania³²

CLUJ-NAPOCA (3):

at this site, the supermarket chain Profi is centralising its retail service for fruit and vegetables for the Transylvania region. In phases, WDP will develop a customised refrigerated distribution centre, with offices, totalling over 15,000 m², with delivery slated for the first quarter of 2018. Profi is signing on to a long-term ten-year lease agreement. The investment budget amounts to approx. 10 million euros.

ARICESTII RAHTIVANI (PLOIESTI):

newly built warehouse with offices of about 4,500 m² for Kamtec, specialising in car parts, which is signing on to a long-term ten-year lease. Delivery of this site is scheduled for the first quarter of 2018. The investment budget amounts to approx. 3 million euros.

ROMAN:

in Roman, located in the north-east of Romania, a new construction project of around 34,000 m² is starting up in phases. Profi is signing on for a long-term fixed ten-year lease after delivery of the site, planned in two phases: one in the fourth quarter of 2017 and one in the first quarter of 2018. The investment budget amounts to around 15 million euros.

ORADEA (1):

on this new WDP site, a new warehouse with offices of over 4,000 m² is under development for Kuehne + Nagel, with delivery scheduled for the first quarter of 2018. Kuehne + Nagel has signed on to a fixed five-year lease for this site. The investment budget amounts to approx. 2 million euros.

TIMISOARA (2):

newly built warehouse totalling around 8,000 m² for logistics service provider TE Connectivity Solutions, which will lease this site under a long-term ten-vear lease with a termination date after seven years. WDP plans to deliver this site over the course of the first quarter of 2018. The investment budget amounts to approx. 3 million euros.

RAMNICU VALCEA (3):

at the request of current tenant Faurecia, the current area will be expanded by approx. 4,800 m², with delivery scheduled for the first quarter of 2018, based on a ten-year lease after delivery covering both the existing and new warehouse space. The investment budget for this expansion amounts to around 3 million euros.

ORADEA (2):

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

OARJA (3):

the site under construction for CEVA Logistics will be immediately fitted with an expansion: two additional newly built warehouses of approx. 10.000 m² and 19.000 m², slated for the first and second quarters of 2018, respectively. CEVA Logistics is signing on to a three-year lease for the complete site. WDP projects an investment budget for this expansion of some 10 million euros.

CONSTANTA:

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

PAULESTI (1):

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

PAULESTI (2):

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

15.000

35,000

5. Future potential

For future growth and expansion of the property portfolio in the service of our clients, WDP has over 1 million m² in buildable surface, worth approx. 100 million euros.

Fre	ehold (full ownership)	Potential buildable surface (in m²)
BE	Heppignies	60,000
BE	Courcelles	10,000
BE	Multiple sites	70,000
NL	Tiel	30,000
NL	Bleiswijk	45,000
NL	's-Hertogenbosch	50,000
NL	Schiphol	20,000
NL	Multiple sites	10,000
RO	Multiple sites	500,000
Lea	asehold (options on concessions)	Potential buildable surface (in m²)
BE	WDPort of Ghent	150,000
BE	Trilogiport	35,000
LU	Eurohub Sud	50,000
Lea	asehold (exclusive option)	Potential buildable surface (in m²)
NL	Schiphol Logistics Park	10,000

6. Sustainability

Nieuwegein

Bleiswijk

NL

NL

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

WDP has kicked off the second phase of its solar panel project in the Netherlands, with a total investment of some 25 million euros. In collaboration with the clients, this project will add a total of 25 MWp in additional capacity to the PV portfolio by the end of 2019.

By 2017 year-end, an additional 25 MWp of capacity had been installed on the roofs of WDP warehouses in the Netherlands. Along with installations in Belgium and Romania, WDP is moving from a current 60 MWp towards 85 MWp of installed solar capacity in its portfolio. Over the medium-term, WDP will strive for a total PV portfolio of 100 MWp.



Entrepreneur of the Year*
Onderneming van het Jaar* 2017

On 17 October 2017, WDP was awarded the honour of Belgian Entrepreneur of the Year® 2017. In the final round, WDP beat out tanker shipping company Euronav and residential care specialist Armonea. WDP successfully won over the panel of judges in the following areas: innovative entrepreneurship, sound financial position and the boldness and determination to continue to grow. WDP views this recognition not only as a distinction for the company itself, but also for the entire sector of exchange-listed real estate firms. Real estate firms like WDP are commercial enterprises that add

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 authorities have 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 regard. WDP is still in talks with the Dutch tax authorities to examine the specific path forward here - the company believes that it should be able to pass this shareholder test and that it will be able to reach reasonable agreements with the Dutch tax authorities to retain the FBI status of WDP Nederland N.V. in the Netherlands.33

Moreover, in its coalition agreement in early October 2017, the Dutch government indicated its intention to eliminate the real-estate FBI status in 2020 due to the planned elimination of dividend tax in general. WDP is examining the impact of this with tax advisers and sector associations and is following the situation closely – an update will be provided if and when deemed necessary.

8. Significant events after the balance sheet date

WDP boosts its land bank in the Netherlands by nearly 300,000 m²

With the acquisition of new lots in three equally strategic locations in the Netherlands, WDP has expanded its landholdings on two existing sites and added a new site. These acquisitions,

³³ For information purposes, WDP estimates the difference between the fiscally transparent status of an FBI and the normal taxation regime (pro forma) to be no more than 3% of EPRA Earnings per share. This maximum theoretical impact was calculated for the unlikely scenario in which talks with the Dutch tax authorities do not end in a reasonable agreement. The change in the FBI regime will in any case have no retroactive impact.

with a total investment value of 57 million euros (43 million euros of which was spent during December 2017) and an area of 280,000 m 2 , offer approx. 150,000 m 2 in overall development potential.

- ▶ The existing site in Bleiswijk has been expanded with a 15 ha parcel (in a phased purchase), yielding over 80,000 m² in development potential. Just two years after acquiring an initial 7 ha parcel, WDP has successfully completed 43,000 m² of new warehouses for Mediq, Total Exotics and Toolstation. This new purchase was prompted by the sustained interest that WDP has attracted since its initial acquisition on this site: the Prisma Industrial Park situated in the centre of the Randstad region, an ideal location for domestic distribution.
- ▶ In late 2017, WDP exercised part of its purchase option to acquire some 4 ha of additional land to expand the Schiphol Logistics Park. This site can accommodate a new 20,000 m² distribution centre, in addition to the existing buildings leased to Rapid Logistics and Kuehne + Nagel. The site offers direct access to Schiphol Airport, the third largest cargo airport in Europe.
- ▶ Finally, WDP has added 's-Hertogenbosch as a new location in its property portfolio. The site is located in the immediate vicinity of the BCTN inland terminal, enjoying multimodal transport by rail, road and water at the junction of the A2 and the A59. On this site, under a pre-lease arrangement, WDP will build a new warehouse of around 50,000 m² in collaboration with construction firm Heembouw.

A solid foundation for growing the Romanian property portfolio towards 500 million euros by 2020

To enable further growth in the Romanian property portfolio, WDP has reinforced its capital in WDP Development RO by converting a subordinated shareholder's loan into shareholder's equity. This new structure ensures that the ownership ratio

between the two shareholders (WDP/Jeroen Biermans) changes from 51/49 to 80/20 as at January 2018. Due to this new partnership between the shareholders and the corresponding shareholdings, WDP fully consolidated this activity in its IFRS statements as at 1 January 2018, rather than using the equity method as in the past.

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

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

4. Management of financial resources

1. Funding policy

The financial policy of the WDP group is geared towards the company being ideally financed with a perfect mix of debts and shareholders' equity, and that adequate resources are available for the implementation of current projects and potential opportunities if this should occur.

The key objectives within this context are the following:

- ▶ a proactive management of the capital structure;
- an ideal balance of equity capital and borrowed capital;
- a good diversification of the various sources of financing;

- ▶ a good spread of the maturities of the liabilities;
- an adequate liquidity risk;
- ► a sustainable long-term relationship with all financing partners;
- ► an active financial risk control including interest risk, liquidity risk and counter-party risk.

The scale on which WDP practices its business activities, in combination with strict regulations which, as GVV/SIR, is subject to compliance and the high degree of visibility on the rental flows, gives WDP a competitive edge in the search for appropriate sources of financing. This is extremely important in the continuously changing financing environment where key words are high creditworthiness and diversification.

Financial key figures	31 DEC. 17	31 DEC. 16
Net financial debt (in million euros)	1,348.6	1,045.6
Debt and liabilities included in the gearing ratio (in million euros)	1,374.1	1,071.7
Balance sheet total (in million euros)	2,675.3	2,182.6
Gearing ratio (IFRS)¹ (in %)	51.5	49.2
Gearing ratio (proportionate) (in accordance with the GVV/SIR Royal Decree) (in %)	53.1	50.5
Interest Coverage Ratio ² (in x)	4.9	4.1
Average Cost of debt³ (in %)	2.6	2.8
Average remaining term of outstanding debts (in year)	4.1	4.3
Average remaining term of long-term credit facilities (in year)	4.5	4.8
Hedge ratio ⁴ (in %)	91	93
Average remaining term of interest rate hedges ⁵ (in year)	7.6	7.2

¹ 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 in accordance with IFRS that incorporates joint ventures using the equity method.

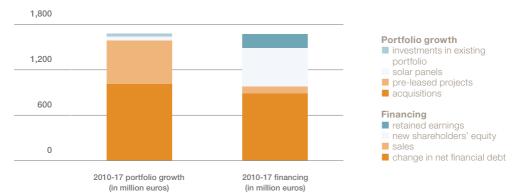
² Defined as operating result (before the result in the portfolio) divided by interest charges minus interest income and dividends minus income from financial leases and similar. This ratio indicates the extent to which the company is able to meet its annual interest payments.

³ Average cost of 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.

⁴ The hedge ratio refers to the percentage of fixed-rate and floating-rate debt hedged against interest rate fluctuations by means of derivatives. This economic parameter is not an obligatory parameter under the Belgian Regulated Real Estate Companies Act (the "GWV/SIR Act").

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

Financing sources from 2010 to 2017: matching the assets and liabilities of WDP



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 7.1%, based on very high visibility with an average lease duration (including solar panels) of 6.2 years (until the first maturity date, 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 7.6 years.

This wide margin between yields and costs ensures adequate support to cover the costs of financing, resulting in an Interest Coverage Ratio of 4.9x. Moreover, the visibility on both the income and expenses results in a robust revenue flow.

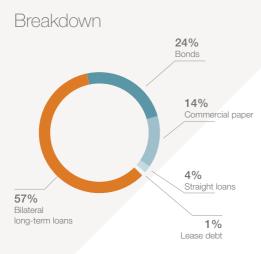
Gearing ratio

The use of debt is legally limited via the Belgian Royal Decree on GVV/SIR. For instance, the gearing ratio cannot exceed 65% (both consolidated, and in terms of the Articles of Association) and moreover, distributions to the share-

holders are only permitted if the defined limit is not exceeded – given that they must be used at that time to bring the debt ratio back down below 65%. Debts are used to optimise returns for shareholders, but must be applied with prudence taking numerous factors into account, such as access to refinancing capital, capacity to cover interest costs, quality of the portfolio, the term of the leases and the portion of projects under development. WDP prefers a financial policy in which the gearing ratio fluctuates between 55 and 60%.

At the end of 2017, the consolidated gearing ratio amounted to 51.5%/53.1% (IFRS/proportionate) compared to 49.2%/50.5% at the end of 2016³⁴.

³⁴ See also explanatory note XXI. Calculation of the gearing ratio and explanatory note on changes in gearing ratio on page 211 for application of Article 24 of the Belgian Royal Decree on GWS/SIRs.



On 31 December 2017, the total outstanding consolidated financial debt came to 1,349.8 million euros. This amount breaks down as follows:

- 776.9 million euros in traditional bilateral medium and long-term bank loans, distributed across 14 banks;
- ▶ 186.1 million euros in commercial paper³5;
- ▶ 326.2 million euros in bond loans;
- ▶ 52.8 million euros in straight loans;
- ▶ 7.9 million euros in lease debts.

Maturity dates

degree

The bulk of the debt instruments used are bullet type instruments, which implies that over the term, interest liabilities are due on the principal sum and that full repayment of the capital is due on the final expiry date. 18% of the debts involve short-term liabilities (mainly straight loans and commercial paper), the other 54% have a maturity of more than one year and 28% of that expires after more than five years. Regarding the maturity dates of the long-term debts in 2018,

lines to serve as collateral for financing, if subscription or extension of

commercial paper appears to be impossible or only possible to a limited

these respective credit facilities have all been extended.

The weighted average term of WDP's outstanding financial debt on 31 December 2017 was 4.1 years³⁶. If only the total drawn and undrawn long-term credits are taken into account, the weighted average term amounts to 4.5 years³⁷. At 2016 year-end, this was 4.3 and 4.8 years, respectively.

On 31 December 2017, the total amount of undrawn and confirmed long-term credit facilities amounted to approx. 130 million euros³⁸. Regarding the maturity dates of the long-term debts in 2018, these respective credit facilities have all been extended.

The charts below show the maturity dates of the debts. WDP aspires to achieve the best possible spread of debts in the time frame, in which a balance is likewise sought between the term, costs and a diversification of the debt instruments used. Since an extension option can be exercised for some credits by the lender at the request of WDP, in charts account was kept of the minimum and maximum term of the credits. in which in the latter case it was assumed that the extension options were carried out each time by the bank. In 2018, 256.8 million euro of debts mature, of which 186.1 million euro are related to commercial paper which, by definition, has a term of up to one year. This commercial paper or negotiable paper, as mentioned previously, is fully covered by available unused credit lines should its placement not or only partially appear to be possible.

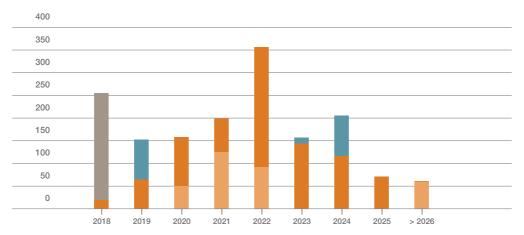
³⁵ The commercial paper is hedged with backup lines and untapped credit

³⁶ Including the short-term debts, consisting mainly of the commercial paper programme, which is fully covered by backup facilities.

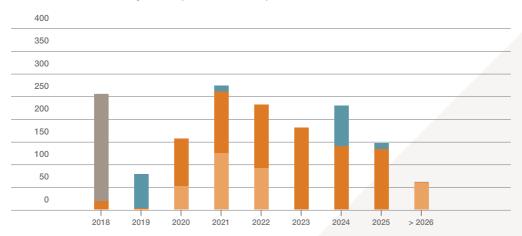
³⁷ For some credits, at the request of the company, the lender may decide to extend the credit by means of an extension option. If this option would be executed every time, the weighted average term of long-term credits amounts to 4.8 years.

³⁸ Excluding the credit facilities to hedge the commercial paper programme.

Debt maturity dates (minimum term)¹



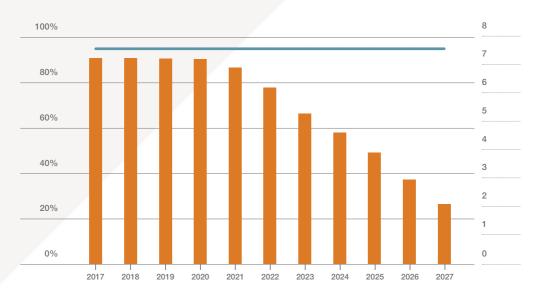
Debt maturity dates (maximum term)¹





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

Evolution hedge ratio



■ hedge ratio (left scale) ■ weighted average hedge duration (in years) (right scale)

Hedges

WDP's risk policy regarding interest rates, aims to overcome the fluctuations in interest rates as far as possible and to maximise the costs of the debts. This is done through a centrally managed macro-hedging policy, in which interest derivatives are used solely for the hedging of financial debts.

WDP took the continued low interest rates in 2017 as an opportunity to reassess its existing hedging instruments. In this context, a number of existing interest rate swaps maturing in 2019-21 were extended at a lower rate. The overall impact of these extensions is an annual saving of 0.9 million euros, or 7 basis points, on the average cost of debt.

The hedge ratio, which measures the percentage of financial debt with a fixed or floating interest rate and subsequently hedges this by means of Interest Rate Swaps (IRS), came to 91% as at 31 December 2017³⁹. For a consistent debt position this debt hedging ratio changes into 91% in 2018 and 90% in 2020. However, WDP's result is still subject to fluctuations (see also page 169 for a detailed list of financial derivatives, and page 82 for a sensitivity analysis with respect to the short-term interest rates).

³⁹ 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 203.

3. Convenants and securities

The contractual provisions of the credit facilities generally stipulate that WDP will retain its status as a Regulated Real Estate Company under Belgian law (GVV/SIR) in Belgium, including a maximum gearing ratio of 65%, that the minimum Interest Coverage Ratio is 1.5x and that the value of speculative development projects cannot exceed 15% of the book value of the portfolio. WDP confirms that all of these conditions were met throughout the entire 2017 financial year. The Interest Coverage Ratio came to 4.9x and the percentage of speculative developments came to 0% at 2017 year-end.

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 58.

4. Implementation of the financing strategy during 2017

Financing policy in 2017

2017 saw the achievement of a considerably net investment volume of approx. 400 million euros. Beforehand, an appropriate financing strategy was outlined in order to meet the investment requirements, and to safeguard the solid capital structure of the company.

For instance, the net capital expenditures were financed with new shareholders' equity for an amount of approx. 90 million euros (by means of the optional dividend, the retained earnings and a contribution in kind by means of a partial demerger) and the balance by means of new borrowing and the private placement of bonds, which could also be used to maintain a buffer of unused lines of credit of approx. 130 million euros. In addition, this also anticipated the maturity dates for loans in 2018-19. The gearing ratio

was 51.5%/53.1% (IFRS/proportionate) as at 31 December 2017.

The company boosted its financial resources over 2017 as follows:

Extension of ING credit line for 40 million euros

WDP secured extensions until 2024 for two loans with ING for 20 million euros each, maturing in 2018, in a package totalling 40 million euros.

Optional dividend of approx. 41 million euros⁴⁰:

WDP's shareholders opted to contribute their dividend rights for approx. 65% of their shares in exchange for new shares instead of cash dividend payments. This results in a capital increase for WDP of about 41 million euros through the creation of 490,361 new shares, taking into account the issue price of 83.44 euros.

► Hedge extension

During the second quarter of 2017, WDP secured extensions until 2025-27 at a lower interest rate for a total notional amount of 115 million euros in hedges with maturity dates in 2019-21. The overall impact of these extensions is an annual saving of 0.9 million euros, or 7 basis points, on the average cost of debt.

Capital increase by contribution in kind for 17 million euros

In mid-September 2017, WDP completed its acquisition of the site in Zonhoven⁴¹ by means of a partial demerger and subsequent contribution in kind, in exchange for payment of 192,873 new WDP shares. This transaction resulted in an increase of (approx.) 17.4 million euros in shareholders' equity.

⁴⁰ See the press release from 19 May 2017.

⁴¹ See 6.3.2.1 Management report – Transactions and realisations – Acquisitions and disposals – Acquisitions – Relation

New loan of 25 million euros granted by Agricultural Bank of China

WDP successfully secured a new loan with the Agricultural Bank of China for 25 million euros with a seven-year term (5+1+1), thus further expanding our partnership.

▶ New loan of 25 million euros granted by Banque de Luxembourg

WDP has entered into a partnership with Banque de Luxembourg and secured a new loan of 25 million euros under an eight-year term.

Refinancing of ABN AMRO credit line for 62.5 million euros and increase of 25 million euros

WDP successfully extended an existing loan of 62.5 million euros with ABN AMRO that matures in April 2018. The extension is for five years, with a further extension option for 1+1 year. Both of the long-term credit lines with ABN AMRO were also increased by 12.5 million euros each.

New loan of 20 million euros granted by Bank Nagelmackers

WDP has entered into a partnership with Bank Nagelmackers and secured a new loan of 20 million euros under an eight-year term.

Extension of Belfius credit lines for 50 million euros

WDP has secured extensions until 2025 for two loans with Belfius for 25 million euros each, originally maturing in September 2018 and January 2019.

New credit package of 40 million euros granted by Banque Européenne du Crédit Mutuel

WDP has entered into a collaboration with Banque Européenne du Crédit Mutuel for a credit package of 40 million euros, consisting of two loans of 20 million euros each under a seven-year term.

Financial risks

In 2017, WDP has again continuously monitored the potential impact of financial risks and has taken the necessary measures to manage these risks. These involve the counterparty risk (insolvency or credit risks with financial partners), liquidity risk (the non-availability of financing or very costly financing options) and risks relating to interest rates, budget, contractual agreements and exchange rates.

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

5. EPRA stats

EPRA key performance indicators

The statutory auditor confirms that the EPRA Earnings, the EPRA NAV and the EPRA NNNAV indicators were calculated according to the definitions of the EPRA Best Practices Recommendations and/or that the financial data used to calculate these 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 key performance measure	Definition	Purpose	in euros (x 1,000)	in euro/ 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.	121,421	5.60
II.	EPRA NAV¹	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.	1,283,979	58.3
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.	1,229,400	55.9
Table	EPRA key performance measure	Definition	Purpose		in %
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.		6.4%
III.	EPRA TOPPED-UP NIY ^a	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.		6.4%
IV.	EPRA vacancy rate	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.		2.9%

¹ NAV = Net Asset Value.

² NNNAV = Triple Net Asset Value.

³ NIY = Net Initial Yield.

I. EPRA Earnings

in euros	(x 1.000)	FY 2017	FY 2016
	ngs per IFRS profit and loss account	235,156	130,232
	adjustments for calculation of the EPRA Earnings do not include any:		,
I.	changes in the value of the investment properties and development properties held for investment and other interests	-90,859	-30,979
	- changes in the value of the property portfolio	-94,763	-34,046
	- depreciation and write-down on solar panels	3,904	3,066
II.	profit or loss on the sale of investment properties and project developments that are maintained as an investment and other interests	-929	41
VI.	changes in fair value of financial instruments and associated close-out costs	-16,470	-1,787
VIII.	deferred taxes in respect of EPRA adjustments	79	1,057
Χ.	minority interests in respect of the above	0	0
IX.	adjustments to (i) to (viii) above for joint ventures	-5,556	2,196
EPRA	Earnings	121,421	100,760
Weigh	ted average number of shares	21,687,261	18,997,071
EPRA	Earnings per share (EPS) (in euros)	5.60	5.30

II. EPRA NAV

in euros (x 1,000)	31.12.2017	31.12.2016
iii odioo (x 1,000)		
IFRS NAV	1,238,439	1,032,352
EPRA NAV/share (in euros)	56.3	48.4
Diluted NAV, after exercising options, convertibles and other equity participations	1,238,439	1,032,352
Exclude:		
iv. fair value of financial instruments	42,909	59,379
v. deferred taxes	2,631	867
EPRA NAV	1,283,979	1,092,599
Number of shares	22,009,277	21,326,043
EPRA NAV/share (in euros)	58.3	51.2
EPRA NAV	1,283,979	1,092,599
Include:		
i. fair value of financial instruments	-42,909	-59,379
ii. fair value of financial debts	-9,039	-10,686
iii. deferred taxes	-2,631	-867
EPRA NNNAV	1,229,400	1,021,667
Number of shares	22,009,277	21,326,043
EPRA NAV/share (in euros)	55.9	47.9

III. EPRA NIY and EPRA TOPPED-UP NIY

in euros (x 1,000)		31.12.2017	31.12.2016
00.00 (1. 1,000)			
Investment properties - wholly owned		2,412,794	2,036,723
Investment properties - share of joint ventures		147,096	71,408
Assets held for sale		7,525	1,367
Reduced by project developments and land reserves		-232,209	-126,415
Completed property portfolio		2,335,206	1,983,083
Allowance for estimated acquisition costs		98,054	83,767
Gross up completed property portfolio	В	2,433,260	2,066,850
Annualised cash passing rental income		161,366	144,748
Property charges		-5,621	-4,545
Annualised net rental income	A.	155,745	140,203
Notional rent expiration of rent-free period or other lease incentives		0	0
Topped-up net annualised rent	С	155,745	140,203
EPRA NIY	A/B	6.4%	6.8%
EPRA TOPPED-UP NIY	C/B	6.4%	6.8%

IV. Investment properties - Rental data and vacancy rate (EPRA)

	Gross rental income 2017	Net rental income 2017	
	in euros (x 1,000)	in euros (x 1,000)	
Belgium	63,074	60,549	
The Netherlands	73,487	71,260	
France	6,203	5,794	
Luxembourg	920	861	
Romania	4,325	5,232	
Total number of owned properties available for renting out	148,010	143,696	
Reconciliation to the consolidated IFRS profit and loss account			
Rental income related to:			
- assets held for sale	534	590	
- investment properties already sold	1,566	1,038	
- investment properties under development for own account with the purpose of being rented out	-3	0	
- income from solar panels		10,331	
- Luxembourg	-920	-861	
- Romania	-4,325	-5,232	
- other adjustments: joint ventures	0	-27	
Total	144,860	149,534	

Lettable space at 31 DEC. 17	Annualised gross rental income	Expected rental value for vacant space at 31 DEC. 17	Total expected rental value	Vacancy
(in m²)	in euros (x 1,000)	in euros (x 1,000)	in euros (x 1,000)	(in %)
1,715,439	67,226	2,687	69,914	4.6
1,680,303	79,310	985	80,295	1.3
213,467	8,145	510	8,655	5.8
14,772	933	0	933	0.0
133,003	5,751	0	5,751	0.0
3,756,983	161,366	4,182	165,548	2.9
-14,772	-933	-	-933	
-133,003	-5,751	-	-5,751	
3,609,209	154,681	4,182	158,863	

V. EPRA cost ratio

in euros (:	x 1,000)		FY 2017	FY 2016
Includi	ing:			
I.	Operating costs (IFRS)		14,119	11,678
III.	Management fees excluding actual/estimated profit element		-976	-821
IV.	Other operating income/recharges intended to cover the general costs, excluding profit margin		229	904
V.	Operating costs of joint ventures		688	1,098
Exclud	ling (if contained in the above):			
VI.	Depreciation		-719	-688
EPRA	costs (including direct vacancy costs)	A.	13,342	12,171
IX.	Direct vacancy costs		-806	-821
EPRA	costs (excluding direct vacancy costs)	В	12,536	11,350
X.	Gross rental income less rent payable on leased land (IFRS)		142,918	132,558
XII.	Gross rental income less rent payable on leased land of joint ventures		5,140	2,215
Gross	rental income	С	148,058	134,773
EPRA	cost ratio (including direct vacancy costs)	A/C	9.0%	9.0%
EPRA	cost ratio (excluding direct vacancy costs)	B/C	8.5%	8.4%

VI. Investment properties - Like-for-like net rental income

vi. investment properties - Like-for-like het rei	ital income		
	31 DEC. 17		
in euros (x 1,000)	Properties held for two years	Acquisitions	
Belgium	47,176	2,922	
The Netherlands	57,273	4,668	
France	3,527	32	
Luxembourg	0	861	
Romania	3,054	155	
Property available for lease	111,030	8,639	
Reconciliation to the consolidated IFRS profit and loss account			
Net rental income on investment properties that were previously sold	18		
Income from solar energy	8,379		
Luxembourg	0	-861	
Romania	-3,054	-155	
Other adjustments: joint ventures	-27		
Operating result on portfolio in the consolidated IFRS profit and loss account	116,345	7,623	

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			31 DEC. 16	Organic growth in net rental income in 2017 (in %)
Disposals	Projects	Total net rental income	Properties owned throughout the two years	
1,313	10,405	61,816	46,912	0.6%
307	9,355	71,603	56,467	1.4%
	2,235	5,794	3,399	3.8%
		861	0	-
	2,023	5,232	3,024	1.0%
1,619	24,018	145,306	109,802	1.1%
		18		
	1,952	10,331		
		-861		
	-2,023	-5,232		
		-27		
1,619	23,946	149,534	109,802	

VII. Investment properties - Valuation data

	Fair value	Changes in fair value during in the year	EPRA net initial yield (in %)
in euros (x 1,000)	'		
Belgium	981,544	29,750	6.4
The Netherlands	1,150,470	60,682	6.3
France	120,498	4,331	6.4
Luxembourg	11,798	-490	7.3
Romania	70,896	8,529	8.2
Investment properties available for lease	2,335,206	102,802	6.4
Reconciliation to the consolidated IFRS balance sheet			
- Investment properties under development for own account with the purpose of being rented out	119,732		
- Land reserves	107,157		
- Assets held for sale	-7,525		
- Other adjustments: joint ventures			
- Properties:	-86,689		
 Investment properties under construction for own account with the purpose of being rented out: 	-42,730		
- Land reserves:	-26,444		
Other adjustments	5,321		
Investment properties in the consolidated IFRS balance sheet	2,404,027		

VIII. Investment properties - Details regarding rental contracts

				0				
	•	Average term	D€	etails of first br	reak of lease agreements	Details of final expiry date of least agreemen		ate of lease agreements
				t of leases cor ity date in eur		Passing ren		ning to their expiry date os (x 1,000)1
Segment	until first break (in years)	until final expiry date (in years)	year 1	year 2	years 3-5	year 1	year 2	years 3-5
Belgium	4.6	7.3	10,338	10,857	28,443	4,838	3,139	20,660
The Netherlands	6.6	7.2	3,727	10,163	23,631	3,688	7,227	22,430
France	3.2	6.6	2,971	544	2,514	821	0	1,983
Luxembourg	1.9	1.9	0	933	0	0	933	0
Romania	7.9	11.3	0	73	1,334	0	0	1,043
TOTAL	5.6	7.4	17,036	22,570	55,922	9,347	11,299	46,117

¹ The current rent indicated for Luxembourg and Romania was 55% and 51%, respectively.

6. Outlook

The outlook described below includes expectations for the 2018 financial year with regard to the consolidated EPRA Earnings and WDP's consolidated balance sheet.

These forecasts were drawn up on the basis of information available on 31 December 2017.

The projections with regard to the consolidated balance sheet and the EPRA Earnings¹ represent a forecast of which the actual realisation depends on changes in the economy, the financial markets and property markets. This prospective information and these 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 specific), including a risk that these statements will not prove to be accurate.

1. Assumptions

Accounting methods

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 2017 in compliance with IFRS as applied by the European Union and implemented by the Belgian Royal Decree on GVV/SIR.

Change in the consolidation scope

As announced, in early 2018 WDP reinforced the capital of its Romanian entity by converting a subordinated loan into shareholders' equity. Due to this new structure, the stake increased from 51% to 80% and starting from 1 January 2018, WDP will fully consolidate this entity in its IFRS statements, instead of using the equity method until 31 December 2017. Thus, the outlook for 2018 was drafted including full consolidation of the Romanian entity.

Assumptions regarding elements that are beyond WDP's direct control

- ► In the changes in the rental income, account is kept of a weighted average inflation level of 1.25% which relates to the indexation of lease agreements in 2018, based on the economic consensus expectations as at 31 December 2017.
- 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 -0.25% respectively.
- ▶ The financial hedging instruments (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, no account was kept of variations in these market values. These variations are also not relevant for prospects in connection with the EPRA Earnings on which the dividend is based.
- ▶ The property portfolio (IAS 40) and solar panels (IAS 16) are valued at fair value in line with the IFRS standards. However, no predictions are made regarding variations 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

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

- the company's control. These variations are also not relevant for prospects in connection with the EPRA Earnings on which the dividend 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.
- Forecasts may also be influenced by factors such as market, operating, financial or regulatory risks as detailed in Chapter 1. Risk factors on page 2.

Assumptions that are within WDP's direct control

NET RENTAL RESULT

- ▶ This result was estimated on the basis of current contracts, keeping account of the assumptions maintained for indexation of the leasing agreements (see supra), in which the indexation was applied on an individual contract basis, according to the maturity date of the lease agreement.
- ▶ In 2018, 10% of the contracts will reach their next maturity date, of which more than 45% could already have been extended at the time of publication of the 2017 results and of which, accordingly, the current rental is known. For the 55% not yet extended, lease extensions/ renewals are taken into account: on an individual basis, an analysis has been conducted of vacancy periods, increased costs and taxes normally covered by the tenant, any renovation costs, costs for commercialisation and a new rent price on re-leasing comparable to the current price. Based on information currently available and the existing rental market situation, WDP projects a minimum average occupancy rate of 97% for 2018, in line with 97.4% at the end of 2017.

▶ The net investment volume of approx. 400 million euros achieved in 2017 will largely contribute to the result during the 2018 financial year. In addition, as announced, various pre-leased new construction projects are in execution with gradual delivery over 2018. The increase in rental income is mainly driven by this external growth.

OTHER OPERATING INCOME/EXPENSES

- ▶ This item consists mainly of income related to the solar panels. These are estimated at 14 million euros², a nearly steady trend in organic terms, and an underlying increase driven by the PV projects under construction in the Netherlands and full consolidation of the Romanian entity.
- ▶ In addition, this item includes the net effect of costs passed on to tenants, including the management fee for the property that WDP charges to tenants.

PROPERTY CHARGES

▶ These costs consist mainly of the net costs, thus after any charging on, for maintenance and repairs, utilities, taxes, insurance contracts, and commissions. They have been estimated for 2018 on the basis of the current portfolio, the expected investments, and the evolution of the figures from previous financial years.

GENERAL COMPANY EXPENSES

➤ The sharp rise in the general expenses of the company was mainly driven by a technical effect related to consolidation of the Romanian entity, given that in 2017 the general expenses included a revenue item (management fees) of 1 million euros attributed to the same entity. Underlying this, the trend for the general expenses of the company is in line with the growth in the portfolio, building further on the

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

- operational platform in a cost-effective manner, i.e. retaining the high operating margin (which remains at a level of around 92%).
- ▶ These costs include WDP's internal operating costs, i.e. the remuneration of WDP's statutory manager (particularly the remuneration for the Board of Directors, as well as for the executive management) and the costs of administrative staff. This also includes the contractual rent due for the office space expansion since 2017 at the headquarters in Meise (Wolvertem) as well as the offices in Breda and Bucharest.
- ► 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 remuneration of the auditor for statutory audits.
- As a listed company, WDP's 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 communications.

FINANCIAL RESULT

- ▶ The estimate of interest liabilities is based on changes in the financial debts, starting from the current situation as at 31 December 2017 and with an estimate of the additional debts to fund the investment programme being implemented in 2018. A debt ratio of 54% is projected here.
- ▶ Taking into account the short-term interest rate changes and a hedge ratio of 91% based on the situation as at 31 December 2017, overall financing costs of 2.5% are assumed for 2018. 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.
- ▶ The total financial costs are then reduced by an estimated amount of capitalised interest on the basis of existing project developments and the opportunity to capitalise³ interest amounts. In this way, the intercalary interest is neutralised in the income statement and included in the investment cost of the projects. The capitalisation rate used for the intercalary interest is an equivalent of the estimated overall finance cost.
- Financial income is extremely limited due to full consolidation of the Romanian activities. In 2017, this included some 3 million euros in interest on loans provided to the Romanian entity.

TAXES

- ► This includes the annual corporate tax and advance levy on dividends that are due. In Belgium, the Netherlands and France, the tax burden is limited due to WDP's fiscally transparent status in these countries.
- For the other companies that are part of the WDP group, an estimate was made based on estimated local results – mainly for WDP Development RO.

SHARE IN THE RESULT OF ASSOCIATED COMPANIES AND JOINT VENTURES

► This result includes the result of the Luxembourg joint venture WDP Luxembourg, in which WDP acquired a 55% stake in October 2017.

³ See also chapter 6.3.4. Management Report – Transactions and realisations – Projects under development on page 51 and Chapter 8.1.5 Property report – Review of the consolidated property portfolio – Overview of projects under development on page 124.

Projected consolidated profit and loss account (analytical schedule)

Based on the current outlook and the above assumptions, WDP projects an EPRA Earnings per share of 6.00 euros (approx. 134 million euros) for 2018⁴, versus 5.60 euros in 2017. The main driving force behind this is the strong portfolio growth in 2017 thanks to pre-leased new construction projects and solar power projects, which will yield full returns in 2018. In addition, WDP currently holds a strong project development pipeline of approx. 370,000 m² and a projected investment of 213 million euros, which will also contribute to the 2018 result.

3. Expected dividend

The dividend distribution policy is determined by the Board of Directors of the statutory manager of WDP and proposed to the Annual General Meeting of Shareholders after the end of each financial year. For 2018, WDP expects a further increase in EPRA Earnings (under the current circumstances) to 6.00 euros per share. On the basis of these expectations, and barring unforeseen circumstances, for the 2018 financial year (payable in 2019) WDP expects to pay a dividend per share of 4.80 euros gross, marking an increase of 7% over the figure of 4.50 euros for 2017.

4. Projected consolidated balance sheet

In drawing up the projected balance sheet, account was kept of factors that could reasonably be estimated. The following assumptions were taken into account:

- ▶ The changes in the property portfolio factor in the investments mentioned above, i.e. the execution of the new construction projects currently carried out. The impact of the full consolidation of WDP Development RO on the property portfolio comes to approx. 280 million euros.
- ► The solar panels are valued at fair value using the same assumptions that were maintained as at 31 December 2017, subject to a roll-over of the valuation model by one year⁵. This adjustment will be incorporated directly in the shareholders' equity in accordance with IAS 16.
- ► The Financial fixed assets and Participating interests in associates and joint ventures - equity method line items have decreased substantially due to the full consolidation of the Romanian entity, resulting in the recognition of all assets and liabilities (cf. above).
- ▶ The changes in shareholders' equity take into account the boost in shareholders' equity from the dividend payment for 2017 in the form of an optional dividend assuming 50% taken in shares, the profit trend during the 2018 financial year and the revaluation of the solar panels. Profit generation only factors in the EPRA Earnings and, as mentioned above, not the revaluation of financial instruments or the impact of market fluctuations on the portfolio.
- ▶ The forecast for the financial debts was drawn up based on the expected investment volume and the portion expected to be financed through shareholders' equity (such as by means of the retained earnings and the optional dividend). As at 31 December 2017 WDP has a buffer of 130 million euro of unused long-term credit facilities, from which all existing investment commitments can be met.

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.

Consolidated results in euros (x 1,000)	2017 Actual	2018 Budget
Rental income, net of rental-related expenses	143,574	173,735
Indemnification for early lease terminations	801	-
Income from solar energy	10,331	13,952
Other operating income/expenses	-214	-910
Property result	154,493	186,777
Property charges	-4,959	-5,961
General company expenses	-6,695	-9,254
Operating result (before the result on the portfolio)	142,839	171,562
Financial result (excluding changes in fair value of financial instruments)	-25,734	-34,023
Tax on EPRA Earnings	-367	-1,349
Deferred taxes on EPRA Earnings	-565	-650
Share in the result of associated companies and joint ventures	5,247	678
Minority interests	-	-2,574
EPRA Earnings	121,421	133,644
Number of shares (weighted average)	21,687,261	22,281,156
EPRA Earnings (per share)	5.60	6.00

Consolidated balance sheet in euros (x 1,000)	2017 Actual	2018 Budget
Fixed assets	2,632,487	2,975,549
Investment properties	2,404,027	2,827,842
Other tangible fixed assets (including solar panels)	95,876	124,728
Other fixed assets	3,557	4,221
Financial fixed assets	97,469	7,741
Participating interests in associates and joint ventures - equity method	31,626	11,017
Current assets	42,745	43,324
Assets held for sale	7,525	-
Cash and cash equivalents	1,231	1,643
Other current assets	33,988	41,681
Total assets	2,675,299	3,018,873
Shareholders' equity - total	1,238,439	1,330,289
Shareholders' equity - group share	1,238,439	1,303,193
Minority interests	-	27,096
Non-current liabilities	1,158,293	1,423,621
Non-current financial liabilities	1,108,966	1,374,291
Other non-current liabilities	49,328	49,330
Current liabilities	278,566	264,962
Current financial liabilities	240,849	209,870
Other current liabilities	37,717	55,092
Total liabilities	2,675,299	3,018,873
Gearing ratio (IFRS)	51.5%	54.0%

5. 2016-20 growth plan update

The total identified investment volume under the 2016-20 growth plan comes to approx. 750 million euros, which already marks 75% of the planned investment volume of 1 billion euros, after just two years. Here, WDP achieved more faster – and also achieved higher than projected returns (due in part to a stronger focus on project developments) and optimisations in the cost of debt. Part of the acceleration in growth also stems from the completed acquisitions, including a larger holding in the Romanian entity.

For the last three years of the 2016-20 growth plan, WDP sees 500 million euros in additional room for growth in its existing core markets. This is driven, on the one hand, by several persisting structural trends⁶ resulting in higher demand for modern logistics properties, and on the other

hand from its commercial platform and positioning as both a developer and a long-term final investor. Under our philosophy of partnering with our clients and the strengthened focus on in-house project development, WDP has already laid the foundations for further growth in its two strongest growth markets by purchasing strategic landholdings in the Netherlands and Romania and reinforcing the financial structure of the Romanian entity.

Based on a projected cumulative investment volume of 1.25 billion euros (formerly 1 billion euros, 750 million of which has now been identified), WDP has adjusted its EPRA Earnings per share target to 7.00 euros (formerly at least 6.00 euros), and the gross dividend to 5.75 euros (formerly 5.25 euros) for 2020⁷.

Portfolio growth (in million euros)



⁶ Including e-commerce, changing consumption and distribution networks, advances in technology, sustainability and the need for quality

⁷ These profit forecasts are based on the current situation, barring presently unforeseen circumstances (such as a substantial deterioration in the economic and financial climate), and a normal number of hours of sunshine.

EPRA EPS growth (in euros)



6. Sensitivity

The table provides a non-exhaustive overview of external and internal factors which have an influence on the key parameters of the company, namely the EPRA Earnings, the gearing ratio and shareholders' equity.

Sensitivity analysis based on the consolidated figures as at 31	DEC. 17				
Δ Inflation (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 Occupancy rate (in %)	-1.0%	-0.5%	0.0%	0.5%	1.0%
Δ EPRA Earnings (in million euros)	-1.8	-0.9	-	0.9	1.8
Δ Euribor (in %)	-1.0%	-0.5%	0.0%	0.5%	1.0%
Δ EPRA Earnings (in million euros)	-	-	-	-0.6	-1.3
Δ Fair value of investment properties (in %)	-5.0%	-2.5%	0.0%	2.5%	5.0%
Δ Gearing ratio (in %)	2.6%	1.3%	0.0%	-1.2%	-2.4%
Δ Investments (in million euros)	-50.0	-25.0	-	25.0	50.0
Δ Gearing ratio (in %)	-0.9%	-0.4%	0.0%	0.4%	0.8%
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)	-128.4	-64.2	-	64.2	128.4
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)	-32.4	-16.0	-	15.7	31.0

7. Report of the statutory auditor

Dear Sirs

We report on the forecasted EPRA earnings (as defined in August 2011 (and amended in November 2016) in the report "Best Practices Recommendations" of the European Public Real Estate Association) of WDP Comm. VA (the Company) and its subsidiaries (together the Group) for the 12 months period ending 31 December 2018 (the Forecast). The Forecast, and the material assumptions upon which it is based are set out in 6.1 and 6.2 of the Annual Financial Report 2017 (the 2017 Annual Report of the Group, the Reference Document) issued by the Company dated 21 March 2017. We do not report on the other elements of the net result nor on the projected dividend, the projected balance sheet and the update of the growth plan 2016-2020 as mentioned respectively in 6.3, 6.4 and 6.5 of the 2017 Annual Report of the Group. This report is prepared in accordance with the principles as defined under Annex I item 13.2 of the European Commission Regulation (EC) No 809/2004 (the Prospectus Directive Regulation) and is given for the purpose of complying with that rule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the Directors) to prepare the Forecast in accordance with 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 2018. The basis of preparation of the Forecast should be in accordance with the Group's principles of financial reporting.

Basis of opinion

We conducted our work in accordance with the International Standard on Assurance Engagement 3400 The Examination of Prospective Financial Information (ISAE 3400) issued by the International Auditing and Assurance Standards Board (IAASB). Our work included evaluating the basis on which the historical financial information included in the Forecast has been prepared and considering whether the Forecast has been accurately computed 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 considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the Forecast have not been disclosed or if any material assumption made by the Directors appears to us to be unrealistic.

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.

Since the Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Forecast and differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside Belgium, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Forecast has been properly compiled on the basis stated 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.

Yours faithfully

The statutory auditor

Antwerp, 21 March 2018

THE STATUTORY AUDITOR **DELOITTE** BEDRIJFSREVISOREN /
RÉVISEURS D'ENTREPRISES

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Kathleen De Brabander

7. Corporate governance

1. Corporate governance

In accordance with Article 96(§2)(1°) of the Belgian Companies Code (as amended by the Belgian Act of 6 April 2010 reinforcing corporate governance at listed companies) and the Belgian Royal Decree of 6 June 2010 setting out the mandatory corporate governance code for listed companies, WDP Comm. VA must meet the Belgian Corporate Governance Code of 12 March 2009. To view the Belgian Corporate Governance Code, please visit www.corporategovernancecommittee.be.

WDP makes every effort to meet the principles of the Belgian Corporate Governance Code at all times, and uses the code as a reference. Due to the special management structure of WDP – further detailed under 2. Some background: the Comm. VA and the statutory manager – the corporate governance principles are primarily relevant to this special management structure.

Since its founding, the company has put honesty and fairness in business first. Thus, WDP attaches a great deal of value to striking the right balance between the interests of shareholders (and bondholders) and those of other parties dealing directly or indirectly with the company, also known as stakeholders.

The Corporate Governance Code applies the Comply or Explain principle, meaning that any deviations from the recommendations must be justified. WDP only deviates from the recommendations of the Corporate Governance Code on a few points, which can mostly be explained by the activities of the company and the associated small size of the Board of Directors of the manager of WDP:

- ▶ the Corporate Governance Code recommends that the chairman of the Board of Directors be a non-executive director. WDP deviates from this rule, as the chairman of the Board of Directors, Mark Duyck, fulfils the role of executive chairman, though he is not part of the executive management team. WDP has opted for a special active role for the chairman, who serves as a sounding board for the executive management and offers advice. However, he does not take part in decisions of the management. His executive duties also include preparation of strategic initiatives for discussion (and decision-making) by the Board of Directors. In the opinion of WDP, this role optimises synergy between the other members of the Board of Directors and the executive management and, in general, the functioning of the company. In order to perform these tasks properly, Mark Duyck is present at the company offices three days a week on average. The Corporate Governance Code allows the chairman to take on special responsibilities aside from leading 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 comprises of all members of the Board of Directors and is chaired 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 – are independent non-executive directors. The chairman of the Board of Directors (who has certain executive tasks) chairs 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 take on a specific and typical task of the chairman, such as chairing the nomination committee;

▶ Principle 2.9 of the Corporate Governance Code recommends that the Board of Directors appoints 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 the Board of Directors and handles these tasks, with necessary support from the company 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 2017 Annual Financial Report provides the contents of WDP's Corporate Governance Statement and describes the situation as at 31 December 2017.

The Corporate Governance Charter and the Dealing Code have also been published at the website www.wdp.eu.

2. Some background: the Comm. VA and the statutory manager

WDP is a public Regulated Real Estate Company under Belgian law ('GVV/SIR') that has taken on the legal form of a partnership limited by shares under Belgian law (a 'Comm. VA'). A Comm. VA has two categories of partners. The first category is the managing partner, which bears unlimited and joint and several liability for commitments of the company. The managing partner of WDP

Comm. VA is De Pauw NV, with registered office at Blakebergen 15, 1861 Meise (Wolvertem), Belgium. The other category is the limited or silent partners, who are shareholders and only bear liability for the amount of their contribution.

A characteristic feature of a Comm. VA is that the company is managed by a statutory manager, which must have the capacity of a general (managing) partner, which has a power of veto over all major resolutions of the General Meeting and which it is practically impossible to dismiss.

The manager is appointed by an Extraordinary General Meeting taking into account the requirements for amendment of the Articles of Association. The manager can always resign of its own volition. In contrast, it is only possible to withdraw the manager's mandate by a court decision requested by the General Meeting on legal grounds. For this resolution the manager cannot participate in the votes cast by the General Meeting.

The General Meeting is only permitted to deliberate and take decisions in the presence of the manager. The manager must grant assent for any amendments to the Articles of Association and any resolution of the General Meeting related to actions that affect the Company's interests with respect to third parties, such as dividend disbursement and any resolution affecting the capital of the Company.

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 in principle always takes part in major actions. The company may also be represented by a special proxy.

The manager, De Pauw NV, has been appointed for an unlimited term. Since 1 September 2002, Tony De Pauw has been appointed as permanent representative of De Pauw NV within the framework of its appointment as statutory manager.

WDP (and/or WDP's manager, De Pauw NV) meets Article 17 of the Belgian GVV/SIR Act, and specifically features its own governance structure, an administrative, bookkeeping, financial and technical organisation that enables the organisation to carry out its activities, as well as suitable internal control (see 6.7.10. Management report – Corporate governance – Internal control on page 104).

3. The shareholders

All other circumstances being equal, the company shall treat all shareholders of WDP the same and shall respect their rights. They have access to the investors section of the website including all useful information to enable trading with knowledge of the current state of affairs. Here, shareholders can also download the documents required in order to vote at the General Meeting.

At 31 December 2017, WDP's capital amounts to 176,513,771.65 euros, represented by 22,009,277 fully paid-up ordinary shares without par value. There are no preference shares. Each of these shares bestows the right to one vote at the General Meeting and these shares therefore represent the denominator for the purposes of notification within the framework of transparency regulations (i.e. notification in cases of reaching, exceeding or falling below thresholds as per the law or the Articles of Association).

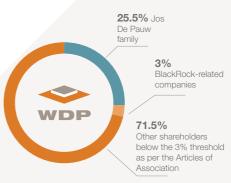
In accordance with the conditions, terms and modalities stipulated in Articles 6 to 13 of the Belgian Act of 2 May 2007 on the disclosure of major stakes in issuers whose shares are admitted for trading on a regulated market, any natural person or legal entity that, either directly or indirectly, purchases or transfers voting securities in the company, is obligated 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 voting securities fall above or below the thresholds indicated

below. On the one hand, we have the threshold of 3% as per the Articles of Association, and on the other the statutory thresholds in 5%-brackets of the total number of existing voting rights.

Special rights of control are not granted to any categories of shareholders. WDP currently has a single reference shareholder, with a single representative on the Board of Directors (see 4. The Board of Directors of the statutory manager of De Pauw NV – Remit of the director on page 87).

The obligations of the company and the rights of the shareholders with regard to the General Meeting are published on the investors section of WDP's website from the meeting notice until participation and voting in full. This information will remain accessible there for a period of at least five years, counting from the date of the General Meeting to which it refers.

In such cases, the Extraordinary General Meeting may only pass valid resolutions to amend the Articles of Association if the proposed amendments are expressly indicated in the meeting notice, if meeting attendees represent at least half of the share capital and if the manager is present. If this quorum is not achieved or if the manager is not present, then it will be necessary to convene a new meeting.



Free float: 74.5%

The second meeting will deliberate and adopt a valid resolution regardless of the portion of capital present or represented and regardless of whether the manager is present.

An amendment to the articles of association will only be adopted if approved in advance by the FSMA and if it passed with three quarters of the votes associated with the shares present or represented and obtained approval of the manager in person or by representation.

The Board of Directors of statutory manager De Pauw NV

Duties of the Board of Directors

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

- outlines the strategy and policy;
- approves all major transactions with a view to achieving the objectives of WDP;
- monitors the quality of the management, such as by a thorough review and in-depth discussion of the financial statements and by an annual evaluation of the operation;
- ensures that management is carried out in accordance with the strategy;
- outlines and evaluates a diversity policy;
- ► handles the company's financial communications with the media and analysts.

Functioning of the Board of Directors

The Board of Directors of the manager meets at least four times a year at the invitation of the chairman. These meetings are also intended to discuss the strategy of the company. The times are set in advance for the entire year to minimise absences. Additional meetings will also be called whenever required in the interests of the GVV/ SIR or when two directors request this.

The chairman is responsible for running and monitoring the progress of the meeting of the Board of Directors and determines the meeting agenda in consultation with the two CEOs. The agenda consists of a fixed list of items that are thoroughly prepared and documented so 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 they can prepare accordingly.

The role of chairman of the Board of Directors and of CEO cannot be performed by the same person.

The person presiding over the meeting may designate a secretary (possibly a director).

Only the members of the Board of Directors may take part in deliberations and voting. In principle, votes of the Board of Directors are only valid if the majority of the members are present or represented. The decisions of the Board of Directors are taken by simple majority. If the vote is tied, the proposal is rejected.

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

Activity report of the Board of Directors

The Board of Directors met twelve times during the 2017 financial year, mainly to discuss the following items:

operating and financial reporting;

- communications policy;
- strategy and investment policy;
- ▶ financing policy;
- composition and evaluation of the Board of Directors;
- analysis and approval of the 2018 budget;
- analysis and approval of the 2016-20 growth plan outlook;
- ► amendment of the Dealing Code;
- analysis and approval of investment, divestment and development dossiers;
- the tender to appoint/reappoint the property experts;
- drafting of special reports of the Board of Directors on optional dividends and a partial demerger, each with contribution in kind, as well as on a merger;
- completion of the aforementioned transactions and determination of the resulting capital increase within the limits of the authorised capital.

Remit of the director

1. COMPOSITION OF THE BOARD OF DIRECTORS

Principles

The composition of the Board of Directors of the manager enables management of WDP in accordance with its Articles of Association and its permitted activities (as described in Article 4 of the Belgian GW/SIR Act).

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

- members of the Board of Directors must meet the requirements set on the GVV/SIR under the applicable law, including composition exclusively of natural persons that meet the requirements of Articles 14 and 15 of the Belgian GVV/SIR Act (fit-and-proper test for directors);
- ▶ the Board of Directors is made up of at least three directors;

- ▶ the Board of Directors has at least three independent members in the sense of Article 526ter of the Belgian Companies Code, where for the purposes of assessing compliance with this, the independent member of the Board of Directors of the manager is considered to be a director of WDP;
- one or more directors, up to a maximum of half of the total number of directors, can be executive directors. This means they can also perform an operational role within WDP;
- ► The Board of Directors strives at all times to strike a proper balance in terms of knowledge, competencies and experience, based on the requirements of efficient business on the markets where the company is active;
- the individual contribution of each director guarantees that no single individual or group of individuals can influence the decision-making;
- the directors must remain focused on the interests of the company and conduct independent assessments and contribute to decision-making;
- ▶ the composition of the Board of Directors must meet the diversity requirements (such as Article 96 of the Belgian Companies Code) and the specific requirements on gender diversity (such as those set out in Article 518bis of the Belgian Companies Code).

The composition of the Board of Directors must ensure that it functions as an agile and effective body at all times.

The Board of Directors of the manager currently comprises six directors (natural persons): three independent non-executive directors and three executive directors.

At this time, only one representative of the reference shareholder (the Jos De Pauw family) sits on the Board of Directors of the manager: Tony De Pauw.

The description below on the composition of the Board of Directors attests to its balance in terms of knowledge, competencies and experience. The current composition of the Board of Directors meets gender-diversity requirements. At this time, the WDP Board of Directors consists of two women and four men, in line with Article 518bis of the Belgian Companies Code. The directors of the manager meet Articles 14 and 15 of the Belgian GVV/SIR Act (fit-and-proper test for directors).

Current composition of the Board of Directors

On 31 December 2017, the Board of Directors comprised the following six members:

- Mark Duyck

(Lindekensweg 73, 1652 Alsemberg, Belgium):

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 with the Brussels Airport for fifteen years in various management positions (COO, CFO).

His knowledge in areas such as transport and logistics, combined with his expertise gained in IT companies and equipment manufacturers, offers a diverse background. In addition, he was both directly involved in these companies and served in a more supporting role (HR director, Business Development).

He is the manager for Coconsult and chairman of the Board of Directors at Steylearts. He was formerly a director at Brussels Airlines¹ and Switch¹.

- Frank Meysman

(Drielindenbaan 66, 1785 Merchtem, Belgium)

has been an independent non-executive director since 2006 (from 2006 to 2016, he fulfilled his role under M.O.S.T. BVBA, as their permanent representative). Frank Meysman offers ample He has held top positions in international enterprises such as Procter & Gamble, Douwe Egberts and Sara Lee. For the past five years he has also been a director at Picanol¹, Spadel, Betafence¹ and Grontmij¹. Moreover, he serves as chairman of the Board of Directors of the Thomas Cook Group and JBC.

- Anne Leclercq

(Herhout 62, 1570 Tollembeek, Belgium)

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 addition to her general management experience, in this role she has also acquired key insights and expertise in efficient financial management (debt capital markets), which provides substantial added value for the financing policy of WDP.

In addition, she has 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, Belgium)

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. She had

knowledge and international experience (such as in the Netherlands). He has expertise in the area of marketing and can support WDP's focus on the customer.

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 chair at the University of Ghent.

Key areas of expertise in her academic work include corporate finance, restructuring and governance issues. She brings thorough knowledge of accounting and auditing to the table.

Over the past five years, she has served in roles such as independent director at Argen-Co and Miko (where she also chairs the audit committee) and as a non-executive director at Argenta Banken Verzekeringsgroep, Argenta Assuranties, Argenta Spaarbank and KBC Ancora¹.

Tony De Pauw

(Ganzenbos 5, 1730 Asse, Belgium)

has been executive director and CEO since 1999 and represents the reference shareholder, the Jos De Pauw family (via the family company structure RTKA²) and along with Joost Uwents, handles executive management of WDP.

His ample experience in logistics properties and other real estate goes hand-in-hand with his entrepreneurship.

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.

His banking background gives him strong knowledge of real estate and finance. In addition, he

has built up expertise over the years to support and expand WDP's sustainability strategy.

He is also an independent non-executive director at public GW/SIR Xior Student Housing.

Changes in the composition of the Board of Directors during the 2018 financial year

The terms of Anne Leclercq, Cynthia Van Hulle and Frank Meysman as independent non-executive directors will end at the 2018 General Meeting. In addition, Frank Meysman's term as independent director will come to an end after three consecutive terms with a total duration of twelve years and, by virtue of Article 526ter (2°) of the Belgian Companies Code, he cannot be reappointed as an independent director. The term of Joost Uwents as executive director will also come to an end at the General Meeting of 2018.

Therefore, subject to approval by the FSMA, the Board of Directors of the manager proposes the following to its General Meeting of 25 April 2018:

- reappointment of Anne Leclercq to a new term as independent non-executive director in the sense of Article 526ter of the Belgian Companies Code. If approved, her term will run until 27 April 2022;
- reappointment of Cynthia Van Hulle to a new term as independent non-executive director in the sense of Article 526ter of the Belgian Companies Code. If approved, her term will run until 27 April 2022;
- appointment of Frank Meysman as non-executive director. If approved, his term shall run until 28 April 2021;
- reappointment of Joost Uwents to a new term as executive director. If approved, his term shall run until 27 April 2022. The Board of Directors will also propose Joost Uwents for managing director, subject to approval of his appointment as executive director by the General Meeting of 25 April 2018;
- appointment of Jürgen Ingels as independent non-executive director in the sense of Article 526ter of the Belgian Companies Code.

² For further information on the family company structure, please refer to 7.3. Shares and bonds – Shareholdings on page 114.

Jürgen Ingels holds a Master's in Political and Social Sciences and an MBA from the University of Antwerp. He is the founder and managing partner of private equity fund SmartFin Capital and also a director at various technology firms, such as Materialise, Itiviti, NGData, Itineris and Projective. In addition to that, he is the founder and chairman of start-ups.be, and co-founder of B-Hive, an innovative platform for start-ups and scale-ups in financial technology. His expertise in financial technology, digital innovation and technology in the broadest sense will contribute to the growth and future-proofing of WDP. If approved, his term shall run until 27 April 2022.

Taking into account the expansion of the Board of Directors, starting in the 2018 financial year the audit committee will consist of the non-executive directors of the Board of Directors, and the majority of the audit committee members will be independent.

2. APPOINTMENT, TERM, DISMISSAL

Appointment of the directors of the manager is handled by the General Meeting of De Pauw NV at the proposal of the nomination committee of the Board of Directors, which reviews all candidates. The selection of a new director is based on a professional, objective selection process. Every appointment must be evaluated to ensure complementary capacities and knowledge within the Board of Directors. As soon as a director vacancy arises, a new director is appointed as soon as possible and/or desired.

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

Directors and the members of the executive management are appointed to four-year terms. Independent directors cannot have served more than three consecutive terms as non-executive directors on the Board of Directors, and this time period shall not exceed twelve years. The terms

of non-independent directors may be renewed without restriction.

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 seventy years of age, unless the Board of Directors resolves otherwise at the proposal of the nomination committee.

An independent director that no longer meets the independence requirements of Article 526ter of the Belgian Companies Code (and any additional requirements set by the Board of Directors) must report this to the Board of Directors.

Directors are additionally permitted to serve as directors in other listed or non-listed companies. They inform the chairman of the Board of Directors of this. In accordance with the Corporate Governance Code, the non-executive directors cannot serve as Board mandates at more than five listed companies, which is also the case, subject to permission from the Board of Directors (with application of the Apply or Explain principle). Any changes in their other relevant commitments and new commitments outside of the company must be reported to the chairman of the Board of Directors in a timely manner.

Directors must adhere to agreements regarding discretion and mutual trust. They must also strictly comply with all statutory and customary principles relating to conflicts of interest, trading in WDP shares for personal benefit, inside information, etc.

3. EVALUATION

On the one hand, evaluation of the directors (as members of the Board of Directors and as members of a committee) is ongoing, in particular mutual evaluation amongst colleagues. If a director has doubts about the contribution of another director, the former director may raise this as an agenda item for the Board of Direc-

tors or in the relevant committee, or discuss the matter with the chairman. The chairman may then take the necessary steps, at the chairman's own discretion.

On the other hand, all directors are evaluated individually once a year, and more often where applicable, by the Board of Directors, taking into account factors such as their attendance rate, level of participation in meetings, suggestions brought forward at meetings, provision of innovative ideas based on their experience in other boards or committees and their sense for risk identification and mitigation.

Given the limited composition of the Board of Directors, continuous interaction between members – rather than a formal questionnaire or box-ticking method – is the choice method for WDP for efficient and continuous adjustment and improvement of the governance process.

4. DECLARATIONS REGARDING DIRECTORS

Based on the information at its disposal, the statutory manager of WDP hereby declares that at least in the past five years, neither it nor its directors (including the executive management) (and 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 a managerial, supervisory or oversight body of a company or to act within the framework of the management or performance of the activities of a company;
- have served in a supervisory role as a senior manager or member of the managerial, supervisory or oversight bodies of a company at a time of bankruptcy, receivership or liquidation.

Share issue or purchase

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 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 euro 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 2017, 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 – Shareholdings on page 114.

Committees of the Board of Directors

In order to implement the Corporate Governance Code, the Board of Directors of De Pauw NV set up four special committees back in the autumn of 2004: a strategy committee, an audit committee, a nomination committee and a remuneration committee. The composition of these committees is in accordance with the Belgian Companies Code and the Corporate Governance Code, with the exception of the deviations indicated at the start of this chapter, on page 83.

All committees are permitted to invite persons to attend meetings at their discretion. They may also gather external professional advice, at the expense of the company, on topics falling under the specific competencies of the committee. The chairman of the Board of Directors must be informed of this in advance.

After every meeting of a committee, all members of the Board of Directors will receive a written report of the meeting and the conclusions.

N	lame	Mandate	Capacity and presence	Number of shares 31 DEC. 2017
M	ARK DUYCK	Start: June 1999 Reappointment: April 2017 End: April 2019	Chairman and executive director Board of Directors: 12/12 Chairman of the strategy committee: 5/5 Chairman of the nomination committee: 3/3	10,147
	RANK EYSMAN¹	Start: April 2006 Reappointment: April 2016 End: April 2018	Independent non-executive director Board of Directors: 12/12 Strategy committee: 5/5 Audit committee: 5/5 Nomination committee: 3/3 Chairman of the remuneration committee: 2/2	3,211
Al	NNE LECLERCQ	Start: April 2015 Reappointment: n.r. End: April 2018	Independent non-executive director Board of Directors: 12/12 Strategy committee: 5/5 Audit committee: 5/5 Nomination committee: 3/3 Remuneration committee: 2/2	0
_	YNTHIA AN HULLE	Start: February 2015 Reappointment: n.r. End: April 2018	Independent non-executive director Board of Directors: 12/12 Strategy committee: 5/5 Chairman of the audit committee: 5/5 Nomination committee: 3/3 Remuneration committee: 2/2	0
Т	ONY DE PAUW	Start: May 1999 Reappointment: April 2015 End: April 2019	Executive director Board of Directors: 12/12 Strategy committee: 5/5 Nomination committee: 3/3	9,4732
J	OOST UWENTS	Start: April 2002 Reappointment: April 2014 End: April 2018	Executive director Board of Directors: 12/12 Strategy committee: 5/5 Nomination committee: 3/3	18,977

¹ From 2006 to 2016, Frank Meysman fulfilled his role under M.O.S.T. BVBA, as their permanent representative.

² This is a personal shareholding and is independent of the shareholding of RTKA.

Strategy committee

The strategy committee discusses topics that may influence the strategy of the company. In light of the limited pool of directors and the importance of strategic brainstorming, this task is performed continuously by the entire Board of Directors. The chairman of the Board of Directors also chairs the strategy committee.

In 2017, the strategy committee met five times.

Audit committee

The Board of Directors has set up an audit committee within itself. This audit 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 Article 526ter of the Companies Code. At this time, Cynthia Van Hulle meets the conditions for expertise and the required criteria.

The audit committee is also chaired by Cynthia Van Hulle. She organises the functioning of the audit committee and may ask the members of the executive management, the chairman of the Board of Directors and the statutory auditor to take part in meetings.

The audit committee performs the following duties:

- monitoring of the financial reporting process;
- monitoring the effectiveness of the company's systems for internal control and risk management;
- monitoring the internal audit and its effectiveness;
- monitoring of statutory auditing of the financial statements and the consolidated financial statements, including follow-up on questions and recommendations posed by the statutory auditor;
- assessment and monitoring of the independence of the statutory auditor, with particular regard to provision of additional services to the company.



from left to right Joost Uwents, Anne Leclercq, Tony De Pauw, Cynthia Van Hulle, Mark Duyck and Frank Meysman

The audit committee reports regularly to the Board of Directors on the performance of its duties and whenever the Board of Directors draws up the financial statements, the consolidated financial statements and the condensed financial summary intended for the public. Prior to all semi-annual meetings of the Board of Directors, a semi-annual report must be prepared and presented by the statutory auditor to the audit committee.

In 2017, the audit committee met five times and mainly discussed the following items in the performance of its duties:

- quarterly review of accounts, periodic press releases and financial reports;
- analysis of internal management procedures along with effective management (based on the internal audit by the external internal auditor and the audit by the statutory auditor), also with a view to the required reporting to the FSMA;
- recommendation in the selection procedure for the statutory auditor mandate for the company;
- monitoring of changes in the law and regulations.

Nomination committee

The nomination committee was created to advise the Board of Directors on appointments to be proposed to the General Meeting of the manager. It also gives advice 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 small size of the Board of Directors, the nomination committee comprises all members of the Board of Directors and is chaired by the chairman of the Board of Directors. 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 non-executive directors. The chairman of the Board of Directors

(who has certain executive tasks) chairs 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 take on a specific and typical task of the chairman, such as chairing the nomination committee.

However, the chairman of the nomination committee cannot chair 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. It also meets at other times if circumstances so require.

During 2017 the nomination committee met three times to discuss the following items:

- the proposal to the General Meeting of 26 April 2017 to reappoint March Duyck as director, and the proposal to reappoint Mark Duyck as chairman of the Board of Directors and the nomination committee:
- analysis of the composition and size of the Board of Directors based on the terms ending in 2018;
- the search process for a new independent director taking into account the competencies already available in the Board of Directors. The analysis ultimately resulted in the proposal to (i) appoint Jürgen Ingels as independent non-executive director in the sense of Article 526ter of the Belgian Companies Code and (ii) reappoint Frank Meysman as non-executive director (see Chapter 3. Changes in the composition of the Board of Directors during the 2018 financial year on page 89).

Remuneration committee

The remuneration committee comprises non-executive members of the Board of Directors and

therefore features a majority of independent directors in the sense of Article 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, in which the chairman may participate 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 former'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 and whenever it deems such necessary

in order to properly perform its duties. It reports regularly to the Board of Directors on the performance of its duties.

In 2017, the remuneration committee met twice to discuss the following items in the performance of its duties:

- preparation of the remuneration report of 31 December 2016;
- proposal of the targets for the members of the executive management according to their variable remuneration;
- proposal of the individual remuneration for the directors and members of the executive management for the 2017 financial year.

6. The executive management

WDP is a self-managed operational and commercial real-estate company. This also means management of real-estate activities is not delegated to third parties, but rather is carried out in-house, in consultation with the manager. This way, the management is not occupied with any other real-estate activities. It is at the full and exclusive service of WDP's stakeholders.

The executive management of WDP are the effective leaders in the sense of the Belgian GVV/SIR Act.

Duties of the executive management

The executive management is responsible for:

- preparation, proposal and execution of strategic objectives and general policy plan for the group, as approved by the Board of Directors;
- definition of the standards under which this strategy will be implemented;
- execution of the decisions of the Board of Directors, with follow-up on performance and results;
- reporting to the Board of Directors.

Current composition of the executive management

The executive management tasks are distributed as follows:

Tony De Pauw is the executive director and CEO. First and foremost, he bears final responsibility for:

- the investment policy, i.e. identification, investigation and negotiation of new acquisition projects in the regions where WDP is active, also in consultation with the relevant general director;
- management of the property portfolio, more specifically formulation of the policy for management of existing buildings (maintenance, adjustment and improvement works), in consultation with facility managers;
- project management, i.e. monitoring of the new construction sites in development in collaboration with the project managers, and along with the technical director.

Joost Uwents is an executive director and CEO. First and foremost, he bears the final responsibility for:

- general management, in other words the day-to-day management of the WDP team;
- the financial policy and internal reporting. This includes areas such as cash management, debtor and creditor management, management of loans and interest costs and reporting to the various levels in consultation with the CFO;
- marketing, in particular development of sales campaigns directed at existing and potential clients, in collaboration with the marketing manager;
- the commercial strategy. This involves outlining the approach to maximise occupancy over the long term, with attention to both existing and potential clients. This is carried out in combination with the different commercial responsibles;
- investor relations, i.e. communication to individual and institutional investors via contacts with financial analysts and journalists, as well

as directly to investors via road shows and other initiatives, also along with the CFO.

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

Functioning of the executive management

The executive management works in close collaboration and constant consultation with one another. For day-to-day operation of the company, decisions are taken by a majority of votes. Major decisions on day-to-day management are taken by unanimous consent in accordance with agreements with the Board of Directors. If the executive management does not reach an agreement on a major decision, the decision is left to the Board of Directors.

Twice a month, a management meeting is held, attended by both the members of the executive management and the chairman of the Board of Directors in the capacity of executive chairman. The Board of Directors may view the agendas for and reports on these meetings. An agenda is drawn up before each meeting and is sent well in advance to all members of the executive management and the executive chairman so they can prepare for the meeting appropriately. This agenda includes items such as operational decisions on day-to-day functioning, the status of ongoing projects and leases and evaluation of any new projects under consideration.

Accountability to the Board of Directors

Once every three months, the executive management provides the Board of Directors of the manager with all relevant business and financial information. This includes provision of the following data: key figures, analytic presentation of the results compared to the budget, overview

of trends for the property portfolio and consolidated management accounts with explanatory notes.

Members of the executive management who are also executive directors are also responsible to their colleagues within the Board of Directors.

Remit to the executive management

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 together submit the selection and appointments for the executive management for approval by the Board of Directors, also acting as a nomination c ommittee.

2. EVALUATION

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

7. Diversity policy

Vision

The Board of Directors of WDP upholds the value of diversity in the company and has therefore adopted a number of guidelines that apply not only to the members of the Board of Directors, the members of the executive management and the persons tasked with day-to-day management of the company (as provided for in the Belgian Act of 3 September 2017 amending Article 96 of the Belgian Companies Code), but to all other employees in the company as well. The members of the Board of Directors are also subject to the provisions of Article 518bis of the Belgian Companies Code regarding gender diversity.

The Board of Directors firmly believes that diversity in all of its facets (culture, gender, language, etc.), equality of opportunity and respect for human capital and human rights are fundamental to the proper functioning of the company. It is these values that enrich the exchange of ideas and visions and promote employee health and motivation, which is expressed in innovation and growth in the company.

Implementation of the diversity policy

Below is a summary of the guidelines adopted, their objective and implementation with regard to the members of the Board of Directors and the members of the executive management:

Guideline and objective	Implementation	Additional information	Fulfilment
Gender diversity			
WDP strives for a healthy balance in the matter of composition in accordance with the relevant legislation (including Article 518bis of the Belgian Companies Code).	Composition of the Board of Directors in 2017: 2/3 male, 1/3 female.	The future composition of the Board of Directors with 7 directors will also meet Article 518bis of the Belgian Companies Code.	Continuous implementation process
Age			
For the members of the Board of Directors, an age limit of 70 years at most has been set. Age does not play a role in recruiting directors. The focus ies on competence, knowledge and proper performance of duties.	None of the current directors or members of the executive management will reach the age limit of 70 this year.		Continuous implementation process
Complementary regarding competence a	nd knowledg e		
The nomination committee and the Board of Directors ensure that directors and members of the executive management complement one another to a certain degree in terms of education, professional experience and expertise. This includes consideration of the geographic presence of the company, its focus on a sustainable policy, the (technological) developments in the logistics sector, etc.	The composition of the Board of Directors is balanced in terms of knowledge, competencies and experience in different areas. For further information on complementary qualifications of members of the Board of Directors: see 2. Current composition of the Board of Directors on page 88.	In light of the end of Frank Meysman's term as independent director, the Board of Directors set out to find a director who could help safeguard the continuity of the body and who offers more detailed expertise in the areas of digital modernisation and technology. For further information on the proposal to appoint Jürgen Ingels: 3. Developments in the composition of the Board of Directors during the 2018 financial year on page 92.	Continuous implementation process
nternal control of the diversity polic	•		
Compliance with the adopted guidelines.	The Board of Directors and the executive management of WDP ensure that the guidelines are met and that		Continuous implementation process

its diversity policy permeates the company.

The nomination committee of the Board of Directors includes the application of the diversity criteria when appointing new directors.

Frank Meysman's term as independent director is ending and the vacancy must be filled in line with the diversity criteria. This also includes consideration of possible extension of other terms coming to an end in this regard. For further information on (re)appointments, please refer to 3. Developments in the composition of the Board of Directors during the 2018 given above.

8. Remuneration report

This remuneration report complies with the provisions of the 2009 Corporate Governance Code and Article 96(§3)(2) of the Belgian Companies Code, as implemented by the Belgian Act of 6 April 2010.

Internal procedures

In the 2011 financial year, the remuneration committee developed a remuneration policy for the directors and members of the executive management. This policy sets remunerations that are adequate to attract, retain and motivate directors and members of the executive management who meet the profile defined by the Board of Directors. This process also ensures that the costs of the various remunerations remain under control.

The remuneration committee annually performs a benchmark against the pay of both non-executive directors and executive directors of comparable listed Belgian companies to ensure that the remuneration remains suitable and in line 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 to this, the remuneration committee also conducts an annual analyses of the remuneration policy applicable to members of the executive management and examines whether it needs amendment. The analysis covers the general pay level and the distribution of the different components and the conditions for their award. The remuneration committee also examines whether the procedure for determining the objectives that define the level of variable pay over the short term is in line with the risk appetite of the company.

The Board of Directors, at the proposal of the remuneration committee, does not plan any significant changes to the remuneration policy appli-

cable to both directors and executive management for the next two financial years.

The General Meeting that decides on the annual financial report of the Board of Directors will also decide on the remuneration report in a separate annual vote.

Statutory manager pay

The amount of the remuneration for the manager corresponds to the total cost for the Board of Directors (including the bonus scheme for members of the executive management), and for management of the GVV/SIR (including the costs of a director's liability insurance policy) and administrative costs.

The remuneration for the manager for the 2017 financial year comes to 1,525,000 euros.

Taking into account the increase in the (fixed) management fees, as explained below, the remuneration for the manager for the 2018 financial year will be 1,675,000 euros.

Non-executive director pay

The total remuneration for non-executive directors consists of:

- ▶ a fixed expense reimbursement,
- ▶ a fixed management fee.

The non-executive directors do not receive performance-based pay (such as bonuses or shares related to long-term incentive programmes) or any benefits in kind or benefits associated with pension schemes. Given the rather small size of the Board of Directors and its committees, no special remuneration is granted to the non-executive directors in their roles as members and/or chairs of particular committees.

Overview of remuneration for		Fixed ¹ (ii	Variable	
non-executive directors for the 2017 financial year		Remuneration	Other benefits	(in euros)
Frank Meysman		27,500	-	-
Cynthia Van Hulle		27,500	-	-
Anne Leclercq		27,500	-	-

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 and the management fee.

For the 2018 financial year, the fixed management fee for the non-executive directors was increased to 30,000 euros (including expense reimbursements) in light of the growth of the company and the increasingly complex and technical nature of the file under the responsibility of the Board of Directors.

Pay for executive directors and executive management

The executive directors of WDP are (i) the chairman of the Board of Directors and (ii) the two CEOs of WDP. The CEOs make up the executive management and are only remunerated in that capacity, not in their capacity as executive directors. Given the rather small size of the Board of Directors and its committees, no special remuneration is granted to the executive directors in their roles as members and/or chairs of particular committees.

The total remuneration for the **chairman** consists of:

- ▶ a fixed expense reimbursement; and
- ▶ a fixed management fee, where:
 - the Board of Directors has the option to increase this fixed management fee for additional duties, such as a part-time executive task;
 - the fixed remuneration for the chairman can be used to finance the chairman's group insurance according to the cafeteria principle.

The current chairman of the Board of Directors has the role of executive chairman (see also the

explanation under Chapter 6.7.1. Management report – Corporate Governance – Corporate Governance), but is not part of the executive management.

The total remuneration for the members of the **executive management** consists of:

- ▶ a fixed expense reimbursement; and
- a fixed remuneration, where this 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; and
- a variable remuneration where the members of the executive management have the option to use this to finance their group insurance according to the cafeteria principle.

The company provides members of the executive management with a laptop as well as a company vehicle and mobile phone, which are accounted for as benefits in kind.

Share (option) schemes are not available to the members of the executive management or to the executive directors. For the sake of completeness, the overview of the shareholdings of the executive directors as of 31 December 2017 is shown. In the opinion of the Board of Directors, the interests of the executive directors and the executive management are sufficiently aligned with those of the shareholders and this also supports the long-term vision of the executive directors and the executive management.

Number of shares held on 31 DEC. 2017

Tony De Pauw	9,4733
Joost Uwents	18,977
Mark Duyck	10,147

The criteria and targets applied in awarding **variable remuneration** to executive management are expressly defined at the start of the financial year by the Board of Directors at the proposal of the remuneration committee.

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 book-keeping and financial data analysed in the audit committee. The meeting of the remuneration committee discusses financial performance and other criteria evaluated over a three-year horizon. 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 Act, these criteria for awarding the variable remuneration or for the part of the variable remuneration 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 remuneration cannot be awarded based on a specific operation or transaction by WDP or its subsidiaries.

The variable remuneration can only be paid out if the criteria for payment defined between a member of the executive management and WDP are met for the reference period. In addition, the following applies: at least 25% of the variable remuneration for a member of the executive management must be based on performance criteria that are measured over a period of at least two years, and another 25% based on performance criteria that must be measured over

For the 2017 financial year, the following criteria are used to award variable remuneration to the members of the executive management in descending order of importance:

- the EPRA Earnings per share and the occupancy rate (for the one-year targets), which account for 50% of the variable remuneration;
- the speed of portfolio growth under the strategic growth plan (for the two-year targets), amounting to 25% of the variable remuneration;
- ▶ some qualitative and organisation-building objectives (for multi-year criteria), also amounting to 25% of the variable remuneration.

During the meeting of the remuneration committee of 31 January 2018, just as in previous years, the committee came to the conclusion that targets had either been reached or even exceeded. With a target variable pay of 250,000 euros (for achieving 100% of the targets), an overall score of 105% was achieved.

a period of at least three years. WDP meets these statutory rules pertaining to distribution of variable remuneration over time, part of which is paid out after the end of the financial year in question and another part after the end of the subsequent financial year (i.e. after three years).

³ This is a personal shareholding and is independent of the shareholding of RTKA

Overview of remuneration for executive	Fixed¹ (i	Fixed¹ (in euros)	
chairman of the Board of Directors for the 2017 financial year ¹	Remuneration	Other benefits	(in euros)
Mark Duyck	250 000		

The pay for the executive chairman consists of a fixed expense reimbursement of 3,500 euros a year and a management fee, which was increased for the additional duties for WDP in his executive task.

Overview of remuneration for executive	Fixed² (i	Variable	
management for the 2017 financial year ¹	Remuneration	Other benefits ³	(in euros)
Tony De Pauw	290,000	17,900	262,5004
Joost Uwents	375,000	3,100	262,500 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 is the fixed part of their salary package and is made up of compensation consisting of items such as fixed expense reimbursements of 3,500 euros per year and a fixed remuneration fee.
- 3 The other benefits consists of a company car and a mobile phone for members of the executive management.
- 4 Payment of the variable remuneration is spread over a three-year period, in accordance with the rules set out in the remuneration policy.

The total remuneration for the executive management (excluding other benefits) in the 2017 financial year comes to 1,190,000 euros (including 44.12% in variable pay).

For the 2018 financial year, variable pay will be awarded based on the same targets as in the 2017 financial year:

- ▶ the EPRA Earnings per share and the occupancy rate (for the one-year targets) (50%);
- the speed of portfolio growth under the strategic growth plan (for the two-year targets) (25%);
- ▶ some qualitative and organisation-building objectives (for multi-year criteria) (25%).

The target amount for the variable remuneration for the 2018 financial year has been set to 280,000 euros (for 100% achievement of the targets), with a maximum of 350,000 euros.

In light of the growth of the company and the increasingly complex and technical nature of the files under their responsibility, the fixed remuneration for directors for the 2018 financial year was increased to 300,000 euros for Tony De Pauw

(including expense reimbursements), to 400,000 euros for Joost Uwents (including expense reimbursements) and to 275,000 euros for Mark Duyck (including expense reimbursements).

Shares

Shares, share options and other rights to acquire shares are not awarded to the executive directors or members of the executive management.

Severance pay

At this time, no employment contracts or service agreements have been concluded with the executive directors or members of the executive management (i.e. all persons as per Article 96 of the Belgian Companies Code for whom the information must be submitted) that provide for specific payments on termination of employment.

Right of recovery, clawback formulas

The company has not provided any right to recovery for any variable remuneration awarded to CEOs based on incorrect financial data.

9. Conflicts of interest

Conflicts of interest involving directors

The statutory regulation relating to conflicts of interest for directors (Article 523 of the Belgian 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 conflicts with the interest of the company in the decision or operation in question.

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. During discussion of the agenda item in question, they must leave the meeting. They shall not participate in the consultation and the vote on this agenda item.

As far as the company is aware, the directors do not currently have any conflicts of interest in the sense of Article 523 of the Belgian Companies Code. Aside from potential conflicts with regard to remuneration opportunities, the company does not foresee any other potential conflicts of interest over the short term.

Conflicts of interest involving transactions with affiliates

The GVV/SIR must also meet the procedure in Article 524 of the Belgian Companies Code when taking a decision or performing an operation related to: (a) relations between the GVV/SIR and an affiliated company, with the exception of its subsidiaries and (b) relations between a subsidiary of the GVV/SIR and an affiliated company, with the exception of subsidiaries of that subsidiary.

It was not necessary to apply this procedure over the course of 2017. If a conflict of this kind arises, it shall be communicated in due course.

Functional conflicts of interest

The provisions of Articles 37 and 38 of the Belgian GVV/SIR Act apply to WDP. Article 37 of the Belgian GVV/SIR Act includes a functional conflict of interests clause that entails that the GVV/SIR must inform the FSMA whenever certain persons affiliated with the public GVV/SIR (listed in the same article, including the manager, the directors of the manager, the persons auditing the GVV/SIR, affiliated with it or holding a stake in it, the promoter and the other shareholders of all subsidiaries of the public GVV/SIR) act directly or indirectly as a counterparty in, or obtain any material gain from an operation with the public GW/SIR or one of its subsidiaries. The notification to the FSMA must indicate WDP's interest in the planned transaction and that it falls within its strategy. Article 38 of the Belgian GVV/SIR Act defines when the provisions of Article 37 of the Belgian GW/SIR Act do not apply.

Actions for which a functional conflict of interests exists must be completed under 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).

Operations of this kind, and the details to be reported, are published immediately. They are explained in the annual financial report and in the statutory auditor's report.

In addition to these provisions of the Belgian GVV/SIR Act, WDP also requires all members of the Board of Directors and the executive management to report any arising conflicts of interests as soon as possible. Moreover, WDP applies a stricter definition of functional conflict of interests for matters falling under the compe-

tence of the Board of Directors or the executive management.

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

- the member or any of his or her close relations has an interest of a proprietary nature that conflicts with a decision or transaction of the company;
- a company that does not belong to the group but in which the member or a close relative of the member fulfils a management or administrative role has an interest of a proprietary nature that is in conflict 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 will then decide whether the affected member can or cannot vote on the matter to which the conflict of interests pertains and whether the member can or cannot attend discussions on the matter.

Over the course of 2017, some potential conflicts of interests arose (both under the Belgian GVV/ SIR Act and under the stricter definition applied by WDP), particularly within the framework of the optional dividend that was offered on 26 April 2017 to the shareholders and from which the manager of WDP, certain directors of the manager and the reference shareholder obtained some material gain, due to their capacity as shareholders of WDP.

The Board of Directors approved the optional dividend, given that this transaction was in the interest of WDP (the capital increase accompanying the transaction boosted WDP shareholders' equity and, consequently, reduced its gearing ratio, which is limited by law). This transaction was also carried out under normal market conditions, with all shareholders treated equally.

10. Internal control

General

Internal control comprises three specific pillars: the 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), where the internal audit should be regarded not only as a stand-alone third pillar, but also as playing a transversal role with regard to the other two pillars. The persons tasked with the internal audit function, the risk management function and the compliance function (the independent control functions) oversee these three pillars, respectively. These functions are filled in a suitable and proportionate manner. and always in accordance with the nature, scope and complexity of WDP's activities. Performance of all these functions, combined with the responsibilities of the operational services, forms a line of defence against the risks faced by the GVV/ SIR. Below is a description of the main characteristics of the objectives, principles, structure, organisation and responsibilities of the internal control and risk management systems at WDP.

The effective leaders, Joost Uwents and Tony De Pauw, in their roles as co-CEO of WDP and executive director of the manager of WDP, are responsible for the organisation of the internal control under the supervision of the Board of Directors of the manager of WDP.

Internal control and risk management systems

1. COMPANY ORGANISATION

The internal organisation of WDP has enjoyed considerable reinforcement in recent years thanks to WDP's growth. Not only has the workforce grown substantially, the internal division of tasks has also been further expanded for better separation of duties.

Thus, for instance, WDP has now been organised into different operational and support departments. The operational country teams (Belgium/Luxembourg/France, the Netherlands and Romania) consist of sales & business development, facility management andcContracting. These teams can rely on support from the following services: project management, finance, IT, investor relations, legal, marketing, human resources and administration.

Notwithstanding this further professionalisation, the size of the team remains small because an excessive structure and level of formalisation would be rather limiting, in light of factors such as the nature of the company's activities. A certain degree of flexibility is still indispensable, with people on-call to step in for others for specified tasks, according to urgency of the case at hand. The responsibilities are however strictly defined and current issues are monitored by means of ongoing daily consultations.

2. ORGANISATION OF THE INTERNAL CONTROL – AUDIT COMMITTEE

Aside from general organisation of the internal control structures, the audit committee has a special task with regard to the internal control. The membership and activities of the audit committee are detailed above (see *Audit committee* under Chapter 6.7.5 Management report – Corporate governance – Committees of the Board of Directors on page 93).

3. RISK ANALYSIS AND AUDITS

The audit committee and all members of the Board of Directors conduct evaluations at regular intervals on the risks to which the company is exposed and take the necessary decisions based on these evaluations (such as with regard to setting the interest hedging strategy, evaluation of tenant risks, etc.).

The risk analysis is detailed (in the form of an extensive list) in Part 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 avert these risks and minimise and control any impact from these risks should they materialise.

4. FINANCIAL INFORMATION AND COMMUNICATIONS

The process for preparing the financial information is structured based on predefined tasks to perform and schedules to meet. WDP uses a detailed checklist of all tasks to perform for closure of the annual, semi-annual and quarterly accounts of WDP (both the separate and group accounts). Each task is assigned to a manager in the finance department and a mandatory timeframe. Based on this checklist, everyone at the finance department knows what tasks to perform and by when. Once all bookkeeping tasks are complete, the responsible manager at the finance department checks the figures. This audit mainly consists of:

- a variance analysis between the actual and budgeted figures (the budgeted figures are prepared once a year and updated quarterly based on a forecast);
- a variance analysis between the actual and historical figures;
- an ad hoc analysis of all material amounts and entries.

Once these audits are complete, the figures are submitted to the executive management of WDP and adopted in mutual consultation with the CFO.

5. STAKEHOLDERS IN THE EVALUATION OF THE INTERNAL CONTROL

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

the statutory auditor: on the one hand within the framework of the audit of the semi-annual and annual figures, and on the other hand within the framework of the annual review of underlying processes and procedures. Thus, for instance, an IT audit was conducted during 2017 using a data analytics tool (DFACT). This tool enables better insight into internal control systems and business processes. Please refer to the statutory auditor's report (see Chapter 10.3. Financial statements – Report of the statutory auditor on page 224). An analysis was conducted on the internal control system of the key audit matters, which are valuation of investment properties, valuation of derivatives and large and/or complex transactions. Based on the recommendations of the statutory auditor, the process is adjusted as needed;

- ▶ the audit committee: as indicated above, the audit committee performs a special task with regard to internal auditing and risk management for WDP (see 1. Risk factors on page 2). The Board of Directors of the manager supervises performance of the tasks of the audit committee, using tools such as reporting from the audit committee to the complete Board of Directors:
- ▶ internal audit: the company has hired an outside internal auditor as a third-line function in the internal control structure (see 1. Suitable independent internal audit function under Chapter 6.7.10. Management report Corporate governance Internal control).

Pillars of internal control

1. SUITABLE INDEPENDENT COMPLIANCE FUNCTION AND SUITABLE INTEGRITY POLICY

The independent compliance function is filled as an independent function within an organisation, geared towards the company investigating, promoting and meeting the laws, regulations and codes of conduct applicable to it, in particular the rules related to the integrity of the company's activities. In other words, this is part of the company culture that emphasises honesty and integrity, and meeting the highest of ethical standards in business and the regulations applicable to the company.

The compliance function is performed by WDP Legal Counsel Johanna Vermeeren, appointed for an indefinite term. The compliance officer reports directly to the CEO, Joost Uwents. The main aspects of the integration policy are listed below (non-exhaustive).

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 (EU) 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 (last updated in December 2017 due to the Belgian Act of 31 July 2017 amending the Act of 2 August 2002 on supervision of the financial sector and financial services, in order to implement Regulation (EU) No 596/2014 on market abuse and transposing Directive 2014/57/EU on criminal sanctions for market abuse and Commission Implementing Directive (EU) 2015/2392 as regards the reporting of infringements, and setting out various provisions) and will be provided to and signed by every employee at the start of employment at or for WDP.

Conflicts of interest

See the above description under 9. Risk factors on page 103.

Misappropriation of company assets and bribery

As indicated in Article 492bis of the Belgian Criminal Code, it is prohibited for the directors,

the executive management or employees to use WDP assets or credit for direct or indirect personal ends. This is only permitted where authorised by law. They also agree not to accept any gifts or entertainment from clients or suppliers unless this is compatible with normal and accepted business ethics.

Directors, executive managers or employees who have doubts as to whether a particular action falls under the concept of misappropriation of company assets and bribery must request prior consent from the chairman of the Board of Directors. Naturally, any consent granted shall not indemnify them against any criminal liability.

2. SUITABLE RISK MANAGEMENT FUNCTION AND SUITABLE RISK MANAGEMENT POLICY

The person tasked with the risk management function is responsible for tasks such as drafting, development, monitoring, updating and implementation of 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 conducting an analysis of the identified risks facing the company, both at regular intervals and additionally as needed (see also chapter 1. Risk factors on page 2). Next, the risks are evaluated and, based on the results of this, risk control is implemented.

Risk management is an integral part of running the company. It ranges from day-to-day financial and operational management including the four-eyes principle, analysis of new investment files and formulation of strategy and objectives, to strict and firmly established decision-making procedures. For this reason, risk management is the responsibility of the entire WDP group, i.e. across all layers of the organisation, with different responsibilities at each level.

3. APPROPRIATE INDEPENDENT INTERNAL AUDIT FUNCTION

The internal audit can be understood as an independent assessment function embedded into the organisation, focusing on examination and evaluation of proper functioning, effectiveness and efficiency of company processes, procedures and activities. This may involve areas such as operating opportunities (quality and suitability of systems and procedures, organisation structures, policy lines and methods and resources used to meet objectives), financial opportunities (reliability of bookkeeping, annual accounts and the financial reporting process), and compliance with applicable bookkeeping and other regulations, management opportunities (quality of the management function and staff services with respect to company objectives), as well as the compliance function and risk management function.

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 GW/SIR, Mark Duyck is responsible for the supervision of the internal audit function the external auditor is in charge of.

11.Information as per Article 34 of the Belgian Royal Decree of 14 November 2007

In accordance with Article 34 of the Belgian Royal Decree of 14 November 2007 on obligations on issuers of financial instruments admitted for trading on a regulated market, WDP gives a summary and, if applicable, explanation of the following items, to the extent that these items, due to their nature, will have an impact in cases of a public acquisition bid.

The capital structure

As at 31 December 2017, WDP's capital amounted to 176,513,771.65 euros, represented by 22,009,277 fully paid-up ordinary shares without par value. All shares are fully paid up and are either registered or dematerialised. There are no preference shares. Each share confers the right to one vote at the General Meeting.

Please also refer to provisions on this in the Articles of Association of WDP (see Chapter 11.2 Permanent document – Share capital).

Share transfer provisions under the law, the Articles of Association or by convention

The transfer of shares in WDP is not subject to any provisions under the law or the Articles of Association. All WDP shares are listed on Euronext Brussels and Amsterdam.

Special rights of control

Special rights of control are not granted to any (categories) of shareholders.

Mechanism for auditing a share scheme for employees when rights of control are not exercised directly by employees

WDP does not have a share scheme for employees.

Voting restrictions under the law or the Articles of Association

The law and the Articles of Association do not set any restrictions on voting rights.

Shareholder agreements known to WDP that may give rise to

restrictions on share transfers and/ or voting rights

As far as WDP is aware, no shareholder agreements exist which could result in restrictions on share transfers or voting rights.

Rules for appointment and replacement of members of the management body and for amendment of the Articles of Association of WDP

For rules on appointment and replacement of the manager and members of the management body, please refer to the explanatory note in 6.7.2. Management report – Corporate Governance – Some background: the Comm. VA and its statutory manager and 4. The Board of Directors of the statutory manager of De Pauw NV – Remit of the director on page 87, and to the Articles of Association of the company.

In accordance with GVV/SIR legislation, all draft amendments to the Articles of Association must be submitted to the FSMA in advance for approval. Moreover, the Articles of Association (see chapter 11.2 Permanent document – Share capital – Changes in capital) and the provisions of the Belgian Companies Code apply, bearing in mind that the manager must approve amendments to the Articles of Association.

The powers of the management body, particularly with regard to the option to issue or purchase shares

In accordance with Article 7 of the Articles of Association of the company (see Chapter 11.2 Permanent document – Share capital – Authorised capital), the manager is authorised to increase the share capital in one or more increments, up to a maximum amount of:

 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 Act) 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, will not be increased by a total amount greater than 148,427,695.51 euros.

This authorisation applies for a period of five years starting from 3 May 2016. It is renewable.

On 31 December 2017, the balance of the authorised capital amounted to (i) 125,491,210.93 euros if the capital increase to be realised is a capital increase with an option to exercise the pre-emptive right or the irreducible allocation right by the shareholders of the company, and (ii) 25,752,857.91 euros for all other forms of capital increase.

According to Article 10 of the Articles of Association of the company (see Chapter 11.2 Permanent document – Share capital – Share repurchase), the manager is authorised to acquire, receive under pledge and resell treasury shares on behalf of the company, for a period of five years starting from 8 April 2016 (within the limits under the Articles of Association). On 31 December 2017, the company did not hold any treasury shares, including under pledge.

Major agreements to which WDP is party that come into force, undergo amendments or expire in cases of a change of control over WDP after a public acquisition bid

The General Meeting of 26 April 2017 approved the change of control clause as part of (i) the financing agreement that the company concluded on 21 December 2016 with ABN AMRO BANK NV and (ii) the private bond issue of the company

completed on 1 April 2016 (Prospectus of 23 March 2016).

Agreements concluded between WDP and its directors or employees that provide for remunerations if a public acquisition bid results in the resignation of directors or their forced departure without a valid reason or the end of employment of an employee

The agreements concluded with the directors, the executive management and the employees of WDP do not include any contractual clauses of this kind.



1. The share

1. Share price

The value of WDP shares evolved in the first months of 2017 from 84.9 euros on 31 December 2016 to around 89 euros in May 2017 when the dividend was paid out, then rose further to a closing price of 93.4 euros on 31 December 2017.

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.

2. Velocity and liquidity

As a result of the capital increases for the optional dividend and the contribution in kind in the autumn of 2017, as well as due to the strong share return in 2017, market capitalisation rose to over 2 billion euros.

The liquidity of WDP shares also continued to increase. In 2017, the average daily volume came to 1,776,938 euros (in 2016: 1,749,796 euros). As a result, velocity – the number of shares traded per year, divided by the total number of outstanding shares at the end of the year – was 30.4%. 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 trend and return

The total return on WDP shares¹ in 2017 was +10.0%.

Data provided by EPRA further show that WDP with a total annualised return of +10.5% since the initial public offer at the end of June 1999, continues to outperform European property indexes (+8.4%), investment properties in the euros zone (+10.2%) and Belgian property investments (+7.6%).

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.

¹ The return on a share over a specific period is equal to the gross yield. This gross yield is the sum of the following components:

the difference between the share price at the end and at the start of the period;

the gross dividend (i.e. the dividend before deduction of the advance levy);

the gross yield of the dividend obtained when it is reinvested in the same share

Figures per share	31 DEC. 17	31 DEC. 16	31 DEC. 15
Number of shares in circulation at closing date	22,009,277	21,326,043	18,507,260
Free float	75%	74%	74%
Market capitalisation (in euros)	2,056,326,750	1,810,367,790	1,503,529,802
Traded volume In shares per year	4,990,398	5,456,690	5,461,095
Average daily volume (in euros)	1,776,938	1,749,796	1,521,272
Free float velocity ¹	30.4%	34.5%	39.9%
Stock exchange price			
- highest	98.04	93.87	81.24
- lowest	82.09	69.85	61.90
- closing	93.43	84.89	81.24
IFRS NAV ² (in euros)	56.3	48.4	41.5
EPRA NAV³ (in euros)	58.3	51.2	44.9
Dividend payout ratio	82%	90%	81%
EPRA Earnings/share ⁴ (in euros)	5.60	5.30	5.00
EPRA Earnings/share ⁵ (in euros)	5.52	4.72	4.91
Gross dividend/share (in euros)	4.50	4.26	4.00
Net dividend/share (in euros)	3.15	2.98	2.92
Advance levy	30%	30%	27%

- 1 The number of shares traded per year, divided by the total number of free float shares at the end of the year.
- 2 IFRS NAV: The IFRS NAV is calculated by dividing the shareholders' equity as per IFRS by the total number of dividend-entitled shares on the balance sheet date. This is the net value per share according to GVV/SIR legislation.
- 3 FEPRA NAV: this is the NAV that was adjusted to include properties and other investments at their fair value and exclude certain line items that are not expected to take shape in a business model with real estate investments over the long term. See also www.epra.com.
- 4 Based on the weighted average number of shares (21,687,261).
- 5 Based on the number of shares entitled to dividend.





WDP share return versus EPRA indexes



- FTSE EPRA/NAREIT Belgium/Luxembourg Index Total return (in euros)
- FTSE EPRA/NAREIT Euro Zone Index Total return (in euros)
- FTSE EPRA/NAREIT Developed Europe Index Total return (in euros)
- WDP Total return (in euros)

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 2017.

Issuer	ISIN-code	Nominal amount (in million euros)	Term (in year)	Maturity date	Coupon	Issue price	Indicative price 31 DEC. 2017
WDP Comm. VA	BE0002248178	37.1	10	01 April 2026	2.50%	100%	97.63%
WDP Comm. VA	BE0002249184	22.9	10	01 April 2026	Euribor 3M + 2.00%	100%	99.61%
WDP Comm. VA	BE0002234038	54.4	7	02 July 2022	2.50%	99.36%	101.75%
WDP Comm. VA	BE0002235043	37.8	7	02 July 2022	Euribor 6M + 1.75%	100%	98.91%
WDP Comm. VA	BE0002216829	125	7	13 June 2021	3.38%	101.88%	105.28%
WDP Comm. VA	BE0002192582	50	7	18 March 2020	3.80%	99.86%	103.71%

3. Shareholding²

Shareholdings	Number of shares (declared)	Date of the declaration	(in %)
Free float	16,406,719		74.54%
BlackRock-related companies	659,847	29.12.2016	3.00%
Other shareholders below the threshold as per the Articles of Association ¹	15,746,872	19.05.2017	71.54%
Jos De Pauw family (reference shareholder) ²	5,602,557	13.09.2017	25.46%
De Pauw NV ²	1	29.12.2017	0.00%
Total number of shares	22,009,277		100.00%

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

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

² Situation based on transparency notices received by 31 December 2017. Any reported changes may be viewed at www.wdp.eu.

4. Financial calendar

11 April 2018	Final date fro registering shares for participation in the Annual General Meeting at 25 april 2018
19 April 2018	Deadline to confirm participation in Annual General Meeting on 25 04 2018 (bank certificate/power of attorney)
25 April 2018	Annual General Meeting
25 April 2018	Publication of Q1 2018 results
26 April 2018	2017 ex-dividend date
27 April 2018	2017 dividend record date
1 August 2018	Publication of 2018 interim results and publication of 2018 Interim financial report
26 October 2018	Publication of Q3 2018 results
1 February 2019	Publication of 2018 annual results
24 April 2019	Annual General Meeting

The Board of Directors will set the dates for the registration period for the optional dividend, the Payment Date and for trading of new shares at its meeting on 25 April 2018.

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



Euronext

IPO: 28/06/1999 listing: continuous

ISIN code: BE0003763779

Liquidity provider: Kempen & Co



1. Review of the consolidated property portfolio

1. Description of the portfolio as at 31 December 2017

The independent property experts Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate estimated the fair value¹ of the WDP property portfolio (including *Assets held for sale* and excluding solar panels) in accordance with IAS 40 at 2,567.4 million euros on 31 December 2017. The fair value at the end of 2016 amounted to 2.110.0 million euros.

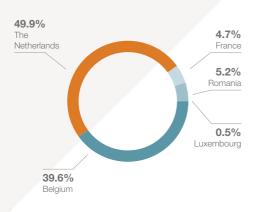
The portfolio breaks down as follows:

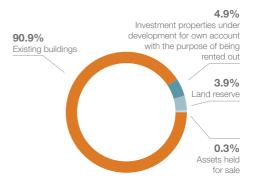
Fair value (in million euros)	Belgium	The Netherlands	France	Luxembourg	Romania	Total
Existing buildings	975.3	1,150.5	120.5	11.8	74.9	2,333.0
Investment properties under development for own account with the purpose of being rented out	16.1	73.4	-	0.5	36.5	126.5
Land reserve	18.0	58.4	0.5	-	23.4	100.3
Assets held for sale	7.5	-	-	-	-	7.5
Total	1,017.0	1,282.3	121.0	12.3	134.8	2,567.4

¹ Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties (-): these are the transfer costs to be paid in the event of a hypothetical disposal of the investment properties. The fair value at which the investment properties are valuated consists of the investment value minus the transaction costs. The average theoretical local transfer taxes deducted from the investment value are as follows for the different countries: Belgium: 2.5%, Netherlands: 6.1%, France: 5.1%, Luxembourg: 7.0% and Romania: 1.5%.

Geographical breakdown of the fair value of the portfolio







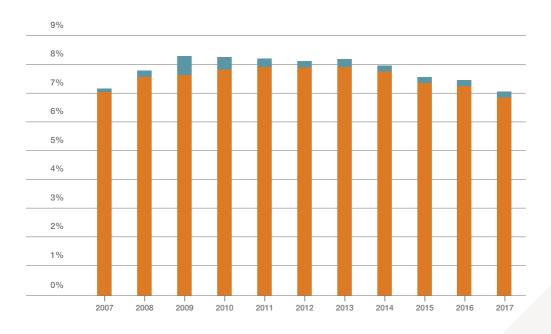
Portfolio statistics by country	Belgium	The Netherlands	France	Luxem- bourg	Romania	Total
Number of lettable sites	83	77	9	1	14	184
Gross lettable area (in m²)	1,715,439	1,680,303	213,467	14,772	133,003	3,756,983
Land (in m²)	3,386,709	3,298,564	471,358	28,507	1,582,044	8,767,181
Fair value (in million euros)	1,017.0	1,282.3	121.0	12.3	134.8	2,567.4
% of total fair value	40%	50%	5%	0%	5%	100%
% change in fair value over 2017	3.0%	4.7%	3.6%	-4.0%	6.3%	4.0%
Vacancy rate (EPRA) ^{1,2}	4.6%	1.3%	5.8%	0.0%	0.0%	2.9%
Average lease length till first break (in year) ²	4.6	6.6	3.2	1.9	7.9	5.6
WDP gross initial yield ³	7.1%	7.0%	7.2%	7.9%	8.3%	7.1%
Effect of vacancies	-0.3%	-0.1%	-0.4%	0.0%	0.0%	-0.2%
Adjustments from gross to net rental income (EPRA)	-0.3%	-0.3%	-0.1%	-0.1%	0.0%	-0.2%
Adjustments for transfer taxes	-0.2%	-0.4%	-0.3%	-0.5%	-0.1%	-0.3%
EPRA net initial yield ¹	6.4%	6.3%	6.4%	7.3%	8.2%	6.4%

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

² Excluding solar panels.

³ Calculated by dividing the annualised contractual gross (cash) rents and the rental value of the unleased parts by the fair value. The fair value is the value of the investment properties after deduction of transaction costs (mainly transfer tax).

Historic gross rental yield of the WDP portfolio



initial rental yield (based on the contractual rent plus the rental value of unleased parts)initial rental yield (based on contractual lease)

Changes in fair value during 2017

In 2017, WDP invested a total of 134.4 million euros in new acquisitions, including 17.4 million euros for the purchase of property through the purchase of shares. An additional 234.9 million euros were invested for the completion of pre-leased projects for own account and investment in the existing portfolio. The sites in Estaimpuis, Merchtem and Oud-Beijerland were also sold for 14.9 million euros.

The change in the valuation of the investment properties amounted to an additional 103.1 million euros during 2017 on a portfolio of approximately 2.6 billion euros. The gross rental

yield based on the contractual rents, after the addition of the estimated market rental value of the unleased parts, is 7.1% as at 31 December 2017, down from 7.5% at the end of 2016, due to downward pressure on yields in the investment market.

Development of the property portfolio during 2017



3. Value and composition of the rental portfolio

The total surface area comprises 876.7 hectares, including 70.8 hectares granted in concession. The balance of 805.9 hectares has a fair value of 883.5 million euros or 34% of the total fair value. This gives an average land value of 110.2 euros/ m², excluding transaction costs. This area also includes the land reserves, particularly in Belgium, the Netherlands and Romania.

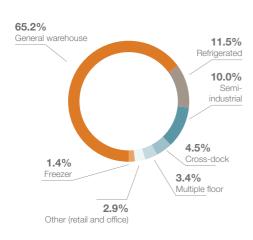
The total leasable surface of the buildings is 3.8 million m², with a total estimated rental value of 162.6 million euros. The warehouses account for the lion's share (79%), with 2,957,927 m² and

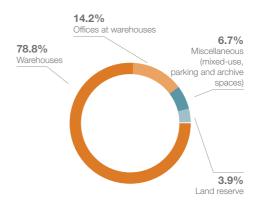
a joint rental value of 128.1 million euros. The average rental value per m² amounts to 43.3 euros.

Office space, some of it independent and some of it attached to warehouses, represents 254,128 m² or 23.2 million euros in rental value. The average rental value per m² amounts to 91.1 euros. Commercial premises take up 9,570 m² and represent 0.3 million euros in rent, with an average of 34.9 euros per m². Miscellaneous uses represent 535,359 m² or 11.0 million euros, with an average rent of 20.5 euros/m².

Designated use as at 31 DEC. 17	Built surface (in m²)	Estimated rental value (in million euros)	Estimated average rental value per m² (in euros)	% of total rental value
Warehouses	2,957,927	128.1	43.3	79%
Offices at warehouses	254,128	23.2	91.1	14%
Commercial space	9,570	0.3	34.9	0%
Miscellaneous intended uses (mixed-use spaces, parking and archives)	535,359	11.0	20.5	7%
Total	3,756,983	162.6	43.5	100%

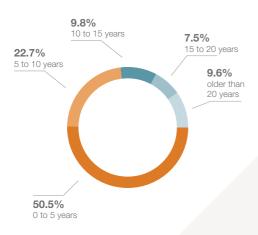
Breakdown of property portfolio by property type (based on fair value) Breakdown of total rental value by intended use

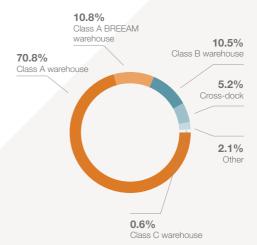




Breakdown of fair value by age of the property

Breakdown of property portfolio by property quality type (based on fair value)





Historical occupancy rate of the WDP portfolio (including solar panels)



4. Rental situation of the available buildings

The occupancy rate of the WDP portfolio came to 97.4% at 2017 year-end, (including solar panels)². This represents the outcome of WDP's commercial strategy, which is aimed at developing long-term relationships with clients and supports the company's performance with 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 remaining duration to the expiry date of a lease contract is 7.4 years. When the next termination date is taken into account, the average remaining term is 5.6 years.

If income from solar panels³ is taken into account, the average remaining term to the final expiry date is 7.8 years. When the first termination date is taken into account, the average remaining duration is 6.2 years.

Top-10 tenants

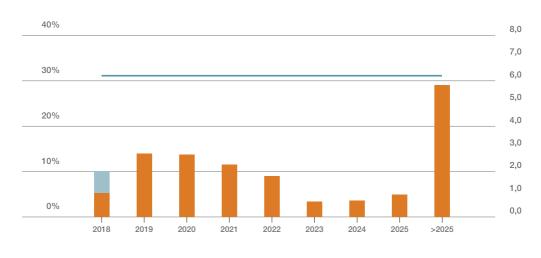
Solar panels	BE	NL RO	7.9%
Kuehne + Nagel			5.9%
Greenyard			5.5%
Distrilog Group			4.6%
DHL Supply Chain			3.5%
CEVA Logistics			3.3%
The Greenery			3.1%
Action			3.0%
DHL Express			2.9%
Carrefour			2.4%

The share of the ten biggest tenants is 42%, distributed across various sites. The top 20 make up a share of 56%.

² Excluding solar panels, the occupancy rate is 97.1%.

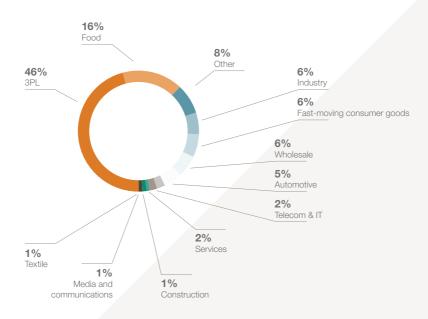
³ See explanatory note XIII. Other tangible fixed assets on page 199.

Lease expiry dates (till earliest termination date)



- % of leases due to expire (including solar energy) (left scale)
- % already extended as at 31 DEC. 17 (left scale)
- average lease duration (until first termination date) (including solar energy) (in years) (right scale)

Rental income 2017 by tenant category



5. Overview of projects under development⁴

	Land	Туре	Lettable area (in m²)	Projected delivery	Pre-leased	Tenant	Investment budget (in million euro)¹	Projected yield
Bleiswijk	NL	Development	42,900	Q3 2018/ Q1 2018/ Q3 2018	100%	Mediq, Total Exotics, Toolstation	28	
Barendrecht (C-D)	NL	Development	23,700	Q4 2018	100%	The Greenery	10	
Echt	NL	Development	14,000	Q1 2018	100%	Dick Vijn	10	
Veghel (phases 2+3)	NL	Development	29,000	Q2 2018	100%	Kuehne + Nagel	13	
Moerdijk	NL	Development	18,000	Q2 2018	100%	Gondrand Traffic	18	
Amsterdam	NL	Development	14,000	Q4 2018	100%	DHL Parcel	14	
Zwolle	NL	Development	25,000	Q4 2018	100%	wehkamp	24	
Rotterdam	NL	Development	6,675	Q3 2019	100%	Synergy Foods	7	
Heienoord	NL	Development	22,075	Q4 2019	100%	VCKG Holding	18	
Arnhem	NL	Development	20,250	Q1 2019	100%	Brunzl	18	
Eurohub Sud	LU	Development	25,000	Q4 2018	100%	Auchan, Innovation First	11	
Oradea (1)	RO	Development	4,000	Q1 2018	100%	Kuehne + Nagel	1	
Cluj-Napoca (3)	RO	Development	15,000	Q1 2018	100%	Profi	5	
Aricestii Rahtivani	RO	Development	4,500	Q1 2018	100%	Kamtec	2	
Roman	RO	Development	34,000	Q1 2018	100%	Profi	8	
Timisoara (2)	RO	Development	8,000	Q1 2018	100%	TE Connectivity Solutions	2	
Ramnicu Valcea (3)	RO	Development	4,800	Q1 2018	100%	Faurecia	2	
Oarja (3)	RO	Development	29,000	Q2 2018	100%	CEVA Logistics	5	
Constanta	RO	Development	2,300	Q2 2018	100%	Vestas ceu Romania	1	
Paulesti (1)	RO	Development	4,800	Q2 2018	100%	Global Enterprises International	2	
Paulesti (2)	RO	Development	8,800	Q2 2018	100%	Norwest Romania	4	
Oradea (2)	RO	Development	16,000	Q3 2018	100%	Inteva Products Salonta	4	
Investments in solar panels	NL	n.r.	10 MWp	Q2 2018	100%	Various	10	
Total			371,800		100%		213	6.9%

¹ For the redevelopment projects, this does not factor in the value of the redevelopment projects before the start of the renovation. Taking into account the proportionate share of WDP in the portfolio of WDP Development RO (51%) and WDP Luxembourg (55%).

The anticipated out-of-pocket cost for completion of these projects is estimated at approx. 213 million euros, approx. 77 million euros⁵ of which had already been issued as at 31 December 2017. WDP expects to achieve a return of 6.9% on the total investment.

⁴ See also 6.3.4 Management report – Transactions and realisations – Projects under development on page 51.

⁵ The indicated amount differs from the previously reported amount of 127 million euros due to a number of projects that will be sold and the value of the existing sites before the start of their redevelopment.

6. Key data of the properties

During 2017, site inspections were conducted on all of the sites in this summary by the independent property experts: Stadim, JLL, Cushman & Wakefield, CBRE and BNP Paribas Real Estate.

	Year of con- struction (last renovation/ expansion)	Lettable area (in m²)	Rents in 2017	Occupancy rate ² 31 DEC. 17
Belgium (fully owned by WDP)		1,715,439	64,886,743	95.4%
WDP Comm. VA				
Aalst, Tragel 47	1998-1999 (2013)	24,989	1,201,788	100%
Aalst, Wijngaardveld 3-5 - Dijkstraat 7	1992 (2005)	17,998	385,864	94%
Aalst, Wijngaardveld 5	2005	4,584	282,356	100%
Aarschot, Nieuwlandlaan B19	2009	8,602	411,045	100%
Anderlecht, Frans Van Kalkenlaan 9	1969 (2007)	21,498	939,481	97%
Asse - Kobbegem, Breker 41	1989	12,100	435,521	100%
Asse - Mollem, Zone 5 nr. 191, 192, 320, 321	1967 (2012)	31,026	1,604,688	99%
Asse - Mollem, Zone 5 nr. 200	2011	3,287	294,712	100%
Asse - Mollem, Zone 5 nr. 340	1989 (2005)	5,993	276,820	100%
Asse - Zellik, Z4 Broekooi 295	1995	30,301	0	100%
Asse - Zellik, Z4 Broekooi 290	1995	7,861	431,402	100%
Beersel - Lot, Heideveld 64	2001	7,275	280,528	100%
Beersel, Stationsstraat 230	2005	5,149	230,223	100%
Beringen - Paal, Industrieweg 135	2002 (2008)	10,189	384,192	100%
Boom, Langelei 114-116	2000-2001	36,626	1,269,292	68%
Boortmeerbeek, Industrieweg 16	1991 (2011)	26,487	564,549	80%
Boortmeerbeek, Leuvensesteenweg 238	2004	11,284	182,234	100%
Bornem, Rijksweg 17	1996 (2004)	11,911	394,954	100%
Bornem, Rijksweg 19	2004 (2013)	22,324	1,091,442	93%
Bornem, Oude Sluisweg 32	2011	95,538	4,911,526	89%
Courcelles, rue de Liège 25	2007 (2009)	30,514	851,065	85%
Geel, Hagelberg 12	2012	13,465	582,273	100%
Geel, Hagelberg 14	2009	24,064	920,000	100%
Genk, Brikkenovenstraat 48	2008 (2010)	35,055	1,495,294	98%
Genk, Brikkenovenstraat 50	2009	19,180	789,849	100%
Ghent - Evergem, Amerigo Vespuccistraat 2 (WDPort of Ghent)	2016	24,397	1,074,703	100%
Ghent - Evergem, Amerigo Vespuccistraat 2B (WDPort of Ghent)	2017	9,210	134,437	100%
Grimbergen, Eppegemsesteenweg 31	1978 (2013)	66,346	1,210,295	97%
Grimbergen, Industrieweg 16	2008	15,406	616,677	99%
Heppignies - Fleurus, rue de Capilône 6	2016	21,314	835,752	100%
Jumet, Zoning Industriel 2ième Rue	1995 (2005)	6,385	303,645	100%
Kontich, Satenrozen 11-13	1985 (2006)	56,725	2,824,779	100%
Kortenberg, A. De Conincklaan 2-4	1997 (2012)	6,181	259,406	100%
Leuven - Wilsele, Kolonel Begaultlaan 19	1935 (1985)	21,041	743,106	92%

	Year of con- struction (last renovation/ expansion)	Lettable area (in m²)	Rents in 2017	Occupancy rate ² 31 DEC. 17
Londerzeel, Weversstraat 15	2007	11,075	675,015	100%
Londerzeel, Weversstraat 17	2010	7,640	321,518	100%
Londerzeel, Weversstraat 2	2014	16,311	803,182	100%
Londerzeel, Weversstraat 21	1996	6,765	263,192	100%
Londerzeel, Weversstraat 27-29	2000	40,557	608,450	100%
Londerzeel, Nijverheidsstraat 13	2015	9,374	1,120,271	100%
Londerzeel, Nijverheidsstraat 15	1989 (2013)	18,773	485,667	66%
Liège - Flémalle, rue de l'Arbre Saint-Michel 99	2011 (2014)	7,876	412,565	100%
Liège - Hermalle-sous-Argenteau, Rue de Trilogiport 27	2016	30,012	301,591	100%
Machelen, Rittwegerlaan 91-93	2001 (2006)	17,282	1,363,348	100%
Mechelen, Zandvoortstraat 3	2005	32,816	1,172,046	100%
Meer, Seoelstraat 1	(assets held for sale)	n.r.	468,890	n.r.
Merchtem, Wolvertemse Steenweg 1 - Bleukenweg 1	(sold during 2017)	n.r.	376,778	n.r.
Nivelles, chaussée de Namur 66	1974 (2011)	11,197	192,062	48%
Nivelles, rue Buisson aux loups 8	2013	14,557	338,371	100%
Nivelles, rue de l'Industrie 30	1990 (2004)	27,692	1,125,504	93%
Nivelles, rue du Bosquet 12	2007	11,591	247,780	74%
Puurs, Lichterstraat 31	1970s (2012)	15,693	438,506	100%
Puurs, Schoonmansveld 1	1994	41,642	629,262	81%
Rumst - Terhagen, Polder 5	1950s (2007)	30,248	437,696	82%
Sint-Katelijne-Waver, Drevendaal 1	1991 (2007)	20,957	982,656	100%
Sint-Katelijne-Waver, Drevendaal 3	1996 (1997)	22,575	1,486,913	100%
Sint-Katelijne-Waver, Fortsesteenweg 19 and 27	1989	11,589	840,632	100%
Sint-Katelijne-Waver, Strijbroek 10	1989 (2007)	2,103	355,447	100%
Ternat, Industrielaan 23	2004	12,256	280,192	90%
Ternat, Industrielaan 24	1977 (2010)	26,125	689,472	85%
Vilvoorde, Havendoklaan 10	2015	8,200	352,254	94%
Vilvoorde, Havendoklaan 12	1977 (2001)	13,863	881,537	98%
Vilvoorde, Havendoklaan 13	2006	10,606	352,604	89%
Vilvoorde, Havendoklaan 18	1994 (2001)	76,399	3,867,070	100%
Vilvoorde, Havendoklaan 19	2002	11,649	550,372	98%
Vilvoorde, Jan Frans Willemsstraat 95	2004 (2006)	11,243	345,589	100%
Vilvoorde, Willem Elsschotstraat 5	1995 (2016)	21,207	894,551	100%
Willebroek, Koningin Astridlaan 14	2015	1,770	185,372	100%
Willebroek, Koningin Astridlaan 16	2008 (2015)	56,208	2,740,680	100%
Willebroek, Victor Dumonlaan 32	2015	31,195	1,553,290	100%
Willebroek, Victor Dumonlaan 4	1991	33,708	1,523,956	100%

	Year of con- struction (last renovation/ expansion)	Lettable area (in m²)	Rents in 2017	Occupancy rate² 31 DEC. 17
Zaventem, Fabriekstraat 13	1984 (1993)	7,854	416,395	100%
Zaventem, Leuvensesteenweg 573	2001	19,929	1,005,065	77%
Zele, Lindestraat 7	2003 (2008)	41,246	1,272,188	92%
Zonhoven, Vogelsancklaan 250	1965	52,910	450,000	100%
Zwevegem, Deerlijkstraat 58A	1980	74,382	1,344,558	100%
Zwijndrecht, Vitshoekstraat 12	2006 (2013)	49,696	1,806,814	100%
Two properties with rental income have a fair value of less than 2.5 million euros. These are the properties in Antwerp at Vrieskaai 59 and in Puurs - Breendonk, on Koning Leopoldlaan.	n.r.	n.r.	713,547	n.r.

Netherlands (fully owned by WDP)		1,680,303	73,770,389	98.7%
WDP Nederland N.V.				
Alblasserdam, Nieuwland Parc 121	2015	8,707	830,567	100%
Alkmaar, Berenkoog 48	1990	7,872	413,706	100%
Alphen aan den Rijn, Antonie Van Leeuwenhoekweg 35	2007 (2012)	13,837	573,321	73%
Alphen aan den Rijn, Eikenlaan 32-34	2012	21,741	472,365	83%
Alphen aan den Rijn, H. Kamerlingh Onnesweg 3	1996 (2015)	4,048	200,451	100%
Alphen aan den Rijn, J. Keplerweg 2	2005	15,742	940,310	100%
Amersfoort, Basicweg 1-3	1992	11,679	756,765	100%
Amsterdam, Hornweg 64	1992	12,518	781,170	100%
Amsterdam, Maroastraat 81	2008	2,597	945,280	100%
Barendrecht, Dierensteinweg 30/A	2017	25,904	1,299,983	100%
Barendrecht, Dierensteinweg 30/B	2016	18,859	1,090,600	100%
Barendrecht, Dierensteinweg 30/C1	2017	24,053	422,585	100%
Barendrecht, Dierensteinweg 30/C2	1999	10,600	280,830	100%
Barendrecht, Spoorwegemplacement 1	1995	27,720	759,413	100%
Barneveld, Nijverheidsweg 50-52	1981 (2013)	28,740	2,196,131	100%
Bleiswijk, Spectrumlaan 7-9	2014	10,678	658,720	100%
Bodegraven, Schumanweg 4	1970 (2003)	6,379	207,485	100%
Breda, Hazeldonk 6462 and 6464	1994 (2006)	37,913	1,069,499	100%
Breda, IABC 5301	1995	74,885	1,827,456	100%
Breda, Prinsenhil 1-3	1989	16,955	354,538	100%
De Lier, Jogchem van der Houtweg	1979	22,160	315,839	100%
The Hague, Westvlietweg 7-8	1968	44,216	691,271	100%
Duiven, Innovatie 1	2006	27,556	1,819,815	100%
Duiven, Typograaf 2	2008	3,558	543,638	100%
Echt - Susteren, Fahrenheitweg 1	2014	131,573	3,992,520	100%
Eindhoven, Achtseweg Noord 20	1994 (2017)	31,381	1,501,024	100%
Eindhoven, Park Forum 1129	2014	10,612	630,013	100%
Harderwijk, Archimedesstraat 9	2015	34,486	1,359,521	100%
Hasselt, Hanzeweg 21	2015	20,475	824,423	100%
Hasselt, Hanzeweg 29	2015	20,340	202,340	100%
Hasselt, Hanzeweg 31	2015	11,392	660,106	100%
Heerlen, Earl Bakkenstraat	2017	37,229	430,099	100%

	Year of con- struction (last renovation/ expansion)	Lettable area (in m²)	Rents in 2017	Occupancy rate ² 31 DEC. 17
Helmond, Sojadijk 2	2011	13,025	770,672	100%
Maastricht-Aachen - Beek, Engelandlaan 30	2011 (2012)	25,004	994,747	100%
Moerdijk, Transitoweg 5	2000	41,910	1,577,177	100%
Nieuwegein, Inundatiedok 34	2010 (2012)	37,239	1,218,452	62%
Oosterhout, Denariusstraat	2017	11,522	127,007	100%
Oss, Keltenweg 70	2012	17,141	968,670	100%
Oss, Menhirweg 15	2010 (2012)	11,074	567,106	100%
Oud-Beijerland, A. Flemingstraat 2	(sold during 2017)	n.r.	343,122	n.r.
Papendrecht, Nieuwland Parc 140	2015	16,866	1,058,796	100%
Raamsdonksveer, Zalmweg 27	1980 (2011)	9,745	468,749	100%
Ridderkerk, Handelsweg 20 en 25	2005 (2008)	43,194	5,589,589	100%
Roosendaal, Aanwas 9	2012	9,551	905,801	100%
Roosendaal, Borchwerf 23	1994	16,780	766,696	100%
Schiphol, Folkstoneweg 65	2000	9,231	454,350	100%
Schiphol Logistics Park, Incheonweg 7	2012	12,574	1,207,459	100%
Schiphol Logistics Park, Pudongweg 3	2015	16,814	1,413,114	100%
Soesterberg, Centurionbaan	2015	7,419	545,017	100%
Tiel, Medel 1A	2014	38,272	2,205,177	100%
Tilburg, Hermesstraat 1	2007	47,187	2,409,727	100%
Tilburg, Marga Klompeweg 11	2000 (2011)	20,000	852,345	100%
Tilburg, Siriusstraat 7-9	2009	17,762	1,199,530	100%
Utrecht, Ruimteweg 1-5	1980 (1998)	15,461	300,000	100%
Utrecht, Rutherfordweg 1	1992 (2011)	12,600	767,060	100%
Veghel, Doornhoek 3765	2006 (2011)	9,820	499,949	100%
Veghel, Marshallweg 1 and Eisenhowerweg 15	1990 (2017)	65,163	2,632,474	100%
Veghel, Kennedylaan 19	2002 (2013)	21,020	756,621	100%
Venlo, Ampèrestraat 7-9	2008 (2012)	32,539	1,471,729	100%
Venlo, Edisonstraat 9	1990	26,135	577,800	100%
Venlo, Logistiekweg 1-3	2017	53,230	824,016	100%
Venray, Newtonstraat 8	2013	17,440	702,335	100%
Venray, Wattstraat 2-6	2013	43,227	2,087,156	100%
Voorhout, Loosterweg 33	1987 (2007)	38,578	606,000	100%
Wijchen, Bijsterhuizen 2404	2010	16,260	1,441,948	100%
Zaltbommel, Heksenkamp 7-9	2012	10,275	686,009	100%
Zwolle, Lippestraat 15	2009 (2014)	20,109	1,378,487	100%
Zwolle, Mindenstraat 7	2002 (2012)	22,663	1,238,252	100%
Zwolle, Paderbornstraat 21	2015	47,996	2,485,792	100%
Six properties with rental income have a fair value of less than 2.5 million euros. These are the properties in Bodegraven at Schumanweg 1C, in Meppel at Oeverlandenweg 8, in Drunen at Albert Einsteinweg 20, in Breda at IABC 5375-5377, in Barendrecht on Dierensteinweg 30/D and in Zwolle on Hessenpoort.	n.r.	29,072	619,677	n.r.

	Year of con- struction (last renovation/ expansion)	Lettable area (in m²)	Rents in 2017	Occupancy rate ² 31 DEC. 17
WDP Development NL N.V.				
Amsterdam, Kaapstadweg	(in execution)	n.r.	n.r.	n.r.
Barendrecht, Dierensteinweg 30/C1	(in execution)	n.r.	n.r.	n.r.
Barendrecht, Dierensteinweg 30/C2	(in execution)	n.r.	n.r.	n.r.
Bleiswijk, Brandpuntlaan Zuid 14	(in execution)	n.r.	n.r.	n.r.
Bleiswijk, Micaweg (Kavel 3)	(in execution)	n.r.	n.r.	n.r.
Bleiswijk, Spectrumlaan 29-31	(in execution)	n.r.	n.r.	n.r.
Echt, Fahrenheitweg (Business Park ML)	(in execution)	n.r.	n.r.	n.r.
Klundert, Energieweg 4	(in execution)	n.r.	n.r.	n.r.
Oosterhout, Denariusstraat	(in execution)	n.r.	n.r.	n.r.
Veghel, Kennedylaan 20	(in execution)	n.r.	n.r.	n.r.
Veghel, Marshallweg 2	(in execution)	n.r.	n.r.	n.r.
France (fully owned by WDP)		213,469	6,203,226	94.2%
WDP France SARL				
Aix-en-Provence, rue Gustave Eiffel 205	2000	16,369	819,061	100%
Labastide-Saint-Pierre, Zac du Grand Sud	2017	43,975	0	100%
Lille - Libercourt, Zone Industrielle - le Parc à stock	2008 (2016)	60,393	2,297,956	100%
Lille - Roncq, avenue de l'Europe 17	2003 (2006)	13,251	357,376	100%
Lille - Seclin, rue Marcel Dassault 16B	2008	13,224	617,660	100%
Neuville-en-Ferrain, rue de Reckem 33	2006	13,408	510,872	100%
Vendin-le-Vieil, rue Calmette - rue des frères Lumière	2004	29,141	830,400	87%
The property in Lille-Templemars at rue de l'Épinoy 16B has rental income and a fair value of less than 2.5 million euros.	1990	4,526	230,000	0%
WDP Comm. VA				
Lille - Templemars, route d'Ennetières 40	1989 (2008)	19,182	539,901	84%

	Year of con- struction (last renovation/ expansion)	Lettable area (in m²)	Rents in 2017	Occupancy rate ² 31 DEC. 17
Romania (51% owned by WDP)		133,003	4,325,497	100%
WDP Development RO SRL				
Aricestii Rahtivani Aricestii Rahtivani, tarla 76 parcela 396/77	2014 ff.	10,329	521,916	100%
Aricestii Rahtivani Aricestii Rahtivani, tarla 76 parcela 396/77	(in execution)	n.r.	n.r.	n.r.
Bucharest (1)+(2) Stefanestii de Jos, Sinaia Street 50+53	2017	22,190	0	100%
Bucharest (3) Dragomiresti Vale, DE115 Street no.1	2017 (and in execution)	6,613	185,866	100%
Braila Braila, Perimetru II Zona Libera Braila	2015	22,391	1,383,719	100%
Brasov Codlea, Vulcanului Street 33	2013 ff.	12,361	327,178	100%
Clinceni Clinceni, Transalkim street 3	2015	6,235	256,793	100%
Cluj-Napoca (3) Apahida	(in execution)	n.r.	n.r.	n.r.
Cluj-Napoca (4) Apahida, cadastral 63442 / Apahida, Str. Contructorilor 22	2017 ff.	5,115	0	100%
Constanta Mihail Kogalniceanu	(in execution)	n.r.	n.r.	n.r.
Oarja (3) Oarja, tarla 6 parcela 42 lot 1,2	(in execution)	n.r.	n.r.	n.r.
Oarja Oarja, tarla 6 parcela 42	2012 ff.	20,309	448,563	100%
Oradea (1) Oradea, Anghel Saligny street 15	(in execution)	n.r.	n.r.	n.r.
Oradea (2) Oradea, Orgolului Street	(in execution)	n.r.	n.r.	n.r.
Paulesti (1) Paulesti, tarla 39 parcela A804/43	(in execution)	n.r.	n.r.	n.r.
Paulesti (2) Paulesti	(in execution)	n.r.	n.r.	n.r.
Ramnicu Valcea (3) Ramnicu-Valcea, comuna Budesti pct. Glaman	(in execution)	n.r.	n.r.	n.r.
Ramnicu Valcea Ramnicu-Valcea, comuna Budesti pct. Glaman	2016	10,954	604,808	100%
Roman Roman, str. Magurii 2	(in execution)	n.r.	n.r.	n.r.
Sibiu Sibiu, str. Barcelona FN / Str. Barcelona FN	2016	8,730	388,661	100%
Timisoara (1)+(2) Dumbravita, DJ 691 KM 7-142	(in execution)	n.r.	n.r.	n.r.
Three properties have a fair value of less than 2.5 million euros. These are a site in Cluj-Napoca Apahida, Nervia Park, landholdings in Timisoara Dumbravita and a site in Sibiu, at Theodor Mihaly street 35.	n.r.	7,775	207,991	100%

Luxembourg (55% owned by WDP)		14,772	920,465	100%
WDP Luxembourg SA				
Dudelange, Parc Logistic Eurohub Sud	2014	14,772	920,465	100%
Dudelange, Parc Logistic Eurohub Sud	(in execution)	n.r.	n.r.	n.r.
Total		3,756,983	150,106,320	97.1%

¹ The estimated rental value is the rental value determined by the independent property experts. For the independent real estate expert's report and valuation method, please refer to chapter 7.3. Property report – Conclusions of the property experts on page 133.

² The occupancy rate is calculated based on the rental values of the leased properties and the unleased space and includes income from solar panels. This does not include projecte under development or renovations.

³ The site in Grimbergen is held in joint ownership with another GVV/SIR, Montea Comm. VA, in a 50-50 split. This makes WDP Comm. VA co-owner of this site.

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

1. Belgium and Luxembourg

The activities in the logistics property market in this region are driven by the retail sector and/or are e-commerce-related, divided between buyer/ owners (approx. 60%) and lessors (approx. 40%). However, the region lags well behind the Netherlands in terms of logistics investments. Just 4% of the available property was directly available in 2017. During 2017, new tenants mainly moved into buildings of between 5,000 and 20,000 m² in the Antwerp-Brussels logistics corridor. When we look at the uptake volume over the years, we get the sense of a shift towards the Antwerp-Limburg corridor thanks to multimodal locations - once again anticipating mobility issues. With regard to regions, the largest number of transactions in 2017 took place in Wallonia, such as at the Trilogiport in Liège. 2017 saw the total construction of over 650,000 m² in new warehouses in Belgium and Luxembourg, for the second year in a row. These are primarily non-speculative turnkey projects. Rents fluctuate between 35 and 50 euros per m². This trend is expected to continue over the next twelve months. Property investors include both international property funds and Belgian REITs. They mainly invested in the industrial property sector, more specifically in logistics properties. The top yield on prime logistics properties at the end of 2017 came to around 6%.

2. The Netherlands

The Dutch logistics market is one of the most active and established markets in Europe, thanks in part to its well-developed high quality infra-

structure. The port of Rotterdam and Schiphol airport make the Netherlands a major gateway to Western Europe. Logistics companies active in the Netherlands are often large organisations with an international focus. Geared towards leveraging economies of scale, they are increasingly concentrating their activities in large, hi-tech distribution centres to boost operating efficiency. The Netherlands currently offers some 26.2 million m² in logistics properties. 2017 saw an uptake of around 2,000,000 m² in logistics properties, distributed across nearly 100 lease transactions (mainly for 3PL) - an increase of 54%. The vacancy rate is directly affected by the increasing demand for logistics space due to the rise of e-commerce. This means available logistics space is scarce, with a vacancy rate of 4.9% in the last quarter of 2017. The high demand and favourable market dynamic have not yet resulted in actual price increases in market rents. In the case of logistics, this is due to strong competition from new developments. Low building costs and short delivery times allow developers to respond quickly to growth in demand. Due to lower initial yields, they are also able to reduce the asking rent and still achieve their envisaged return. This prevents an increase in top rents. In general, the top rents for logistics properties are between 40 and 75 euros per m², depending on the region where the property is located. The investment volume enjoyed a record year, with 2.2 billion euros in investment transactions. Initial vields are under downward pressure from sustained demand from investors. The top yield on prime logistics properties at the end of 2017 came to around 5%.

3. France

The French economy continues its winning streak. The rise of e-commerce and digitisation have prompted a new look at logistics properties, particularly as a decisive factor in business model optimisation. The uptake of distribution centres remains positive and is primarily centred along the Lille-Paris-Lyon-Marseille logistics corridor, with an uptake rate that is the second best in the past ten years. Users are focusing on class-A warehouses here. The region around Paris remains the largest logistics hub in the country. The vacancy rate is stagnating throughout France, except for the Île-de-France region. The logistics property market is driven by owner/users and turnkey projects and by a lack of immediately available space and XXL warehouses. It is mainly retailers and logistics service providers who have been moving into these new buildings in recent years. Rents remain roughly stable: between 35 and 50 euros per m² in most regions. The regions of Paris and Lyon however have enjoyed a slight increase.

4. Romania

In line with the economic recovery, the industrial sector in Romania also continues to grow, resulting in a steady increase in property developments. The property - approx. 700,000 m² in 2017 - is intended for logistics service providers, retailers and producers seeking pre-leased custom-built warehouses. The vacancy rate at the end of 2017 was approx. 4%. This percentage, combined with the high demand for new properties, prompted an increase in the average rent towards 3 to 4 euros per m² per month, with a average yield of approx. 8%. The new buildings cluster around Bucharest, closely followed by up-and-coming regions such as Timisoara, Brasov, Sibiu, Cluj, etc. The limited supply of available space will continue to drive the construction of new warehouses into the future, primarily for logistics activities and the production sector. Further expansion of roads and infrastructure will contribute to sustained interest. Additional speculative projects are also expected in the future.

3. Conclusions of the property experts

Dear Sirs.

We are pleased to present you with our estimate of the value of the property portfolio of WDP Comm. VA as of 31 December 2017.

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

The fair value is defined in standard IAS 40 as the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. IVSC deems these conditions to be met if the above-mentioned definition of market value is respected. The market value must reflect the current lease contracts, the current gross margin of self-financing (or cash flow) the reasonable assumptions relating to potential rental income and the expected costs.

In this context, the transaction costs must be adjusted to the actual situation on the market. The fair value is calculated by adjusting the investment value based on customary transaction costs.

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

In giving an estimate of the properties, we took into account both the current rental agreements

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

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

Based on the above statements, we can confirm that the fair value of the property portfolio of WDP (excluding solar panels but including assets held for sale) on 31 December 2017 amounted to 2,567,414,971 euros (two billion, five hundred and sixty-seven million, four hundred and fourteen thousand, nine hundred and seventy-one euros)¹.

Yours faithfully,

¹ This value equals the sum of the fair value that is confirmed by each property expert. The breakdown of this figure is given in Note XII. Investmen properties in Chapter 10.2. Financial statements - Notes.

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OVIDIU ION

Head of Valuation | CBRE Romania



1. Introduction

1. Vision

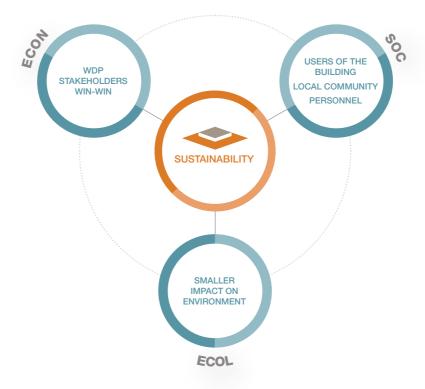
As a leading logistics property partner, WDP has a strong sense of responsibility regarding sustainability. WDP has therefore set its sustainability principles as central to its strategy and translated them into their daily operations.

The company strives to continue improving its position as a responsible enterprise and lessor. WDP shall therefore continue to prioritise actions that balance the advantages for people, the planet and future 'profits'. The business believes that incorporating the principles of sustainable development into its strategy is the best way to improve financial performance, strengthen its relationship with stakeholders, manage risks

and maximise corporate opportunities as well as create value.

WDP's sustainability strategy must be rooted in a well organised, economically viable approach. The company has opted for a triple bottom line approach (otherwise referred to as TBL or 3BL), a framework that consists of three pillars: a social, an ecological and a financial pillar. At the intersection, sustainability is achieved. WDP has adopted the TBL framework to assess its performance in a broader perspective to create greater shared value.

In the ecological pillar, value is created by reducing the environmental impact of the buildings. The social pillar focuses on



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both the business itself and the users of the property portfolio. WDP believes all members of the team should feel valued and be given room to develop their talents. A comfortable work-life balance is important for this. Additionally, WDP aims to have a positive impact on local communities. From a financial point of view, WDP makes every effort to create a win-win-win situation for the company, its clients and society through the establishment of efficient buildings, thereby lowering the operational costs for clients.

2. Governance

To ensure the implementation of the company's sustainability commitments, WDP has set up a sustainability executive committee in order

to continuously identify and assess all factors that could improve the company's sustainability strategy.

Each member of the executive committee is involved in the company's sustainability actions and ensures that sustainability is a part of WDP's DNA.

3. About this report

WDP wishes to report in line with the standardisation of non-financial reporting by subscribing to the indicators as published by EPRA's report on Best Practices Recommendations on Sustainability Reporting. The company reports, on the one hand, on the

BOARD OF DIRECTORS

Includes the proposals concerning sustainability as formulated by the Executive Committee in its strategy

EXECUTIVE MANAGEMENT

Assesses the executive committee's proposals with respect to sustainability

EXECUTIVE COMMITTEE WITH RESPECT TO SUSTAINABILITY

Its objective is to be able to identify and assess all factors that can improve the company's sustainability strategy

Reports regularly on the current position with respect to the sustainable development of the group to executive management

Makes proposals regarding sustainable development to executive management Reports annually based on the report concerning corporate social responsibility

SUSTAINABILITY MANAGER

Member of the Executive Committee with respect to sustainability Safeguards the daily implementation of the strategy formulated by the committee energy performance of its own offices (Belgium, the Netherlands and Romania) and, on the other hand, on its leasable property portfolio. Regarding that portfolio, data collection focuses on information that WDP has at its disposal as lessor and manager of its portfolio. It is important to note that WDP has limited operational control over the energy consumption in its buildings. In most cases, the clients themselves manage their utility contracts. For sites where WDP has direct control of the utility contracts and rebills utility consumption to the client, the latter remain responsible for their own energy consumption.

The buildings included in the scope of this report relate to properties for which WDP has access to the data because it rebills the utility costs to the clients as well as a number of buildings for which an energy monitoring system has been installed. The buildings within the reporting scope represent a surface area of approx. 750,000 m² (100% of the portfolio for which WDP rebills the energy invoices and 22% of the total portfolio) and relate to properties where WDP has direct access to data in order to rebill energy costs to clients. 78% of the buildings in the property portfolio (particularly the buildings where the client manages the contracts for utilities and where no energy monitoring system has been installed) are therefore not included in this report. In the future, WDP wants to monitor the energy performance of the largest part of its complete portfolio automatically. At this time, test cases have been set up in the customer portfolio with the implementation of this in mind.

The following chapters take a closer look at WDP's ambitions and sustainability strategy. They also give a transparent view of the company's performance in 2017 in terms of EPRA's sustainability indicators. The structure of this report follows the triple bottom line vision. The data included in this report focuses on the social and environmental pillars. Moreover, the other chapters of this annual financial report give clear insight into the achievements in the economic pillar.

4. EPRA Sustainability Indicators

WDP is aware that the dynamic world of logistics prevents a 'one size fits all' solution for more sustainability. On the other hand, the assumption has been made that it is not possible to arrive at any solution if no concrete data regarding energy consumption is available. For this reason, WDP aims to track and monitor the buildings' energy consumption to the best of its ability.

For its report, WDP uses the standardisation of non-financial reporting by subscribing to the indicators as published by EPRA's report on Best Practices Recommendations on Sustainability Reporting. For further information on EPRA guidelines for sustainable reporting, please refer to www.epra.com/sustainability/sustainability-reporting.

The table below shows an overview of the EPRA indicators used and their results for 2016 and 2017.

ity Performance (CRE	GRI Standards (CRESS)	Unit(s) of measurement	WDP property portfolio		WDP corporate offices		Scope for statutory
	indicators		2016 ¹	2017	2016 ¹	2017	auditor ²
Elec-Abs	302-1	kWh per year	16 876 595	23 459 857	132 593	158 713	✓
Elec-LfL	302-1	kWh per year	16 625 364	17 156 699	132 593	139 813	✓
DH&C-Abs (standardised)	302-1	kWh per year	not applicable	not applicable	12 648	26 636	✓
DH&C-LfL (standardised)	302-1	kWh per year	not applicable	not applicable	12 648	12 124	✓
Fuels-Abs (standardised)	302-1	kWh per year	21 646 778	28 174 910	213 434	267 056	✓
Fuels-LfL (standardised)	302-1	kWh per year	20 421 773	22 510 354	213 434	267 056	✓
Energy-Int	302-3, CRE1	kWh/m²	66	64	260	261	✓
GHG-Dir-Abs	305-1	annual tonnes of CO ₂ e	4 492	5 379	53	60	✓
GHG-Indir-Abs	305-2	annual tonnes of CO ₂ e	0	0	0.9	1.8	✓
GHG-Dir-LfL	305-1	annual tonnes of CO ₂ e	4 238	4 298	53	60	✓
GHG-Indir-LfL	305-2	annual tonnes of CO ₂ e	0	0	0.9	0.8	✓
GHG-Int	305-4, CRE3	kgCO ₂ e/m ²	8.1	7.2	38.7	37.5	✓
	305-4, CRE3	tonnes of CO ₂ e/FTE	N/A	N/A	0.8	0.9	✓
Water-Abs	303-1	cubic meters (m³) per year	12 354	34 947	1 171	1 438	√
Water-LfL	303-1	cubic meters (m³) per year	12 354	11 757	1 171	1 216	✓
Water-Int	CRE2	m^3/m^2	0.05	0.10	0.8	0.9	√
Waste-Abs	306-2	annual tonnes of residual waste	not applicable	not applicable	26	30	✓
		annual tonnes of PMD	not applicable	not applicable	0.2	0.3	✓
		annual tonnes of paper	not applicable	not applicable	40	40	✓
		annual tonnes of organic material	not applicable	not applicable	1.5	1.7	✓
Cert-Tot	CRE8	total number of BREEAM certificates	7	12	-	-	1

¹ At the time of publication of this report, not all data was available for the calculation of the indicators for the most recent reporting year. In this case, therefore, extrapolation was used. The data of the comparative reporting year has, however, become available. Thus, for that reporting year, the actual use of the buildings is taken into account.

² All EPRA indicators marked with a 💅 were checked by Deloitte Bedrijfsrevisoren in the framework of a limited assurance with regard to the WDP portfolio and the WDP Headquarters in scope for 2017.

EPRA Sustainabil-	GRI Standards	Description	WDP-Corpo	Scope for	
ity Performance measurement	(CRESS) indicators		2016	2017	statutory auditor
Diversity-Emp	405-1	Employee gender diversity (% of men/% of women)			
		- entire WDP company	56/44	58/42	,
		- WDP-management	100/0	100/0	•
Diversity-Pay	405-2	Gender pay gap ratio	0.58	0.58	
Emp-Training	404-1	Training and development of employees (average number of hours)	4.09	6.74	,
Emp-Dev	404-3	Employee evaluations (%)	100%	100%	,
Emp-New hires	401-1	New employees (abs/%)	7/12%	14/21%	
Emp-Turnover	401-1	Employee turnover (abs/%)	2/3%	6/9%	
H&S-Emp	403-2	Workplace accidents (number of employees involved/total number of hours)	0.01%	0.002%	
H&S-Emp	403-2	Incapacity for work (number of days when incapable of working/total number of hours)	0.08%	0.004%	
H&S-Emp	403-2	Work-related deaths	0	0	
H&S-Asset	416-1	Percentage of health and safety assessments	100%	100%	
H&S-Comp	416-2	Incidents of non-compliance with regulations concerning health and safety impacts	0	0	
Comty-Eng	413-1	Involvement with society	-	See 9.5 Corporate social responsibility - People	,
Gov-Board	102-22	Composition of the highest governing body	See 6.7.4. Management report – Corporate governance – Remit of the director	See 6.7.4 Management report - Corporate governance - The Board of Directors of the statutory manager of De Pauw NV - Remit of the director	
Gov-Selec	102-24	Procedure for nominating and selecting the highest governing body	See 6.7.4. Management report – Corporate governance – Remit of the director	See 6.7.4. Management report - Corporate governance - The Board of Directors of the statutory manager of De Pauw NV - Remit of the director	
Gov-Col	102-25	Procedure for managing conflicts of interest	See 6.7.8. Management report – Corporate governance – Conflicts of interest	See 6.7.9. Management report – Corporate governance – Conflicts of interest	

² Alle EPRA-indicatoren aangeduid met een '√' werden nagekeken door Deloitte Bedrijfsrevisoren in het kader van een beperkte assurance, dit voor wat betreftde WDP-vastgoedportefeuille en de WDP-corporate offices in scope voor 2017.

2. Environment

With respect to the Environment (i.e. the Planet), the business wishes to create value by reducing the environmental impact of the buildings.

Long-term principles and implementation of the sustainability strategy

WDP aspires to evolve to achieve CO₂ neutrality. This is achieved by reducing emissions and offsetting residual emissions. Organisations striving for CO₂ neutrality must first of all reduce their CO₂ emissions so that only unavoidable emissions need to be offset.

Companies that want to offset their emissions have two options:

- They can counterbalance the CO₂ emissions when burning fossil fuels by investing in renewable energy that generates an equal amount of energy.
- Or they can offset CO₂ emissions by paying others to remove 100% of the emitted carbon dioxide from the atmosphere. This can be done by funding climate projects in developing countries that will prevent greenhouse gas emissions in the future.

The overall approach of avoiding, reducing and offsetting reduces the dependency on fossil fuels

THE TRIAS ENERGETICA-concept: THE MOST SUSTAINABLE ENERGY IS THE ENERGY YOU SAVE

orgy domand is rad

Energy demand is reduced by avoiding waste And implementing energy-saving measures

2

Using sustainable energy sources Instead of finite fossil fuels



Producing and using fossi Energy as efficiently As possible

Source: SenterNovem

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and at the same time boosts the percentage of renewable sources used. Trias Energetica is an established model on which WDP bases itself to drive down energy consumption and make the transition to sustainable energy consumption.

2. Reducing demand

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

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. In other words, the pursuit of short-term financial gains (the Profit pillar) has a negative effect on the Social and Environmental pillars of the triple bottom line.

The concept of Total Cost of Ownership (TCO) is a powerful approach to stimulate long-term thinking and sustainable development. If the costs of natural resource consumption and building user comfort are added to the equation, the apparent optimum of low investment cost buildings often turns out to have less value for stakeholders: clients are confronted with 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 buildings. This emphasises the company's long-term vision.

Within the building process, numerous energy efficient measures are discussed, tested and implemented. A few examples:

- ► The walls of the buildings are provided with adequate insulation to prevent temperature loss (both warmth and cooling, in the case of a refrigerated or deepfreeze warehouse) and to reduce energy consumption.
- New-build warehouses that are developed are equipped with LED lighting as standard. Besides the longer life and improved energy efficiency, LED lights have fewer start-up problems and lower heat emissions (compared to fluorescent lighting), especially in refrigerated storage space. When the lighting is linked to motion detectors via a dimmer, energy is used even more efficiently.
- ▶ Implementation of wood as a building material: in collaboration with solid wood construction specialist CLT-S, the office building in the Estée Lauder property in Westerlo was developed in laminate wood in 2017. Laminate wood offers countless possibilities and application in the construction sector. The material has better thermal properties (in comparison with steel and concrete), which allows the building to develop in a more energy-efficient manner.
- With the development of a new-build warehouse, the relevance of installing a heat pump is investigated.

Efficient energy use

For WDP, reducing demand through energy management is a genuine challenge. As a lessor, the company has limited operational control over the clients' energy demands and the behaviour of users. Nevertheless, pilot projects have demonstrated even more room for improvement in each of the three pillars: increased resource efficiency and cost reduction for users can be achieved through energy monitoring and management. That is why WDP is developing the Energy with Brains sustainability programme.

This energy monitoring system shows the energy consumption at various WDP properties, in order to achieve increased energy efficiency for these buildings. The process consists of two steps: first the energy demand of a specific building or the client is fully mapped out with respect to the property itself. Next we examine how to optimise performance based on the information from the first step. In this way, the company can advise its clients on how to reduce their energy consumption. The Energy with Brains scheme therefore contributes to reducing energy demand and increasing sustainability.

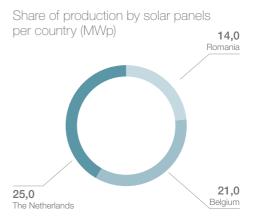
3. Renewable energy

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 decentralised approach ensures more continuity and availability of energy in a specific region without burdening the network. Moreover, clients can consume locally produced green energy.

Investing in renewable energy is a specific branch of WDP's activities. Since 2007, through the roll-out of the solar energy project, the company has made significant progress.

WDP has kicked off the second phase of its solar panel project in the Netherlands, with a total investment of some 25 million euros. In collaboration with the clients, this project will add a total of 25 MWp in additional capacity to the PV portfolio by the end of 2019.



By 2017 year-end, an additional 25 MWp of capacity had been installed on the roofs of WDP warehouses in the Netherlands. Along with installations in Belgium and Romania, WDP is moving from a current 60 MWp towards 85 MWp of installed solar capacity in its portfolio. Over the medium-term, WDP will strive for a total PV portfolio of 100 MWp.

Green electricity

All WDP electricity contracts are green electricity contracts. This implies a reduction in the CO_2 emissions for WDP in 2017 of an estimated 4,900 tonnes of CO_2 .

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). With the development of a new-build warehouse, the relevance of installing a heat pump is investigated.

Geothermal heat pumps have been installed in the buildings in Nieuwegein, Zwolle and Helmond in the Netherlands. A geothermal heat pump to heat and cool the offices was also installed in the newly renovated office buildings at WDP's main office in Meise in Belgium (Wolvertem). This measure ensures that the offices will operate fully neutrally energy-wise.

4. Producing and consuming fossil fuels as efficiently as possible

WDP does not produce any fossil fuels. In cases where the consumption of fossil fuels is necessary, the company ensures that it does so as efficiently as possible. As mentioned earlier, WDP strives to keep energy consumption of its corporate offices and clients to a minimum. Technological progress in the field is monitored closely so that the company can install contemporary technology in its warehouses.

5. Additional initiatives

BREEAM

In recent years, 12 buildings in total were certified within the WDP property portfolio according to the BREEAM method. 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. However, WDP has found that it is becoming increasingly difficult to convince clients to participate in this certification process. It is not so much that they are no longer convinced of the usefulness of the implementation of sustainable measures - to the contrary. Clients, however, are reluctant because of the costs of the effective certification of the property and would rather invest in an additional sustainable measure in the

building itself. Only one new property in 2017. Naturally, all new-build projects are delivered as energy efficient as possible, separately from the certification process.

Waste recycling

Clients are encouraged to sort and reduce their waste.

When building new warehouses, WDP takes processing of waste into account. Waste from buildings built in accordance with BREEAM guidelines is sorted into four to six streams and processed by certified waste management companies.

WDP also attempts to recycle the waste on construction sites. Its preference for the implementation of prefab structures also ensures a reduction in the volume of waste on construction sites.

Multimodal solution for logistics

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 multimodal. 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 positions its warehouses strategically where a connection between road, ship, rail and air transport can be and already have been established. Modes can compete or complement one another in terms of cost, speed, accessibility, frequency, safety and comfort.

Charging points for electric vehicles

WDP's corporate offices in Meise (Wolvertem) in Belgium and Breda in the Netherlands have been fitted with charging points for electric vehicles. Moreover, WDP examines, together with the client, the implementation of these charging points at the buildings in its property portfolio. The car park at the new-build warehouse at WDPort of Ghent was equipped with charging points. WDP plans to apply this service at other locations.

New lighting technologies

Energy consumption is also contained by the installation of LED lighting. WDP fits its new-build warehouses with such lighting as standard. For the existing buildings, a relighting programme has been set up, where the existing lighting is replaced with the more energy-efficient (LED) lighting.

Realisations in the course of 2017:

- ▶ in Breda, Hazeldonk, in the Lidl property, the outdated T8 lighting was replaced by more energy-efficient T5 lighting; and
- the lighting in the existing buildings in Bornem, Vilvoorde, Alkmaar, Amersfoort, Barendrecht, Nieuwegein, Zwolle and Alphen aan den Rijn – good for more than 90,000 m² – was replaced with LED lighting.

Viewed globally, almost 15% of the buildings were fitted with LED lighting by the end of 2017. It is anticipated that this will be expanded even further to 23% of the property portfolio throughout the course of 2018.

3. Energy performance of the property portfolio

Regarding the environmental data management of the portfolio, there were some changes between the 2016 and 2017 reporting years. These changes relate mainly to the availability of the data when drafting the report.

Methodology concerning the WDP property portfolio

The changes relate primarily to the availability of Methodology related to the WDP property portfolio The buildings that are part of the report represent an area of approximately 750,000 m² and are related to the properties to which WDP has direct access to the data because of its responsibility for rebilling energy costs to clients. As cover, this represents between 22% and 24% of our total portfolio. The data for the last quarter of the report year was not yet available at the time of publication of this sustainability report and therefore an extrapolation needed to be made. With regard to the like-for-like analysis, 2016 is deemed to be a base year. The indicators below have been recalculated on the basis of the square metres for which WDP had environmental data in that base year.

Indicator	Performance measurement	Description	Coverage	Extrapolation	Unit	2017
Total surface			100% - WDP portfolio	n.v.t.	m²	3,383,647
Electricity	Absolute Like-for-like	Gross total Constant perimeter	24%	Estimate of the missing months based on the monthly consumption of the previous year. 25% of the consumption has been extrapolated.	MWh MWh	23,460 17,157
Heating network and cooling	Absolute gross Absolute standardised Like-for-like standardised	Gross total Standardised degree days Constant perimeter	N/A	not applicable	not applicable	not applicable
Fuel	Absolute gross Absolute standardised Like-for-Like standardised	Gross total Standardised degree days Constant perimeter	22%	Estimate of the missing months based on the previous monthly consumption, taking the weather conditions into account (degree day method). 34% of the consumption has been extrapolated.	MWh nMWh nMWh	26,249 28,175 22,510
Energy intensity	Per m ²		24% (electricity) and 22% (fuel)		kWh/m²	64
Direct greenhouse gas emissions	Absolute Like-for-Like	Gross total Constant perimeter	22%	Based on the above extrapolated consumption to have a full view on 2017.	tCO ₂ e tCO ₂ e	5,379 4,298
Indirect greenhouse gas emissions	Absolute Like-for-Like	Gross total Constant perimeter	22%	Based on the above extrapolated consumption to have a full view on 2017.	tCO ₂ e tCO ₂ e	0
Greenhouse gas intensity	Per m ²		22%		kgCO ₂ e/m ²	7.2
Water	Absolute Like-for-Like	Gross total Constant perimeter	10%	Nine months of consumption extrapolated to twelve months based on the assumption that water consumption remains the same each month. 25% of the consumption has been extrapolated.	m³ m³	34,947 11,757
Water intensity	Per m ²		10%		m³/m²	0.10

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The results of the like-for-like analysis indicate that the buildings have consumed somewhat more energy than last year.

The buildings within the reporting scope represent a surface area of approx. 750,000 m² (22% 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. No reports are drawn up for the communal parts of these buildings, since these are negligible within the activity.

1. Energy consumption

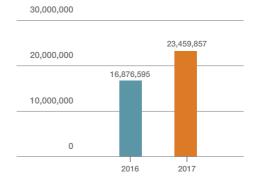
Electricity consumption (Elec-Abs I Elec-LfL; GRI 302-1)

The absolute figures in the graph are related to the electricity purchased from utility companies for all leased properties and rebilled to the clients. Although all of this concerns green energy contracts, the aim should, nevertheless, be to reduce electricity consumption by any means. WDP has found that the electricity consumption of the buildings has increased significantly this year (from 16.8 GWh in 2016 to 23.5 GWh in 2017 (+39%)), driven by the growth of the property portfolio. The like-for-like analysis indicates an increase with regard to last year (+3.2%).

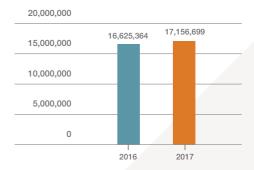
Heating and cooling consumption (DH&C-Abs (standardised) I DH&C-LfL (standardised); GRI 302-1)

This category of energy consumption is only applicable to the corporate offices. Not a single building within the property portfolio is connected to a heating or cooling grid. WDP is involved in a research and development project (R&D project) in Belgium that would connect buildings to a heating network that uses the energy from a waste processing plant.

WDP property portfolio Electricity consumption (absolute; kWh)



WDP property portfolio Electricity consumption (like-for-like; kWh)



Fuel consumption (Fuel-Abs (standardised) I Fuel-LfL (standardised); GRI 302-1)

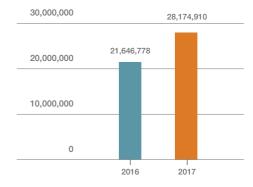
The only fuel used in the buildings is natural gas. Regarding climate change, this has a positive impact on the portfolio's ${\rm CO_2}$ footprint. Natural gas is much less ${\rm CO_2}$ intensive than other fossil fuels, such as gasoil.

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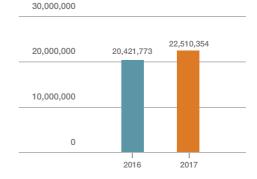
Throughout 2017, WDP found that the gas consumption of the buildings has increased sharply (from 21.6 GWh in 2016 to 28.2 GWh in 2017 (+30%)), directly related to the expansion of the property portfolio. The like-for-like analysis also reveals an increase (10.3%). This is mainly due to an increased energy consumption in a number of the properties (Vilvoorde, Zele, Boortmeerbeek, Bornem, Nijvel and Breda). This increase in use is due to different factors, the most important of which are:

- ▶ an increase in the lessee's activities.
- ▶ a change in heating demand requiring an increase of a couple degrees in the average temperature.
- unusual maintenance/replacements/repairs in 2016 involving system shutdowns (such as in Zele), causing usage to increase in 2017.

WDP property portfolio Electricity consumption (absolute; kWh)



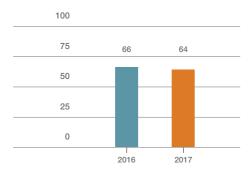
WDP property portfolio Electricity consumption (like-for-like; kWh)



The energy intensity of buildings (Energy-Int; GRI 302-3)

The indicator for the energy intensity of buildings shows that WDP's portfolio has become less energy intensive in general.

WDP property portfolio Energy intensity (kWh/m²)

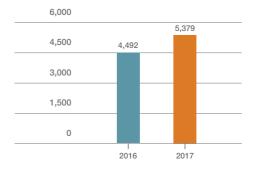


2. Greenhouse gases

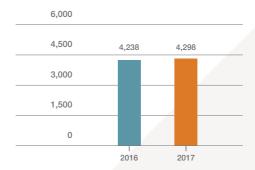
Direct greenhouse gases (GHG-Dir-Abs I GHG-Dir-LfL; GRI 305-1)

The $\rm CO_2$ emissions of the buildings increased from 4,492 tonnes of $\rm CO_2$ e in 2016 to 5,379 tonnes of $\rm CO_2$ e in 2017, marking a 20% increase. These $\rm CO_2$ emissions relate to the consumption of gas for heating purposes. The like-for-like figures however indicate that the associated $\rm CO_2$ emissions remain in line with that of last year, with a limited increase of 1.5% from 4,238 tonnes of $\rm CO_2$ e in 2016 to 4,298 tonnes of $\rm CO_2$ e in 2017.

WDP property portfolio Direct greenhouse gases (absolute; tonnes of CO₂e)



WDP property portfolio Direct greenhouse gases (like-for-like; tonnes of $CO_{\circ}e$)



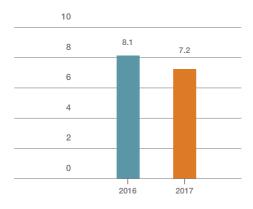
Indirect greenhouse gases (GHG-Indir-Abs I HG-Indir-LfL; GRI 305-2)

All buildings only have green energy. Hence, WDP does not have any $\rm CO_2$ emissions related to its power consumption. The company therefore saved 4,900 tonnes of $\rm CO_2$ e in 2017.

Building greenhouse gas intensity (GHG-Int) (GRI 305-4)

As a consequence of the reduced energy consumption, the $\rm CO_2$ intensity of buildings fell from 8.1 kg of $\rm CO_2e/m^2$ in 2016 to 7.2 kg of $\rm CO_2e/m^2$ in 2017, i.e. a decrease of 11%. Although there was an absolute increase in energy consumption, the $\rm CO_2$ intensity nevertheless decreased. Therefore, the expansion of the property portfolio had less of an impact on the climate in relative terms.

WDP property portfolio Greenhouse gas intensity (kgCO₂e/m²)

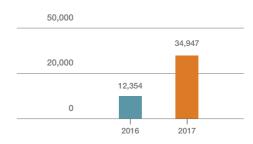


3. Water consumption (GRI 303-1)

Although water consumption does not represent a substantial environmental impact in the context of the portfolio, its consumption is being monitored in order to be able to estimate the performance of the buildings correctly.

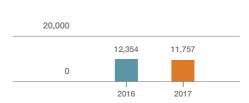
Absolute water consumption in 2017 was up by 183% compared to 2016, dropping from 12,354 m³ to 34,947 m³. The like-for-like analysis reveals that water consumption has decreased slightly (-5%). The increase in the absolute water consumption is explained mainly by the addition of one new building in Breda, where fruit is processed and washed. This location was only included for a period of two months in 2016 and for a full year in 2017.

WDP property portfolio Water consumption (absolute; m³)



WDP property portfolio Water consumption like-for-like; m³)

50,000



4. Energy performance of WDP corporate offices

Although the offices only represent a negligible part of the total buildings in the property portfolio, we also include the results of our own offices in this report. After all, it is important that WDP put its words into action in its own operational activities.

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 the headquarters in Meise (Wolvertem) and at the offices in Breda). With the expansion of the

Within the perimeter	of this report. WD	P corporate offices are r	epresented ful	lly (100%). The data for the last g	uarter of the report v	ear was
not yet available at t	he time of publica	tion of this report and the	erefore an extr	apolation needed to be made.	adition of the report y	
Indicator	Performance measurement	Description	Coverage	Extrapolation	Unit	2017
Total surface			Meise (Wolver- tem), Breda and Bucharest	not applicable	m²	1,393
Electricity	Absolute Like-for-like	Gross total Constant perimeter	100%	Rule of 3 for the missing months	MWh MWh	158 140
Heating network and cooling	Absolute gross Absolute standardised Like-for-like	Gross total Standardised degree days Constant perimeter	16% enkel van toepassing voor Breda	Rule of 3 for the missing months	MWh nMWh	24.8 26.6 12.1
Fuel	Absolute gross Absolute standardised	Gross total Standardised degree days	84%	Rule of 3 for the missing months	MWh nMWh	248.8 267.1
Energy intensity	Per m²		100%		kWh/m²	261
Direct greenhouse gas emissions	Absolute	Gross total	100%	Based on the above extrapolated consumption to have a full view on 2017.	tCO ₂ e	60
Indirect greenhouse gas emissions	Absolute Like-for-like	Gross total Constant perimeter	100%	Based on the above extrapolated consumption to have a full view on 2017.	tCO ₂ e	1.8 0.8
Greenhouse gas intensity	Per m² Per FTE		100%		kgCO ₂ e/m ² tCO ₂ /FTE	37.5 0.9
Water	Absolute Like-for-like	Gross total Constant perimeter	100%	Belgium: average FY16 and FY15 Romania: rule of 3 for the missing months The Netherlands: data from last year	m ³	1,438 1,216
Water intensity	Per m²		100%		m³/m²	0.9
Waste	Absolute	Metric tonnes of residual waste Metric tonnes of PMD Metric tonnes of paper Tonnes of organic waste	100%	We have extrapolated the last quarter of the year to have a full view on 2017	Number of tonnes Number of tonnes Number of tonnes Number of tonnes	30 0.3 40 1.7

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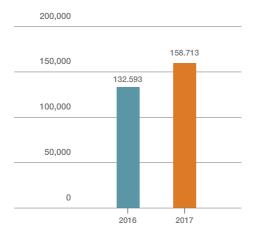
Belgian headquarters in 2017, investments were made in the installation of a heat pump, additional insulation, floor heating and LED lighting. These new offices will also operate in an energy neutral manner.

1. Energy consumption

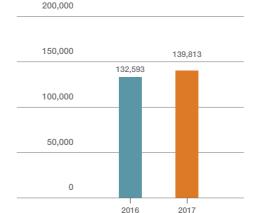
Electricity consumption (Elec-Abs I Elec-LfL; GRI 302-1)

In line with last year, the workforce also increased during 2017. In addition, the renovations and expansion of the head office in Meise (Wolvertem) and the expansion of the office in Breda also caused the absolute electricity consumption to increase by 20% (from 133 MWh in 2016 to 159 MWh in 2017). WDP uses green energy contracts in all of its corporate offices in Belgium, the Netherlands and Romania. The increase in like-for-like (+6.5%) is due to the increase in the number of staff this year.

WDP Corporate offices
Electricity consumption (absolute) (kWh)



WDP Corporate offices Electricity consumption (like-for-like; kWh)



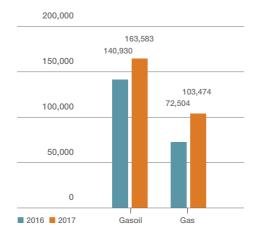
Heating and cooling consumption (DH&C-Abs (standardised) I DH&C-LfL (standardised); GRI 302-1)

Heating and cooling is consumed in the office in Breda and represents 13.5% of the total corporate consumption of heat and has a positive impact on the $\rm CO_2$ footprint due to the low $\rm CO_2$ emissions related to district heating and cooling systems. The use of heat distribution in the Dutch offices has almost doubled from 12.8 MWh in 2016 to 24.8 MWh in 2017 in line with the expansion of the offices in 2017.

Fuel consumption (Fuel-Abs (standardised) I Fuel-LfL (standardised); GRI 302-1)

Fossil fuel consumption is used for heating in the Belgian and Romanian corporate offices using, respectively, fuel oil and natural gas. Fuel oil consumption of the Belgian headquarters has increased from 141 MWh in 2016 to 164 MWh in 2017 (+16%). Natural gas consumption in Romania also increased sharply from 73 MWh in 2016 to 103 MWh in 2017 (+43%).

WDP Corporate offices Fuel consumption (absolute; kWh)



The energy intensity of buildings (Energy-Int; GRI 302-3)

Despite a slight increase in the energy intensity of the offices related to the high energy consumption in Romania and by the renovation and expansion of the existing offices in Belgium, WDP wants to not only reduce absolute energy consumption but also

reduce the energy intensity of the offices. The office in the Netherlands currently has an energy label A, which is the best rating.

The heat pump in Meise (Wolvertem) can ensure that the Belgian headquarters no longer depend on fossil fuels.

2. Greenhouse gases

The greenhouse gas emissions linked to WDP's corporate activities, particularly the administrative activities of its staff, were assessed according to the Greenhouse Gas Protocol¹. The operational scope covers the energy consumption (heating and electricity) used by the headquarters in Belgium and the offices in the Netherlands and Romania. Using only green energy contracts ensures that WDP does not have a CO₂ footprint for its electricity consumption. In this way, WDP avoids almost 40 tonnes of CO₂e.

Direct greenhouse gases (GHG-Dir-Abs I GHG-Dir-LfL; GRI 305-1)

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. Since energy consumption increased in 2017, CO_2 emissions of the offices have increased by 13.8% from 53 tonnes of CO_2 e in 2016 to 60 tonnes of CO_2 e in 2017.

WDP-corporate offices Rechtstreekse broeikasgassen (tCO,e)



¹ The Greenhouse Gas (GHG) Protocol, developed by World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD). It sets the global standard for how to measure, manage, and report greenhouse gas emissions. The same methodology has been applied with regard to the CO, footprint of the portfolio.

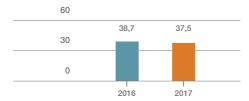
Indirect greenhouse gases (GHG-Indir-Abs I HG-Indir-LfL; GRI 305-2)

As mentioned before, all of the offices use exclusively green electricity. Hence, WDP does not have any $\mathrm{CO_2}$ emissions due to its electricity consumption. The company therefore saved 37 tonnes of $\mathrm{CO_2}$ e in 2017. However, the company still uses district heating in the Netherlands. The expansion of the office in the Netherlands and its increased workforce increased the dependence on the heating network in 2017. As a result, $\mathrm{CO_2}$ emissions increased from 0.9 tonnes of $\mathrm{CO_2}$ e in 2016 to 1.8 tonnes of $\mathrm{CO_2}$ e in 2017. A slight improvement of 0.8 tonnes of $\mathrm{CO_2}$ was seen in the like-for-like analysis.

Building greenhouse gas intensity (GHG-Int) (GRI 305-4)

Greenhouse gas intensity is an extremely useful performance indicator that helps to measure the performance of the office buildings per square meter. 2017 was an unusual year in this connection since the results were very much influenced by the works on the head office in Meise (Wolvertem). Nevertheless, the CO₂ intensity of the offices decreased slightly from 38.7 kg of CO₂e/m² in 2016 to 37.50 kg of CO₂e/m² in 2017, or a decrease of 3.2%.

WDP Corporate offices Intensity greenhouse gases (tonnes of ${\rm CO_2e/m^2}$)



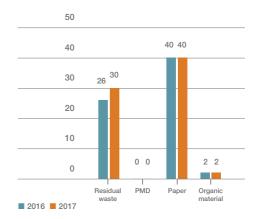
3. Water consumption (Water-Abs I Water-LfL; GRI 303-1)

This concerns the absolute water consumption (m³) in the WDP corporate offices. In 2017, the absolute and relative water consumption (m³ and m³/m²) increased by 22.8% and 12.5% compared to 2016, from 1,171 m³ to 1,438 m³ and 0.8 m³/m² to 0.9 m³/m², respectively. This increase can be explained by the works in the main office and the general increase is the workforce in the offices (21%).

4. Waste (Waste-Abs I Waste-LfL; GRI 306-2)

The office waste is collected by the local municipalities. Waste is sorted beforehand in order to promote awareness among colleagues. In addition, the (Meise) Wolvertem office uses organic waste as compost. The increase in the waste volume is a logical consequence of the expansion of the workforce.

WDP Corporate offices Changes in waste collection (tonnes/ year)



5. People

1. Sustainable economic practices as a team

In order for the sustainability strategy to succeed, it is imperative that employees be closely involved. Their awareness as well as their daily contribution are essential for achieving the objectives.

WDP wants to offer its employees a pleasant working framework to support creativity, well-being and motivation of its employees.

The family atmosphere within the business ensures that employees are regarded as individuals and not purely seen in light of their professional performance. WDP believes all members of the team should feel valued and be given room to develop their talents.

The effort of the entire WDP team was rewarded in 2017 with the Enterprise of the Year® award. The realisation of WDP's Warehouses with Brains for clients and shareholders thanks to #TeamWDP was the reason that WDP was able to receive this award.

2. Social achievements

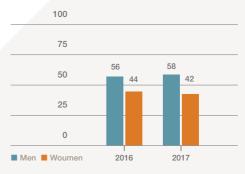
The addition of several social indicators to this report based on the EPRA Best Practices Recommendations on Sustainability Reporting is therefore also a logical result of the applied strategy. The calculated results give clear insight into this strategy and form the basis for increasing the team's awareness and to elaborate new initiatives to further develop the corporate culture.

Diversity (Diversity-emp/pay; GRI 405-1, 405-2)

Specifically, all five layers of the workforce were included in these results: white-collar workers (77%), manual workers (8%), management (5%), executive directors (5%) and non-executive directors (5%). WDP's workforce shows a healthy balance of men and women (58% men and 42% women). More specifically, regarding white-collar workers (the most representative and less static representation of employees), the ratio is 52% men and 48% women. However, this man-woman ratio is not proportionate within the manual workers category, primarily due to the nature of the activities that go with their position. No women are active at the level of management or executive directors at this time. This should not imply that diversity has not been taken into account at this level but, rather, that it is the result of a recruitment policy that is equal for all candidates who are screened in the same manner without any advantage. Crucial to WDP's recruitment policy (at all levels) is that the candidates with the best skills and those who best match the WDP corporate culture are employed with regard to objective selection procedures and diversity.

All age categories are represented: 6% of employees are younger than 30 years old, 70% are between 30 and 50 years old and 24% are

WDP Corporate offices Diversity (in %)



older than 50 years old. When recruiting, the age of the candidates is not considered.

WDP offers its staff a competitive salary package with no distinction made between male or female. Apart from the monthly salary, which is considerably higher than the required minimum scale, the salary package is supplemented with non-statutory benefits (including a very favourable group insurance with defined contribution, life insurance policy and premium waiver). All employees are permanently employed with an employment contract for an indefinite period.

Nevertheless, there is a difference in salary between men and women that is primarily related to the position that is held. The ratio woman/man of 0.58 can therefore be explained by the inclusion of the salaries of management and executive directors in the calculation. The fact that, in this respect, salaries are considerably higher and that no women are represented in this category distorts the picture somewhat.

WDP falls within the Joint Committee 200 for white-collar workers and within Joint Committee 124 for blue-collar workers, who represent a minority of the group.

Training and development (Emp-Training/Dev/New hires/Turnover; GRI 404-1, 404-3, 401-1)

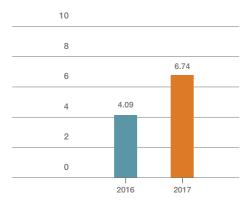
WDP attaches the utmost importance to sustainable employment and begins with this already during the selection procedure: a short selection process, clear information and focussing on the correct match are essential. The start of the employment of each new employee is prepared optimally with a good introduction, a furnished workplace and the correct tools. Attention is also given to a quick integration within the company by means of personal meetings with all departments regardless of nationality and a visit to the sites and/or a visit to clients together with one of the facility managers in order to get a feel for the activities from close up. After being recruited,

feedback times with both the HR department and the supervisor are organised for all employees (therefore 100%) with attention being paid to the performance of the job, the atmosphere within the team, operating resources, training and development. These feedback times are organised formally once a year, but naturally every employee is given the opportunity to provide and receive feedback during regular informal consultations. In addition, a mentor is assigned for each new employee. This colleague is an informal assistant in learning the ropes in the company and is ready to answer any questions.

The continuous development, growth and motivation of all employees ensures that they feel comfortable within the company and that they can continue to expand their competences. For this reason, WDP stimulates them to participate in individual as well as collective training courses. On average, the number of hours of training for men and women are about 6.7 hours and 6.1 hours respectively. Individual training courses are provided according to the needs of the employee and the team with each person being stimulated to share their knowledge in the framework of personal development but also with succession in mind. Collective training courses (such as learn@lunches) are also organised to, on the one hand, share broad and interesting topics collectively and, on the other hand, promote team spirit. Furthermore, the company also provides individual coaching, for example, to develop specific competences, to support older employees or to prevent stress and burnout.

Entrepreneurship on the part of the employee combined with a hands-on mentality are characteristic of WDP's DNA. The innovative, flat organisational structure ensures constant dynamics within the company. WDP employees are given room for their own initiative and management does its utmost to feed and stimulate the ideas of its people rather than pushing through 'top-down' decisions.

WDP Corporate offices
Training and development (average number of hours)



WDP has grown strongly in 2017. The team was expanded with 14 extra employees, which is 21% of the total workforce. In 2017, WDP had an employee turnover of 6 people.

The limited turnover is due to the continuous efforts at retention by means of sustainable acceptance within the company and employment, opportunities for training and development and offering an exciting job in a growth company combined with numerous leisure activities such as the annual team event, summer event, other informal activities. Moreover, the company has a particular interest in an appropriate work-life balance.

Health and safety (H&S-Emp/Asset/Comp; GRI 403-2)

In the past two years, thankfully, there were very few industrial accidents. Nor were there any deaths. Specific figures for 2017 were not yet available at the time of publication of this report. Of course, the figures for 2016 were.

Regarding safety, our offices are tested regularly and WDP meets its obligations with respect to safety. The WDP team also has a prevention advisor and a first-aider. The company ensures they receive the necessary training on a regular basis.

Working environment

In 2017, WDP's offices in Meise (Wolvertem) were expanded and renovated in order to offer a flexible and open working framework, which leads to creativity and interaction among employees. It was important that there was plenty of light, that working areas be open, that ergonomics and acoustics be adjusted and that there were quick online connections with the different WDP offices. After all, meetings take place online more often, reducing mutual movements. Employees have constant access to fresh fruit and are stimulated to move more. For this reason, shower rooms have been installed for those who love sports.

Involvement with local communities (Comty-Eng; GRI 413-1)

FROM ITS OWN ACTIVITIES

As mentioned earlier, as a supplier of property, WDP wishes to ensure that the client is able to enjoy as much comfort in the building as possible. WDP therefore also attempts to have a positive impact on local communities, for example, as a partner of the authorities to achieve climate objectives by investing in solar panels.

A good relationship with all stakeholders is therefore a priority. A few examples:

Service providers such as the contractors: in the collaboration with suppliers and partners for the development of a new property, correct business and the creation of a long-term relationship are leading. At the same time, they are stimulated to participate in the thinking of innovative and sustainable solutions with respect to the construction process and the efficient and sustainable development of the building according to the activities of the client.

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- ▶ Community: when setting up a new site, WDP looks at the environment around it. In the event of concern on the part of local residents, priority is given to direct and clear contact (for example, through an information evening). It is therefore also important to maintain a constant dialogue between the tenant, the neighbourhood, the authorities and WDP. In this respect, the neighbourhood is arranged in such a way that possible hindrance is kept to a minimum. To that end, a noise-reducing verge was laid down by the building in Kontich to reduce the impact of the activities on the surrounding area.
- Clients and investors: the relationship with client and investors is an inherent part of our strategy.
- Stakeholders: in performing its activities as a supplier of property, as an issuer of financial instruments, but also as an employer, WDP processes personal data at various times, doing so in line with current privacy legislation. At this time, WDP is preparing itself for the General Data Protection Regulation (GDPR), a European regulation (EU) 2016/679 that shall enter into force on 25 May 2018. With the new regulation, Europe wishes to contribute to a higher level of protection of all individuals whose personal data is processed. WDP implements a transparent privacy policy, ensures the awareness of its employees regarding this and undertakes - in collaboration with an external expert - the steps required within the framework of the GDPR.

KEEPING SOCIETY IN MIND

- ▶ In the framework of De Warmste Week, the annual fund-raising campaign for the charity of radio station Studio Brussel, the WDP's Belgian employees were able to give financial support to the colleagues of the Bring a Smile non-profit foundation via a spaghetti afternoon.
- WDP's care for the community is also expressed in the support that the company offers to the cultural sector. Co-CEO Tony De Pauw is a member of the Board of Directors

of the theatrical company Ensemble Leporello and the Beethoven orchestra Concert Olympique. The financial support to the cultural sector is also visible in the sponsoring of the comic strip wall event in Antwerp's city centre in the summer of 2017.

Governance (Gov-Board/Selec/Col; GRI 102-22, 102-24, 102-25)

The report of these indicators is given under section 6.7. Management report – Corporate governance in:

- ► 6.7.4. Management report Corporate governance Remit of the director on page 87; and
- ► 6.7.9 Management report Corporate governance - Conflicts of interest on page 103.

6. Report of the statutory auditor

Statutory auditor's report on the limited review performed on selected environmental, social and governance performance indicators published in the document "Annual report" of WDP Comm. VA for the year ended 31 December 2017

To the board of directors

As statutory auditors we have been engaged to perform review procedures to express a limited assurance on selected environmental, social and governance performance indicators ("the CSR Data") published in the document "Annual report" of WDP Comm. VA for the year ended 31 December 2017 ("the Document"). The CSR Data have been defined following the Best Practices Recommendations of the "European Public Real Estate Association" (EPRA) regarding sustainable development reporting (EPRA BPR on Sustainability Reporting, 3rd version). The CSR Data are identified with the symbol ✓ in the Document.

The scope of our work has been limited to the CSR Data covering the year 2017 and includes only the environmental performance indicators of the buildings, the social and governance indicators retained within the reporting scope defined by WDP Comm. VA.

The reporting scope for environmental performance indicators covers 748 921 m² or 22% of WDP Comm. VA's property portfolio. The reporting scope for social and governance performance indicators covers the entire organisation WDP Comm. VA.

The limited review was performed on the data gathered and retained in the reporting scope by WDP Comm. VA. Our conclusion as formulated

below covers therefore only these CSR Data and not all information included in the Document.

Responsibility of the board of directors

The board of directors of WDP Comm. VA is responsible for the CSR Data and the references made to it presented in the Document as well as for the declaration that its reporting meets the requirements of the "EPRA BPR on Sustainability Reporting".

This responsibility includes the selection and application of appropriate methods for the preparation of the CSR Data, for ensuring the reliability of the underlying information and for the use of assumptions and reasonable estimations. Furthermore, the board of directors is also responsible for the design, implementation and maintenance of systems and procedures relevant for the preparation of the CSR Data.

Nature and scope of work

Our responsibility is to express an independent conclusion on the CSR Data based on our limited review. Our assurance report has been made in accordance with the terms of our engagement letter.

We conducted our work in accordance with the international standard ISAE (International Standard on Assurance Engagements) 3000 (Revised).

Applying these standards, our procedures are aimed at obtaining limited assurance on the fact that the CSR Data do not contain material misstatements. These procedures are less profound than the procedures of a reasonable assurance engagement.

The scope of our work included, amongst others the following procedures:

- Assessing and testing the design and operating effectiveness of the systems and procedures used for data-gathering, processing, classification, consolidation and validation, and that for the methods used for calculating and estimating the 2017 CSR Data identified with the symbol ✓ in the table as mentioned in the Document;
- Conducting interviews with responsible officers;
- Examining, on a sample basis, internal and external supporting evidence and performing consistency checks on the consolidation of these CSR Data.

Conclusion

Based on our limited review, as described in this report, nothing has come to our attention that causes us to believe that the CSR Data related to WDP Comm. VA identified with the symbol \checkmark in the Document, have not been prepared, in all material respects, in accordance with EPRA Best Practices Recommendations on Sustainability Reporting (3rd version).

Antwerp, 21 March 2018

THE STATUTORY AUDITOR **DELOITTE** BEDRIJFSREVISOREN / REVISEURS
D'ENTREPRISES

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Kathleen De Brabander



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1. 2017 annual consolidated financial statements

Profit and loss account

in euros (x 1,000) I. Rental income			
Rental income			
1. Horital modific		145,661	133,761
Rents	VIII	144,860	133,705
Indemnification for early termination of lease		801	55
III. Costs related to leases		-1,286	-2,051
Rent to be paid for leased premises		-1,060	-1,147
Provisions for doubtful debtors (additions)	XVI	-525	-1,273
Provisions for doubtful debtors (reversals)	XVI	299	370
Net rental result		144,375	131,710
IV. Recovery of property costs		0	(
V. Recovery of rental charges and taxes normally paid by the tenant on let properties		9,239	7,620
Re-invoicing rental charges paid out by the owner		2,900	2,703
Re-invoicing advance property levy and taxes on let buildings		6,339	4,917
VI. Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease		0	-157
VII. Rental charges and taxes normally paid by the tenant on leased properties		-11,635	-9,878
Rental charges paid out by the owner		-3,030	-2,94
Withholding levies and taxes on let properties		-8,605	-6,938
VIII. Other income and charges related to leases		12,513	10,367
Property management fees		986	854
Other operating income/costs		1,196	1,135
Income from solar energy	XIII	10,331	8,379
Property result	V	154,493	139,661
IX. Technical costs		-3,345	-2,757
Recurrent technical costs		-3,590	-2,825
- Repairs		-2,756	-2,014
- Insurance premiums		-834	-812
Non-recurrent technical costs		245	68
- Accidents		245	68
X. Commercial costs		-683	-466
Agency commissions		-389	-166
Advertising		-169	-109
Lawyers' fees and legal charges		-125	-192
XII. Property management costs		-930	-821
Fees paid to external managers		-36	-47
(Internal) property management costs		-894	-774
		-4.959	-4,044

Property operating results 149,534 135,617 XIV. General company expenses -6,695 -5,376 XV. Other operating income and expenses (depreciation and write-down of solar panels) -3,904 -3,066 Operating result (before the result on the portfolio) 138,935 127,176 XVI. Result on disposals of investment properties IX 929 -41 Net property sales (sales price – transaction costs) 15,352 5,024 Book value of properties sold -14,423 -5,065 XVIII. Changes in the fair value of investment properties XII 94,763 34,046 Positive changes in the fair value of investment properties 111,030 45,286 Negative changes in the fair value of investment properties -16,267 -11,241 Operating result 234,627 161,180 XX. Financial income 3,268 796 Interests and dividends received 248 599 Other financial income 3,020 198 XXI. Net interest charges -28,504 -30,532 Interests on loans -15,891 -17,025 <t< th=""><th>in euros (x 1,000)</th><th>Note</th><th>31 DEC. 17</th><th>31 DEC. 16</th></t<>	in euros (x 1,000)	Note	31 DEC. 17	31 DEC. 16
XIV. General company expenses -6,695 -5,376	11 Out 00 (X 1,000)			
XV. Other operating income and expenses (depreciation and write-down of solar panels) -3,904 -3,066 Operating result (before the result on the portfolio) 138,935 127,176 XVI. Result on disposals of investment properties IX 929 -41 Net property sales (sales price – transaction costs) 15,352 5,024 Book value of properties sold 1-14,423 -5,065 XVII. Changes in the fair value of investment properties XII 94,763 34,046 Positive changes in the fair value of investment properties XII 94,763 34,046 Positive changes in the fair value of investment properties 111,030 45,286 Negative changes in the fair value of investment properties 234,627 161,180 XX. Financial income 3,268 796 Interests and dividends received 248 599 Other financial income 3,020 188 XXI. Net interest charges -28,504 -30,532 Interests on loans -15,891 -17,025 Interests capitalised during construction 1,859	Property operating results		149,534	135,617
Solar panels Sola	XIV. General company expenses		-6,695	-5,376
Number N			-3,904	-3,066
Net property sales (sales price – transaction costs) 15,352 5,024	Operating result (before the result on the portfolio)		138,935	127,176
Book value of properties sold -14,423 -5,065 XVIII. Changes in the fair value of investment properties XII 94,763 34,046 Positive changes in the fair value of investment properties 111,000 45,286 Negative changes in the fair value of investment properties -16,267 -11,241 Operating result 234,627 161,180 XX. Financial income 3,268 796 Interests and dividends received 248 599 Other financial income 3,020 198 XXI. Net interest charges -28,504 -30,532 Interests on loans -15,891 -17,025 Interest capitalised during construction 1,859 682 Cost of permitted hedging instruments -1,892 -13,688 Other interest charges -1,580 -502 XXII. Other financial charges -1,580 -502 XXIII. Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787	XVI. Result on disposals of investment properties	IX	929	-41
XVIII. Changes in the fair value of investment properties XIII 94,763 34,046 Positive changes in the fair value of investment properties 111,030 45,286 Negative changes in the fair value of investment properties -16,267 -11,241 Operating result 234,627 161,180 XX. Financial income 3,268 796 Interests and dividends received 248 599 Other financial income 3,020 198 XXI. Net interest charges -28,504 -30,532 Interest capitalised during construction 1,859 682 Cost of permitted hedging instruments -12,892 -13,688 Other financial charges -1,580 -502 XXII. Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes	Net property sales (sales price – transaction costs)		15,352	5,024
Positive changes in the fair value of investment properties 111,030 45,286 Negative changes in the fair value of investment properties -16,267 -11,241 Operating result 234,627 161,180 XX. Financial income 3,268 796 Interests and dividends received 248 599 Other financial income 3,020 198 XXI. Net interest charges -28,504 -30,532 Interests on loans -15,891 -17,025 Interest capitalised during construction 1,859 682 Cost of permitted hedging instruments -12,892 -13,688 Other interest charges -1,580 -502 XXII. Other financial charges -498 -548 Bank charges and other commissions -30 -32 Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXVV. Share in the result of associated c	Book value of properties sold		-14,423	-5,065
Negative changes in the fair value of investment properties -16,267 -11,241 Operating result 234,627 161,180 XX. Financial income 3,268 796 Interests and dividends received 248 599 Other financial income 3,020 198 XXI. Net interest charges -28,504 -30,532 Interests capitalised during construction 1,859 682 Cost of permitted hedging instruments -12,892 -13,688 Other interest charges -1,580 -502 XXII. Other financial charges -48 -54 Bank charges and other commissions -30 -32 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXV. C	XVIII. Changes in the fair value of investment properties	XII	94,763	34,046
Operating result 234,627 161,180 XX. Financial income 3,268 796 Interests and dividends received 248 599 Other financial income 3,020 198 XXI. Net interest charges -28,504 -30,532 Interests on loans -15,891 -17,025 Interest capitalised during construction 1,859 682 Cost of permitted hedging instruments -12,892 -13,688 Other interest charges -1,580 -502 XXII. Other financial charges -498 -548 Bank charges and other commissions -30 -32 Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 </td <td>Positive changes in the fair value of investment properties</td> <td></td> <td>111,030</td> <td>45,286</td>	Positive changes in the fair value of investment properties		111,030	45,286
XX. Financial income 3,268 796 Interests and dividends received 248 599 Other financial income 3,020 198 XXI. Net interest charges -28,504 -30,532 Interests on loans -15,891 -17,025 Interest capitalised during construction 1,859 682 Cost of permitted hedging instruments -12,892 -13,688 Other interest charges -1,580 -502 XXII. Other financial charges -498 -548 Bank charges and other commissions -30 -32 Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010	Negative changes in the fair value of investment properties		-16,267	-11,241
Interests and dividends received 248 599 Other financial income 3,020 198 XXI. Net interest charges -28,504 -30,532 Interests on loans -15,891 -17,025 Interest capitalised during construction 1,859 682 Cost of permitted hedging instruments -12,892 -13,688 Other interest charges -1,580 -502 XXII. Other financial charges -498 -548 Bank charges and other commissions -30 -32 Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -31 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	Operating result		234,627	161,180
Other financial income 3,020 198 XXI. Net interest charges -28,504 -30,532 Interests on loans -15,891 -17,025 Interest capitalised during construction 1,859 682 Cost of permitted hedging instruments -12,892 -13,688 Other interest charges -1,580 -502 XXII. Other financial charges -498 -548 Bank charges and other commissions -30 -32 Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	XX. Financial income		3,268	796
XXI. Net interest charges -28,504 -30,532 Interests on loans -15,891 -17,025 Interest capitalised during construction 1,859 682 Cost of permitted hedging instruments -12,892 -13,688 Other interest charges -1,580 -502 XXII. Other financial charges -498 -548 Bank charges and other commissions -30 -32 Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	Interests and dividends received		248	599
Interests on loans -15,891 -17,025 Interest capitalised during construction 1,859 682 Cost of permitted hedging instruments -12,892 -13,688 Other interest charges -1,580 -502 XXII. Other financial charges -498 -548 Bank charges and other commissions -30 -32 Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	Other financial income		3,020	198
Interest capitalised during construction 1,859 682 Cost of permitted hedging instruments -12,892 -13,688 Other interest charges -1,580 -502 XXII. Other financial charges -498 -548 Bank charges and other commissions -30 -32 Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	XXI. Net interest charges		-28,504	-30,532
Cost of permitted hedging instruments -12,892 -13,688 Other interest charges -1,580 -502 XXII. Other financial charges -498 -548 Bank charges and other commissions -30 -32 Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	Interests on loans		-15,891	-17,025
Other interest charges -1,580 -502 XXII. Other financial charges -498 -548 Bank charges and other commissions -30 -32 Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	Interest capitalised during construction		1,859	682
XXII. Other financial charges -498 -548 Bank charges and other commissions -30 -32 Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	Cost of permitted hedging instruments		-12,892	-13,688
Bank charges and other commissions -30 -32 Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	Other interest charges		-1,580	-502
Other financial charges -467 -516 XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	XXII. Other financial charges		-498	-548
XXIII. Changes in the fair value of financial assets and liabilities XIV 16,470 1,787 Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	Bank charges and other commissions		-30	-32
Financial result X -9,264 -28,497 XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	Other financial charges		-467	-516
XXIV. Share in the result of associated companies and joint ventures 10,803 -551 Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	XXIII. Changes in the fair value of financial assets and liabilities	XIV	16,470	1,787
Result before taxes 236,166 132,132 XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	Financial result	Х	-9,264	-28,497
XXV. Corporate tax -931 -842 XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	XXIV. Share in the result of associated companies and joint ventures		10,803	-551
XXVI. Exit tax -79 -1,057 Taxes XI -1,010 -1,899	Result before taxes		236,166	132,132
Taxes XI -1,010 -1,899	XXV. Corporate tax		-931	-842
	XXVI. Exit tax		-79	-1,057
Net result 235,156 130,232	Taxes	XI	-1,010	-1,899
	Net result		235,156	130,232

Statement of overall result

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
I. Net result	235,156	130,232
II. Other elements of the overall result (not recoverable through the profit and loss account)	3,734	-122
H. Other elements of the overall result after tax	3,734	-122
Revaluation of the solar panels in Belgium and the Netherlands	3,305	3,177
Revaluation of the solar panels in joint ventures	429	-3,299
Overall income	238,890	130,110
Attributable to:		
Shareholders of the group	238,890	130,110
Minority interests	0	0

Other components of comprehensive income

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
EPRA Earnings		
EPRA Earnings (including share in the result of joint ventures)	121,421	100,760
Result on the portfolio (including share in the result of joint ventures) ¹	101,489	31,193
Changes in the fair value of financial assets and liabilities (including share in the result of joint ventures)	16,470	1,787
Depreciation and write-down of solar panels (including share in the result of joint ventures)	-4,224	-3,507
Net result (IFRS)	235,156	130,232
	31 DEC. 17	31 DEC. 16
in euros (per share) ²		
EPRA Earnings		
EPRA Earnings (including share in the result of joint ventures)	5.60	5.30
Result on the portfolio (including share in the result of joint ventures) ¹	4.68	1.64
Changes in the fair value of financial assets and liabilities (including share in the result of joint ventures)	0.76	0.09
Depreciation and write-down of solar panels (including share in the result of joint ventures)	-0.19	-0.18
Net result (IFRS)	10.84	6.86
	31 DEC. 17	31 DEC. 16
in euros (per share; diluted) ²		
EPRA Earnings		
EPRA Earnings (including share in the result of joint ventures)	5.60	5.30
Result on the portfolio (including share in the result of joint ventures) ¹	4.68	1.64
Changes in the fair value of financial assets and liabilities (including share in the result of joint ventures)	0.76	0.09
Depreciation and write-down of solar panels (including share in the result of joint ventures)	-0.19	-0.18
Net result (IFRS)	10.84	6.86

- 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. 17	31 DEC. 16
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I. Fixe	ed assets		2,632,554	2,166,060
B.	Intangible fixed assets		146	16
C.	Investment properties	XII	2,404,027	2,036,72
	Property available for lease		2,246,312	1,950,26
	Property developments		78,821	52,08
	Other: land reserves		78,893	34,37
D.	Other tangible fixed assets	XIII	95,876	86,21
	Tangible fixed assets for own use		2,077	86
	Other: solar panels		93,799	85,35
E.	Financial fixed assets		97,469	24,80
	Assets at fair value through result		5,764	4,18
	Permitted hedging instruments	XIV	5,764	4,18
	Loans and receivables		91,705	20,61
	Other	XXIV	91,705	20,61
G.	Trade receivables and other non-current assets	X	3,411	3,79
l.	Share in associated companies and joint ventures – equity method		31,626	14,35
II. Cu	rrent assets		42,745	16,549
Α.	Assets held for sale		7,525	1,36
	Investment properties	XV	7,525	1,36
D.	Trade receivables	XVI	9,042	10,66
Ε.	Tax receivables and other current assets	XVII	22,830	2,90
	Taxes		16,228	
	Other		6,602	2,90
F.	Cash and cash equivalents		1,231	34
G.	Accruals and deferrals and accruals	XIV	2,116	1,27

Balance sheet – Liabilities

in euros	(x 1,000)	Note	31 DEC. 17	31 DEC. 16
Share	cholders' equity		1,238,439	1,032,352
I.	Attributable to the parent company's shareholders		1,238,439	1,032,352
Α.	Capital	XVIII	168,873	163,752
	Subscribed capital		176,514	171,034
	Costs of capital increase		-7,641	-7,282
B.	Issue premiums		545,154	492,330
C.	Reserves		289,256	246,038
D.	Net result for the financial year		235,156	130,232
Liabi	ities		1,436,860	1,150,256
I.	Non-current liabilities		1,158,293	931,075
Α.	Provisions	XIX	655	1,045
	Other		655	1,045
B.	Non-current financial liabilities	XX, XXI	1,108,966	866,463
	Credit institutions		776,872	532,350
	Financial leasing		5,907	8,164
	Other		326,187	325,949
C.	Other non-current financial liabilities	XIV	48,673	63,568
	Permitted hedging instruments		48,673	63,568
D.	Trade payables and other non-current liabilities		0	0
II.	Current liabilities		278,566	219,180
В.	Current financial liabilities	XX, XXI	240,849	179,473
	Credit institutions		238,903	177,503
	Financial leasing		1,946	1,970
C.	Other current financial liabilities		0	0
	Permitted hedging instruments	XIV	0	0
D.	Trade payables and other current debts		22,774	24,056
	Exit tax		0	1,775
	Other		22,774	22,281
	Suppliers		21,508	17,778
	Tax, salary and social security		1,266	4,503
E.	Other current liabilities	XXII	1,549	1,736
	Other		1,549	1,736
F.	Accruals and deferrals and accruals	XIV	13,394	13,916
Total	liabilities		2,675,299	2,182,608

Cash flow statement

in euros (x 1,000)	Note	31 DEC. 17	31 DEC. 16
Cash and cash equivalents, opening balance sheet		340	551
Net cash flows concerning operating activities		129,016	118,771
1. Cash flows concerning operations		132,262	119,686
Profit/loss from operating activities		261,402	161,867
Profit for the financial year		235,156	130,232
Interest charges	X	28,504	30,532
Interest received	X	-3,268	-796
Income tax	XI	1,010	1,899
Adjustments to non-monetary items		-108,956	-34,734
Write-downs		4,364	3,755
Depreciations	XVI	486	904
Carried interest charges		-101	-1,245
Interest capitalised during construction	X	1,859	682
Carried interest income		603	955
Increase (+)/decrease (-) in provisions	XIX	-390	-1
Changes in the fair value of investment properties	XII	-94,763	-34,046
Increase (+)/decrease (-) in deferred taxes		4,901	-1,163
Changes in fair value of financial derivatives	XIV	-16,470	-1,786
Share in the result of associated companies and joint ventures		-10,374	-2,748
Increase(+)/decrease (-) in disposals	IX	929	-41
Increase (+)/decrease (-) in working capital requirements X	XVI, XXVII	-20,184	-7,448
Increase (+)/decrease (-) in assets		-20,642	-8,456
Increase (+)/decrease (-) in liabilities		415	1,100
Other		43	-93
2. Cash flows concerning other operating activities		-3,246	-915
Interest received classified by operating activities		2,665	-158
Income tax paid/received		-5,911	-757
Net cash flows concerning investment activities		-351,553	-226,685
1. Acquisitions		-289,864	-214,385
Payments regarding acquisitions of real estate investments		-278.253	-183,795
Payments regarding acquisitions of shares of real estate companies	XII	0	-20,003
Acquisitions of other tangible and intangible fixed assets		-11.611	-10,587
2. Transfers		15,352	6,024
Receipts from sale of investment properties		15,352	5,024
Receipts from sale of shares in real estate companies		0	1,000
3. Financing provided to joint ventures		-71,088	-6,688
Financing provided to joint ventures	XXIV	-71,088	-6,688
4. Capital increase provided in joint ventures		0	-11,636
Capital increase in joint ventures		0	-11,636
5. Acquisition of a joint venture		-5,953	0
Net cash flows concerning financing activities		223,428	107,705
1. Loan acquisition	XX, XXI	484,604	274,087
2. Loan repayment	XX, XXI	-180,724	-270,473
3. Interest paid		-30,262	-29,969
4. Dividends paid ¹		-50,190	-41,401
5. Capital increase		0	175,461
Net increase (+)/decrease (-) in cash and cash equivalents		891	-211
Cash and cash equivalents, closing balance		1,231	340

¹ This only relates to cash-out, as an optional dividend was offered in 2016 and 2017, with 61% and 64% of the shareholders respectively opting for distribution in shares rather than cash.

Consolidated statement of changes of the shareholders' equity 2017

in euros (x 1,000)	01 JAN. 17	Allocation of re	Allocation of results from the 2016 financial year			
		Profit for the previous finan- cial year	Transfer of result on portfolio and revaluation of subsidiaries	Transfer of changes in the fair value of financial instruments		
A. Subscribed capital	163,752	0	0	0		
Subscribed capital	171,034					
Costs of capital increase	-7,282					
B. Issue premiums	492,330	0	0	0		
C. Reserves	246,038	130,232	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 (+/-)	236,156		58,943			
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment properties (-)	-63,148		-24,897			
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 (+/-)	-61,166			1,787		
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	18,184					
Result carried forward from previous financial years	116,581	130,232	-34,046	-1,787		
D. Net result of the financial year	130,232	-130,232	0	0		
Total shareholders' equity	1,032,352	0	0	0		

Other elements of	the overall result	Other			31 DEC. 17	
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	1,501	3,620	0	168,873	
		1,547	3,933		176,514	
		-46	-313		-7,641	
0	0	15,841	36,983		545,154	
0	3,734	0	-90,792	44	289,256	
					295,099	
					-88,045	
					-59,379	
					-184	
					249	
					-634	
	3,734				21,918	
			-90,792	44	120,232	
235,156	0	0	0	0	235,156	
235,156	3,734	17,342	-50,189	44	1,238,439	

Consolidated statement of changes of the shareholders' equity 2016

n euros (x 1,000)	01 JAN. 16	financial year			
		Profit for the previous finan- cial 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 the IFRS standards (+/-)	-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 of the financial year	142,698	-142,698	0	0	
Total shareholders' equity	768,273	0	0	0	

Other elements of the overall result			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

2. Notes

General information on the company

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

The consolidated financial statements of the company as of 31 December 2017 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 21 March 2018.

WDP is listed on Euronext Brussels and Amsterdam.

... Representational model

The consolidated financial statements are drawn up in accordance with the IFRS (International Financial Reporting Standards) Foundation's standards as adopted in 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 activities of the group and are effective for financial years commencing on or after 1 January 2017.

The consolidated financial statements are presented in thousands of euros, rounded to the nearest thousand. The 2016 and 2017 financial years are presented here. For the historical financial information for the 2015 financial year,

please refer to the annual reports for 2016 and 2015. Accounting methods were consistently applied for the financial years presented.

Standards and interpretations effective for the financial year beginning on 1 January 2017

- Amendment to IAS 12 Income Taxes Recognition of deferred tax assets for unrealised losses (applicable to financial years beginning on or after 1 January 2017)
- Amendment to IAS 7 Statement of Cash Flows
 Disclosure Initiative (applicable to financial years beginning on or after 1 January 2017)
- Annual improvements to IFRS 2014-2016: Changes to IFRS 12 (applicable to financial years beginning on or after 1 January 2017, but not yet adopted in the European Union)

The new standards, amendments and interpretations have no effect on the consolidated financial statements for 2017.

New or amended standards and interpretations that are not yet effective

A number of new standards, amendments to standards and interpretations have not yet been adopted in 2017, but they can be adopted prior to their effective dates. WDP has not yet adopted these. The impact of their adoption – insofar as these new standards, revised versions or existing standards and interpretations are relevant to WDP – on the consolidated financial statements for 2018 and the following years is presented below.

► IFRS 9 Financial instruments (applicable to financial years beginning on or after 1 January 2018): IFRS 9 was published by the IASB in July 2014 and adopted by the EU in November 2016. IFRS 9 contains provisions on the classification and valuation of financial assets and liabilities. special impairments on financial assets as well as general provisions on hedge accounting. IFRS 9 largely replaces IAS 39 Financial Instruments: Recognition and Measurement.

Based on an analysis of WDP's situation as at 31 December 2017, IFRS 9 is not expected to have any significant impact on the consolidated financial statements. With regard to the special impairments on financial assets valued at amortised cost, including trade receivables, the initial application of the expected credit loss model under IFRS 9 will result in early recognition of credit losses compared to the current loss model applied under IAS 39. Taking into account the relatively small amount of outstanding trade receivables, combined with the associated low credit risk, WDP deems the impact on the consolidated financial statements to be minor.

▶ IFRS 15 Revenue from contracts with clients (applicable to financial years beginning on or after 1 January 2018): IFRS 15 provides a unique and all-encompassing model of principles that an entity must apply to account for income arising from a contract with a customer. On entry into force, this new standard will replace both IAS 18 on revenue from the sale of goods and the rendering of services and IAS 11 on building projects and their corresponding interpretations.

IFRS 15 is not expected to have a substantial impact on WDP's consolidated financial statements given that leases, which are WDP's main source of revenue, do not fall under IFRS 15. The principles of IFRS 15 also apply to non-lease components which may appear in a lease agreement or separate agreements such as maintenance-related services charged to the tenant. Taking into account the fact that non-lease components of this kind are relatively limited in amount and generally pertain to

- services that are recognised over time under both IAS 18 and IFRS 15, WDP does not expect any substantial impact from this either.
- ► IFRS 16 Leases (applicable to financial years as from 1 January 2019): IFRS 16 provides a comprehensive model for identifying leases and their accounting in the annual financial statements for both the lessor and lessee. On entry into force, this standard will replace IAS 17 Leases and the corresponding interpretations.

IFRS 16 introduces significant changes in accounting for leases for the lessee, removing the distinction between operational and financial leases and recognising assets and liabilities for all leases (aside from exemptions for short-term leases or low-value assets). Unlike accounting for leases by the lessee. IFRS 16 keeps almost all provisions from IAS 17 Leases regarding accounting for leases by the lessor. This means that lessors must continue to classify leases as operational or financial leases. Given that WDP acts almost exclusively as a lessor (and has not opted to reassess whether a contract is or contains a lease in comparison to IAS 17), IFRS 16 is not expected to have a substantial impact on the consolidated financial statements. In cases where WDP is the lessee in leases classified as operational leases under IAS 17 and these leases do not fall under the exemptions provided for in IFRS 16 (for instance, for investment properties for which WDP does not retain bare ownership, but, rather, only the usufruct through a concession, leasehold, or similar arrangement), this shall result in recognition of a right of use and additional liability (about 27 million euros) in the consolidated financial statements.

- ▶ Amendment to IFRS 2 Classification and measurement of share-based payment transactions (applicable to financial years beginning on or after 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 beginning on or after 1 January 2018)

- ► Annual improvements to IFRS 2014-2016: Changes to IFRS 1 and IAS 28 (applicable to financial years beginning on or after 1 January 2018, but not yet adopted in the European Union)
- ▶ IFRIC 22 Transactions in foreign currency and payments on account (applicable to financial years beginning on or after 1 January 2018, but not yet adopted in the European Union)
- ► Amendment to IAS 40 *Transfer of investment properties* (applicable to financial years beginning on or after 1 January 2018, but not yet adopted in the European Union)
- ▶ IFRIC 23 Uncertainty over income tax treatments (applicable to financial years beginning on or after 1 January 2019, but not yet adopted by the European Union)
- ▶ IFRS 17 *Insurance contracts* (applicable to financial years beginning on or after 1 January 2021, 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 associated shareholding or joint venture (the date of entry into force has been deferred indefinitely and, consequently, EU approval has been postponed as well)
- ► IFRS 14 Regulatory deferral accounts (applicable to financial years beginning on or after 1 January 2016, but not yet adopted by the European Union)
- ► Amendment to IFRS 9 Payments on account features with negative compensation (applicable to financial years beginning on or after 1 January 2019, but not yet adopted in the European Union)
- ► Amendment to IAS 28 Long-term investments in associates and joint ventures (applicable to financial years beginning on or after 1 January 2019, but not yet adopted in the European Union)

... 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 the 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 Arrangements, the results and balance sheet impact of the joint ventures WDP Development RO (in which WDP holds a 51% stake), I Love Hungaria (in which

WDP holds a 50% stake), BST-Logistics (in which WDP holds a 50% stake) and WDP Luxembourg (in which WDP holds a 55% 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, I Love Hungaria, BST-Logistics and WDP Luxembourg continues to be shown.

The result from transactions with the above joint ventures is not eliminated in the amount of the participation of the WDP group, but rather fully recognised in the result (under the heading Operating result (before the result on the portfolio) and Financial result).

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. An impairment of 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 financial statements, 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 the profit and loss account, except when they relate to intragroup borrowing that meets 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 the profit and loss account 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 valued at the purchase price, including the transaction costs and directly attributable costs.

Land held for the purposes of initiating property 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 valued 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 Regulated Real Estate Companies, 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 valued 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 profit and loss account in accordance with IAS 40. Pursuant to the Royal Decree concerning Regulated Real Estate Companies, these must be included in the relevant reserves at the end of the financial year.

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

After initial recognition, projects are valued 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-leased (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 construction or acquisition 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
- 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 subjected to a test for special impairment (see 7. Special impairments on page 180). The profit/loss realised on the sale is included in the profit and loss account under section IX. Result from the sale of investment properties. 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 valued at their cost price less the cumulative depreciation and write-down. 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 revalued 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 as 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 as 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 properties* 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 fair 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.

The realisable value of project developments is determined every 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 valued 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 valued 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 valued 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 valued at the amortised cost based on 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 an 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 valued at amortised cost based on 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 valued 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, including debts, are initially valued at fair value after deduction of the transaction costs. After initial recognition they are valued at the amortised cost price. The group's financial liabilities amortised at cost price are the non-current financial liabilities, other non-current liabilities, current financial debts, trade debts, trade payables and payable dividends in the other current liabilities.

Financial liabilities and shareholders' equity instruments

Financial liabilities and shareholders' equity 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 accounting policies with regard to specific financial liabilities and equity instruments are described below.

Bank loans

Interest-bearing bank loans and overdrafts are initially valued at fair value less transaction costs

and are subsequently valued at the amortised cost based on 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 accounting policies with regard to financing costs that are applied by the group (see above).

Trade payables

Trade payables are initially valued at fair value and are subsequently valued at amortised cost based on 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 valued at fair value as per IAS 39. The derivatives currently employed by WDP do not qualify as hedging transactions. As a result, changes in the fair value are immediately included in the result.

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 valued 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
- ▶ 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 be included under personnel costs at that time.

For permanent personnel, 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, personnel 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

Regulated Real Estate Company status offers a fiscally transparent status, given that a Regulated Real Estate Company 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 Regulated Real Estate Company with a non-Regulated Real Estate 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.

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. Valuation rules on page 176).

- during the acquisition of control over an entity that owns investment property, determine whether this acquisition is seen as a business combination. In 2017, 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 189).
- ► determine whether derivatives 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 incorporated via the profit and loss account (see explanatory Note XIV. Financial instruments on page 202).

Determining the fair value of investment property

The fair value of investment properties is determined by independent property experts in accordance with the regulations concerning Regulated Real Estate Companies (see Note XII. Investment properties on page 194).

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 199).

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 in Antwerp -Vrieskaai 59. In the meantime, the company has signed a settlement with Havenbedrijf Antwerpen and Wijngaardnatie and its subsidiary Antwerp Stevedoring International (ASI; the concessionaire since 1 January 2018) to terminate - by agreement – the disputes that arose between the parties without the loss of rent and without compensation due to premature termination of the lease. In executing this settlement, the company has proceeded with a partial demolition of the existing buildings and has transferred the right of ownership to the remaining part of the buildings to ASI. This concludes the dispute, which has been processed in the WDP results as per 31 December 2017.

v. Segmented information - Operational result

in euros (x 1,000)		31 DEC. 17							
		Belgium	The Netherlands	France	Unallocated amounts	Total IFRS	Romania ³		
l.	Rental income ¹	65,687	73,770	6,203	0	145,661	4,325		
III.	Rental charges	-789	-270	-227	0	-1,286	0		
	Rental income, net of rental-related expenses	64,899	73,500	5,976	0	144,375	4,325		
IV.	Recovery of property costs	0	0	0	0	0	0		
V.	Recovery of rental charges normally paid by the tenant on let properties	6,855	1,260	1,124	0	9,239	278		
VI.	Costs payable by tenants and paid out by the owner for rental damage and refurbishment at end of lease	0	0	0	0	0	0		
VII.	Rental charges and taxes normally paid by the tenant on let properties	-7,663	-2,837	-1,134	0	-11,635	-370		
VIII.	Other income and charges related to leases ²	9,372	2,994	147	0	12,513	1,276		
	Property result	73,462	74,918	6,113	0	154,493	5,510		
IX.	Technical costs	-1,763	-1,371	-211	0	-3,345	-241		
X.	Commercial costs	-616	49	-116	0	-683	-27		
XII.	Property management costs	-1,252	313	8	0	-930	-10		
	Property charges	-3,631	-1,008	-319	0	-4,959	-278		
	Property operating results	69,831	73,909	5,794	0	149,534	5,232		
XIV.	General company expense	0	0	0	-6,695	-6,695	-953		
XV.	Other operating income and expenses (depreciation and write-down of solar panels)	-3,180	-725	0	0	-3,904	-319		
	Operating result (before the result of the portfolio)	66,651	73,185	5,794	-6,695	138,935	3,960		
XVI.	Result on disposals of investment properties	284	645	0	0	929	0		
XVIII.	Changes in the fair value of investment properties	29,750	60,682	4,331	0	94,763	8,529		
Opera	ting result	96,685	134,512	10,125	-6,695	234,627	12,489		

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 five regions.

This segmentation is important for WDP since 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 indicators (such as rental income, occupancy rates, etc.) are monitored in this manner.

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

				31 DE	C. 16				
Luxembourg ³	Other joint ventures ³	Belgium	The Netherlands	France	Unallocated amounts	Total IFRS	Romania³	Luxembourg ³	Other joint ventures³
920	0	61,265	67,486	5,010	0	133,761	2,215	0	0
-57	0	-803	-1,311	62	0	-2,051	0	0	0
863	0	60,462	66,175	5,072		131,710	2,215		0
0	0	0	0	0	0	0	0	0	0
-9	0	5,880	814	925	0	7,620	100	0	0
0	0	0	0	-157	0	-157	0	0	0
6	0	-6,500	-2,361	-1,018	0	-9,878	-211	0	0
14	0	9,469	764	135	0	10,367	1,429	0	0
875	0	69,312	65,392	4,957		139,661	3,532	0	0
-9	6	-1,825	-832	-100	0	-2,757	-323	0	0
-4	21	-209	-192	-64	0	-466	-27	0	C
0	0	-998	170	7	0	-821	-20	0	0
-14	27	-3,033	-854	-157	0	-4,044	-370	0	0
861	27	66,279	64,538	4,800	0	135,617	3,162	0	0
-123	10	0	0	0	-5,376	-5,376	-683	0	-36
0	0	-2,918	-148	0	0	-3,066	-441	0	0
738	37	63,361	64,390	4,800	-5,376	127,176	2,038	0	-36
0	0	-41	0	0	0	-41	152	0	0
-490	0	11,664	19,479	2,903	0	34,046	-1,997	0	0
248	37	74,984	83,869	7,703	-5,376	161,180	193	0	-36

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 consolidated property portfolio on page 117.

² Income from solar energy amounted to 11.607 million euros in 2017, against 9.655 million euros in 2016. This income was realised in Belgium (8.024 million euros in 2017, against 7.933 million euros in 2016), the Netherlands (2.307 million euros in 2017, against 0.446 million euros in 2016) and Romania (1.276 million euros in 2017, against 1.277 million euros in 2016). It is included in Section VIII. Other income and charges related to leases.

³ The joint ventures are processed in accordance with IFRS 11 Joint Arrangements according to the equity method. The table shows the operating result (before general expenses and in line with WDP's share in these entities), which is subsequently reconciled with the share in the result of these entities, as reported under the equity method pursuant to IFRS.

vı. Segmented information – Assets¹

Belgium	The	_	31 DEC. 17								
Belgium	The	_		31 DEC. 17							
	Netherlands	France	Total IFRS	Romania	Luxembourg	Other joint ventures					
1,000,694	1,282,310	121,022	2,404,027	134,772	12,324	8,767					
975,344	1,150,470	120,498	2,246,312	75,668	11,798	0					
7,940	70,881	0	78,821	34,389	526	7,815					
17,410	60,960	524	78,893	24,715	0	952					
7,525	0	0	7,525	0	0	0					
66,566	29,366	-56	95,876	8,885	0	0					
1,876	257	-56	2,077	279	0	0					
64,690	29,109	0	93,799	8,606	0	0					
	975,344 7,940 17,410 7,525 66,566 1,876	975,344 1,150,470 7,940 70,881 17,410 60,960 7,525 0 66,566 29,366 1,876 257	975,344 1,150,470 120,498 7,940 70,881 0 17,410 60,960 524 7,525 0 0 66,566 29,366 -56 1,876 257 -56	975,344 1,150,470 120,498 2,246,312 7,940 70,881 0 78,821 17,410 60,960 524 78,893 7,525 0 0 7,525 66,566 29,366 -56 95,876 1,876 257 -56 2,077	975,344 1,150,470 120,498 2,246,312 75,668 7,940 70,881 0 78,821 34,389 17,410 60,960 524 78,893 24,715 7,525 0 0 7,525 0 66,566 29,366 -56 95,876 8,885 1,876 257 -56 2,077 279	975,344 1,150,470 120,498 2,246,312 75,668 11,798 7,940 70,881 0 78,821 34,389 526 17,410 60,960 524 78,893 24,715 0 7,525 0 0 7,525 0 0 66,566 29,366 -56 95,876 8,885 0 1,876 257 -56 2,077 279 0					

			31 DEC. 16			
Belgium	The Netherlands	France	Total IFRS	Romania	Luxembourg	Other joint ventures
938,356	1,010,231	88,136	2,036,723	70,151	0	1,256
893,026	969,635	87,607	1,950,268	43,225	0	0
30,862	21,220	0	52,083	8,404	0	1,256
14,468	19,376	528	34,372	18,522	0	0
1,367	0	0	1,367	465	0	0
00.075	47.040		22.24	2 722		
68,975	17,243	0	86,218	8,763	0	0
676	187	0	863	254	0	0
68,299	17,056	0	85,355	8,509	0	0
	938,356 893,026 30,862 14,468 1,367 68,975 676	938,356 1,010,231 893,026 969,635 30,862 21,220 14,468 19,376 1,367 0 68,975 17,243 676 187	Netherlands 938,356 1,010,231 88,136 893,026 969,635 87,607 30,862 21,220 0 14,468 19,376 528 1,367 0 0 68,975 17,243 0 676 187 0	Belgium The Netherlands France Total IFRS 938,356 1,010,231 88,136 2,036,723 893,026 969,635 87,607 1,950,268 30,862 21,220 0 52,083 14,468 19,376 528 34,372 1,367 0 0 1,367 68,975 17,243 0 86,218 676 187 0 863	Belgium The Netherlands France Total IFRS Romania 938,356 1,010,231 88,136 2,036,723 70,151 893,026 969,635 87,607 1,950,268 43,225 30,862 21,220 0 52,083 8,404 14,468 19,376 528 34,372 18,522 1,367 0 0 1,367 465 68,975 17,243 0 86,218 8,763 676 187 0 863 254	Netherlands 938,356 1,010,231 88,136 2,036,723 70,151 0 893,026 969,635 87,607 1,950,268 43,225 0 30,862 21,220 0 52,083 8,404 0 14,468 19,376 528 34,372 18,522 0 1,367 0 0 1,367 465 0 68,975 17,243 0 86,218 8,763 0 676 187 0 863 254 0

¹ Includes project developments in compliance with the IAS 40 standard.

vII. Information on subsidiaries

Share of capital	31 DEC. 17	31 DEC. 16
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 - The Netherlands	100%	100%
with participation in WDP Development NL N.V. – Hoge Mosten 2 – 4822 NH Breda – The Netherlands ¹	100%	100%
Eurologistik 1 Freehold BVBA – Blakebergen 15 – 1861 Wolvertem – Belgium ²	100%	100%
Suncop I NV – Blakebergen 15 – 1861 Wolvertem – Belgium ^{3,7}	100%	100%
Suncop 2 BVBA – Blakebergen 15 – 1861 Wolvertem – Belgium ^{3,7}	100%	100%
MLB NV – Blakebergen 15 – 1861 Wolvertem – Belgium ^{4,7}	100%	100%
The Bridge Logistics III NV – Blakebergen 15 – 1861 Wolvertem – Belgium ^{5,7}	100%	100%
Colfridis Real Estate BVBA – Blakebergen 15 – 1861 Wolvertem – Belgium ^{7,8}	100%	100%
Joint ventures		
WDP Development RO SRL – 1 Baia de Arama Street, Building C1, 1st floor, office no. 19, district 2 – Bucharest – Romania	51%	51%
I Love Hungaria NV - Mechelsesteenweg 61, Bus 401 - 2018 Antwerpen - Belgium ⁶	50%	50%
BST-Logistics NV - Nijverheidsstraat 13 - 2260 Westerlo - Belgium ⁹	50%	
WDP Luxembourg SA – Parc Logistique Eurohub Sud – 3434 Dudelange – Luxembourg ¹⁰	55%	

- 1 WDP Development NL N.V. was founded in August 2011 as a permanent development company for own account of WDP Nederland N.V.
- On 7 June 2013 WDP acquired 100% of the shares in Eurologistik 1 Freehold, holding the rights to an existing logistics site in Vilvoorde. This transaction is not deemed to
- 3 At the end of May 2015, WDP acquired 100% of the shares in the companies SUNCOP ISA and SUNCOP 2 BVBA to acquire two PV systems on the roof of the MLB site in Bornem. This transaction is not deemed to be a business combination. On 30 June 2016, WDP merged with its wholly owned subsidiaries SUNCOP I SA and SUNCOP
- 4 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 deemed to be
- 5 At the beginning of June 2015, WDP acquired 100% of the shares in The Bridge Logistics III NV, which held the rights to the site in Willebroek, at Victor Dumonlaan 32. This transaction is not deemed to be a business combination. On 30 June 2016, WDP merged with its wholly owned subsidiary The Bridge Logistics III NV.
- 6 This joint venture was formed in May 2015 between WDP Comm. VA and property developer L.I.F.E. NV with the redevelopment of the Hungaria Building in Leuven in mind.
- 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 financing arrangements in Suncop I SA and Suncop 2 BVBA, respectively, for a total amount of 5.3 million euros.
- 8 On 30 September 2016, WDP acquired 100% of the shares in Colfridis Real Estate BVBA, which owned the rights to three sites of 35,000 m² in total on the industrial estate in Londerzeel. This transaction is not deemed to be a business combination. On 6 October 2017, WDP merged with its wholly owned subsidiary Colfridis Real Estate BVBA.
- 9 This joint venture was formed in April 2017 between WDP Comm. VA and property developer Thys Bouwprojecten for the development of the site on Nijverheidsstraat 13
- 10 This concerns a joint venture that has the rights to the Eurohub Sud site of which the Luxembourg government owns 45% and of which WDP acquired 55% of the share on 13 October 2017 with further development of the site in mind. With the acquisition of this company, in addition to the investment properties, an external financing arrangement was also acquired for an amount of 9.9 million euros in total.

WDP Development RO SRL, I love Hungaria NV, BST-Logistics NV and WDP Luxembourg are the joint ventures within the group and are being consolidated using the equity method. In line with internal reporting in the WDP group, this information is always prorated for each company. 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 shareholders' equity of these joint ventures, nor have dividends been paid out from these joint ventures, and there is no limit on cash transfers to other companies from the group.

As at January 2018, the shareholding structure between the WDP/Jeroen Biermans shareholders changed from 51/49 to 80/20. Due to this partnership between the shareholders and the corresponding shareholdings, WDP will fully consolidate this activity in its IFRS statements as from 1 January 2018, which in the past was processed using the equity method.

In the segmented information, WDP Development RO and WDP Luxembourg are shown separately, given their geographic distance. BST Logistics NV and I Love Hungaria NV are shown together.

In accordance with IFRS 12, summarised financial information on the material joint venture WDP Development RO SRL is shown at 100%.

Condensed financial information (according to IFRS 12)

Balance sheet

in euros (x 1,000)	31 DEC. 17
Fixed assets	282,999
Investment properties	264,259
Solar panels	16,874
Other fixed assets	1,866
Current assets	12,664
Liabilities	245,411
Non-current financial liabilities to companies in the WDP group	85,000
Non-current financial liabilities to credit institutions	119,003
Current financial liabilities to credit institutions	19,021
Trade payables and other current debts	14,145
Other liabilities	8,242

Profit and loss account

in euros (x 1,000)	31 DEC. 17
Rental income	8,481
Net rental result	8,481
Income from solar energy	2,503
Property result	10,804
Property operating results	10,259
General company expenses ¹	-1,868
Operating result (before the result on the portfolio)	7,765
Changes in the fair value of investment properties	16,723
Operating result	24,488
Financial costs ¹	-4,154
Financial incomes	1
Result before taxes	20,335
Net result	21,844

¹ The headings General company expenses and Financial result contain the management fee and interest that the enterprise of the WDP group charged to joint venture WDP Development RO in 2017. The income is recognised as income under the headings Operating result (before the result on the portfolio) and Financial result. See also explanatory Note XXIV. Transactions between affiliates.

VIII. Overview of future income

in euros (x 1	n euros (x 1,000)		31 DEC. 16
Future re	ental income (including income from solar energy) with final expiry date within		
	one year	161,492	142,935
	more than one but less than five years	431,914	377,544
	more than five years	530,658	504,186
Total		1,124,063	1,024,664

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

The impact of the applied indexing of rental amounts to an average of 0.6% and 1.0% for the 2016 and 2017 financial years, respectively.

The income with respect to the previous year rose by 9.7%. This is mainly due to strong portfolio growth (see also 6.3. Management report – Transactions and realisations on page 46).

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, the original tenant remains jointly and severally liable towards WDP.

The tenant has the duty to have the contract registered at their expense.

Result on disposals of investment properties

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
Not an extended to the extended to the extended to	45.050	5.004
Net property sales (sales price – transaction costs)	15,352	5,024
Book value of properties sold	-14,423	-5,065
Result on disposals of investment properties	929	-41

The added value achieved in 2017 is primarily related to the sale of the sites in Estaimpuis, Merchtem and Oud-Beijerland. The realised

added value for the site in Meer was also already recognised, since the deed of sale was executed in January 2018.

x. Financial result

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
Financial income	3,268	796
Interests and dividends received	248	599
Other financial income	3,020	198
Net interest charges	-28,504	-30,532
Interests on loans	-15,891	-17,025
Interest capitalised during construction	1,859	682
Cost of permitted hedging instruments	-12,892	-13,688
Other interest charges	-1,580	-502
Other financial charges	-498	-548
Bank charges and other commissions	-30	-32
Other financial charges	-467	-516
Changes in the fair value of financial assets and liabilities	16,470	1,787
Financial result	-9,264	-28,497

For comments on the Financial result, see 6.2. Notes to the consolidated results 2017 on page 39.

WDP's risk policy with respect to the financial policy is explained 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 included in the result.

Taxes

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
Corporate tax and exit tax	-445	-1,244
Advance levy on mandatory dividends from subsidiaries	-565	-655
Total taxes	-1,010	-1,899

Investment property¹

Changes during the financial year

	31 DEC. 17					
in euros (x 1,000)	Belgium	The Netherlands	France	Total IFRS	Romania	Luxembourg
Level according to IFRS	3	3	3		3	3
Fair value as at previous financial year-end	938,356	1,010,231	88,136	2,036,722	70,151	0
Investments	30,319	115,926	2,121	148,366	46,128	0
New acquisitions	0	101,503	26,435	127,937	9,964	12,814
Acquisition of investment properties by means of share-based payment transactions ²	17,393	0	0	17,393	0	0
Transfers to fixed assets held for sale	-14,029	-6,032	0	-20,061	0	0
Disposals	-1,095	0	0	-1,095	0	0
Changes in the fair value	29,750	60,683	4,331	94,763	8,529	-490
Latent change on existing properties (+/-)	29,465	54,249	4,331	88,044	6,101	-453
Latent change on assets under construction (+/-)	285	6,433	0	6,719	2,428	-37
Fair value as at financial year-end	1,000,694	1,282,310	121,022	2,404,027	134,772	12,324
Acquisition price	906,034	1,199,508	114,324	2,219,866	143,228	12,814
Insured value	794,494	853,798	99,488	1,747,781	126,721	12,121
Rental income during 2017	64,887	73,770	6,203	144,860	4,325	920

	31 DEC. 16						
in euros (x 1,000)	Belgium	The Netherlands	France	Total IFRS	Romania	Luxembourg	
Level according to IFRS	3	3	3		3	3	
Fair value as at previous financial year-end	844,999	875,101	76,788	1,796,888	45,809	0	
Investments	48,539	39,009	8,445	95,992	20,619	0	
New acquisitions	16,761	76,641	0	93,402	6,572	0	
Acquisition of investment properties by means of share-based payment transactions ²	22,065	0	0	22,065	0	0	
Transfers to fixed assets held for sale	-3,546	0	0	-3,546	-465	0	
Disposals	-2,125	0	0	-2,125	-388	0	
Changes in the fair value	11,663	19,480	2,903	34,046	-1,997	0	
Latent change on existing properties (+/-)	11,674	19,520	2,903	34,096	-1,992	0	
Latent change on assets under construction (+/-)	-10	-40	0	-50	-5	0	
Fair value as at financial year-end	938,356	1,010,231	88,136	2,036,722	70,151	0	
Acquisition price	823,144	976,201	85,465	1,884,810	78,059	0	
Insured value	733,342	731,067	67,023	1,531,432	73,041	0	
Rental income during 2016	61,180	67,486	5,040	133,705	2,215	0	

¹ Includes project developments in compliance with the IAS 40 standard.

² The difference with the amount in the cash flow overview is due to the fact that on acquisition of the company, the working capital was also acquired.

Capital expenditures pertain to investments made as part of new acquisitions, in-house project developments and investments within the existing portfolio (for more information, see 6.3. Management report - Transactions and realisations on page 46).

The property portfolio is valued at fair value. Fair value is based on non-observable inputs and, consequently, assets in investment properties belong to Level 3 of the fair value hierarchy as defined in IFRS. No changes in the fair-value hierarchy level took place in 2017. 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 2017, WDP realised a net investment volume of approximately 350 million euros (including solar panels but excluding the reinforcement in the capital of the Romanian entity). This was realised in the Benelux core market and in France and Romania. For a detailed description of the various individual acquisitions and the (100% pre-leased) projects completed and under development, see 6.3. Management report - Transactions and realisations on page 46.

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 2017 (in particular the year of purchase of these properties). In 2017, it was also decided to sell three non-strategic sites in Estaimpuis, Merchtem and Oud-Beijerland. These sites generated rent in the amount of around 720,000 euros in.

Acquired properties

in euros (x 1,000)	Annual rental income	Actual rental income in 2017
Zonhoven, Vogelsancklaan 250	1,500	450
Zwolle, Hessenpoort	77	71
De Lier, Jogchem van der Houtweg	632	316
Breda, Prinsenhil 1-3	758	355
Den Haag, Westvlietweg 7-8	1,481	691
Utrecht, Ruimteweg 1-5	600	300
Bucharest (3) Dragomiresti Vale DE115 Street, no. 1 (Ilfov County)	312	186
Labastide-Saint-Pierre, Zac du Grand Sud	1,700	0
Dudelange, Parc Logistic Eurohub Sud	933	920
Total	7,993	3,289

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 7.1% as at 31 December 2017, compared to 7.5% at the end of 2016.

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 as follows: Belgium 2.5%, The Netherlands: 6.1%, France: 5.1% and Romania: 1.5%.

Non-observable inputs in the determination of fair value

3 Belgium 1,016,987 Discounted cash flow - ERV (euro/m²)¹ 8-91 euro/m - Discount rate 5.3%-8.5% - Required yield 5.7%-9.1%	
	n² (40 euro/m²)
- Required yield 5.7%-9.1%	(6.1%)
	(7.0%)
Income capitalisation – Remaining lease duration (until 6 years-18.9 the first maturity date)	9 years (4.6 years)
Remaining lease duration (until 1 year-29 year-29 the expiry date)	ears (7.3 years)
- Occupancy rate 48.5%-100 th	% (95.4%)
- Inflation 1.25%-1.25	5% (1.25%)
The Netherlands 1,282,310 Income capitalisation – ERV (euro/m²)¹ 29-120 euro	o/m² (46 euro/m²)
- Required yield 4.8%-9.4%	(5.8%)
 Remaining lease duration (until 6 years-17.3 the first maturity date) 	5 years (6.6 years)
 Remaining lease duration (until 6 years-17.3 the expiry date) 	5 years (7.2 years)
- Occupancy rate 62%-100%	(98.7%)
- Inflation 1.9%-1.9%	(1.9%)
3 France 121,022 Income capitalisation – ERV (euro/m²)¹ 30-55 euro/	'm² (39 euro/m²)
- Required yield 5.8%-9% (6	6.6%)
 Remaining lease duration (until 4 years-12 the first maturity date) 	years (3.7 years)
 Remaining lease duration (until 4 years-12 the expiry date) 	years (6.6 years)
- Occupancy rate 0%-100% (94.2%)
3 Romania 134,772 Income capitalisation – ERV (euro/m²)¹ 33-51 euro/	/m² (46 euro/m²)
- Required yield 7.8%-9% (7	7.9%)
 Remaining lease duration (until the first maturity date) 	years (7.9 years)
Comparable market - Remaining lease duration (until 4 years-21. transactions the expiry date)	7 years (11.3 years)
- Occupancy rate 100%-100%	% (100%)
3 Luxembourg 12,324 Income capitalisation – ERV (euro/m²)¹ 60-60 euro/	/m² (60 euro/m²)
- Required yield 6.5%-6.5%	(6.5%)
 Remaining lease duration (until the first maturity date) 	.9 years (1.9 years)
Comparable market	.9 years (1.9 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).

Impact on fair value at:

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 property classified as level 3 according to the IFRS fairvalue hierarchy, is as follows (ceteris paribus):

Non-observable input

	Decrease	Increase
ERV (in euros/m²)	Negative	Positive
Discount rate	Positive	Negative
Required yield	Positive	Negative
Remaining lease duration (until first maturity date)	Negative	Positive
Remaining lease duration (until 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 the occupancy rate may result in a decrease (increase) 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 30 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 110 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. In addition, it is determined 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 Belgian GW/SIR Act (see 11.6. Permanent document - Property expert on page 248). 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.

Independent property experts are appointed for each country, to ensure proper consideration for the special characteristics of each geographical region and thus also the diversified, pan-European nature of the property portfolio. 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)	Portion of the portfolio (in %)
Stadim	Belgium ¹	603,485	24%
Jones Lang LaSalle	Belgium	413,502	16%
Cushman & Wakefield	The Netherlands	882,544	34%
CBRE	The Netherlands	399,766	16%
BNP Paribas Real Estate	France	121,022	5%
CBRE Romania	Romania	134,772	5%
JLL Luxembourg	Luxembourg	12,324	0%
Total		2,567,415	100%

¹ Including the proportionate share of the portfolio in I Love Hungaria NV and BST-Logistics NV.

The independent property expert has full access to all quantitative and qualitative information with regard to the property portfolio. The group controller is responsible for continuous contact with and provision of information to the relevant property experts (such as all leases, information on occupancy rate, maturity 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.

VIII. Other tangible fixed assets

Changes during the financial year

in euros (x 1,000)	31 DEC. 17					
	Solar panels	Other ¹	Total IFRS	Romania		
Level according to IFRS	3	N/R		3		
At the end of the previous financial year	85,355	863	86,218	8,763		
Investments	9,043	1,631	10,674	13		
New acquisitions	0	0	0	0		
Acquisitions via share transactions	0	0	0	0		
Disposals	0	-14	-14	0		
Changes in the fair value	-599	-403	-1,002	109		
Gains	3,305	0	3,305	429		
Depreciation and write-downs	-3,904	-403	-4,307	-320		
At the end of the financial year	93,799	2,077	95,876	8,885		
Acquisition price	76,430	4,751	81,181	10,800		

in euros (x 1,000)		31 DEC. 16					
	Solar panels	Other ¹	Total IFRS	Romania			
Level according to IFRS	3	N/R		3			
At the end of the previous financial year	73,812	896	74,708	12,435			
Investments	11,432	281	11,713	55			
New acquisitions	0	0	0	0			
Acquisitions via share transactions	0	0	0	0			
Disposals	0	0	0	0			
Changes in the fair value	111	-314	-203	-3,727			
Gains	3,177	0	3,177	-3,299			
Depreciation and write-downs	-3,066	-314	-3,380	-428			
At the end of the financial year	85,355	863	86,218	8,763			
Acquisition price	67,387	3,120	70,507	10,787			

¹ Other relates to: 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 Level (IFRS) 3 3 Fair value on 31 DEC. 17 in euros (x 1,000) 64,690 29,109 8,606 Revenue 20171 in euros (x 1,000) 8,024 2,306 1,276 including Green Energy (gripus associated costs) 7,381 1,638 1,025

including green energy (minus associated costs)			643 668 251			
	Belgium	The Netherlands				
Valuation method	Discounted cash flow	Discounted cash flow	Discounted cash fl	low		
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 2017, 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 2017, the solar park consisted of 21 sites.	The model assumes a sunshine hours per ye based on weather stat available data at the e On 31 December 2017 consisted of 4 sites.	ear. This is tistics and the end of the year.		
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 revenue including subsidy does not exceed 147 euros per MWh.		oject by the rgy Regulatory veriod of fifteen WDP in Romania Wh of green tificates can on the regulated /max. price and 55 euros as a 10-year t with Enel (a		
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 2017, it was valued according to the average Q2 18, Q3 18, Q4 18 and Q1 19, as well as CAL 19 and 20 published on 31 December 2017.	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 2017, it was valued according to the average Q2 18, Q3 18, Q4 18 and Q1 19, as well as CAL 19 and 20 published on 31 December 2017.	The energy price in real increases by 1.5% per increase is applied to received for green energials.	r year. This the actual prices		
Discount rate	The required yield is calculated as the weighted average cost of the capital	The required yield is calculated as the weighted average cost of the capital according to long-term interest, market risk premium and country-specific risk.		et of the capital m interest, market		
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 decrease by 0.6% per been decommissioned years. No account was of any possible residu. installation, nor with the dismantling the installation.	r year and has d after thirty s taken here lal value of the ne costs of		
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 operational costs relate exploitation as well as maintenance cost in o expected evolution of condition intact.	te various ted to s a ten-year order to keep the		

¹ The income consists of the sale of green energy certificates and of green energy to the tenant and/or energy supplier, minus costs associated with 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):

Non about able input	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 base points leads to a decrease (increase) in the fair value of the solar panels of approximately 2 million euros.

ments of investors. The final fair value determinations are validated by the audit committee on a quarterly basis.

Valuation process

There is no standardised valuation model for investments in solar panels. The fair value of these assets is calculated by WDP according to a discounted cash flow model based on future cash flows.

The valuation cycle within a financial year consists of a fully detailed estimate update per year end of all assumptions and the expected cash flows as well as three desktop reviews in which a roll-forward of the model is done and the most important assumptions with regard to significant non-observable inputs are recognised.

The data and input with regard to the expected future cash flows are continuously verified with the available statistics over the totality of the PV systems, whereas a consistent, comparable analysis is made of the financial return require-

xiv. Financial instruments

in euros (x 1,000)

	IFRS balance sheet section	Level (IFRS)	
Financial fixed assets			
Assets at fair value through result – Permitted hedging instruments	I. E.	2	
- Interest Rate Swap			
Loans and receivables - Other	I. E.	2	
Long-term receivables			
- Trade receivables and other non-current assets	I. G.	2	
Short-term receivables			
Trade receivables	II. D.	2	
Cash and cash equivalents	II. F.	2	
Accruals and deferrals on the assets: interest charges on loans and permitted hedging instruments			
Total			
Financial liabilities			
Non-current financial liabilities			
- Bond loan: private placement	I. B.	2	
- Bond loan: retail bond	I. B.	1	
- Bank debt	I. B.	2	
- Financial leasing	I. B.	2	
Other non-current financial liabilities – Permitted hedging instruments	I.C.		
- Interest Rate Swaps			
- Interest Rate Swaps (forward start)			
Current financial liabilities			
- Commercial paper	II. B.	2	
- Bank debt	II. B.	2	
- Financial leasing	I. B. and II. B.	2	
- Trade payables and other current debts	II. D.	2	
Other current financial liabilities – Permitted hedging instruments	II.C.	2	
- Interest Rate Swaps			
- Interest Rate Swaps (forward start)			
Accruals and deferrals on the liabilities: interest charges on loans and permitted hedging instruments			
Total			

	31 DE	C. 17					
Amortised cost of hedging instruments	Amortised cost of loans, receivables and financial obligations	Amortised cost price	Fair value	Amortised cost of hedging instruments	Amortised cost of loans, claims and financial obligations	Amortised cost price	Fair value
5,764		5,764	5,764	4,189		4,189	4,189
	91,705	91,705	91,705		20,617	20,617	20,617
	,	ŕ			,	ŕ	,
	3,411	3,411	3,411		3,796	3,796	3,796
	9,042	9,042	9,042		10,662	10,662	10,662
	1,231	1,231	1,231		340	340	340
	70	70	70		131	131	131
5,764	105,459	111,223	111,223	4,189	35,546	39,735	39,735
'	<u> </u>						
					201,082	201,082	203,923
	201,287	201,287	203,624		124,867	124,867	132,713
	124,900	124,900	131,605		532,350	532,350	532,350
	776,872	776,872	776,872		8,164	8,164	8,164
	5,907	5,907	5,907				
48,279		48,279	48,279	62,185		62,185	62,185
394		394	394	1,383		1,383	1,383
	186,100	186,100	186,100		138,000	138,000	138,000
	52,803	52,803	52,803		39,503	39,503	39,503
	1,946	1,946	1,946		1,970	1,970	1,970
	22,774	22,774	22,774		24,056	24,056	24,056
0		0	0	-		-	-
0		0	0	-		-	-
558	6,736	7,294	7,294	613	6,641	7,254	7,254
49,231	1,379,325	1,428,556	1,437,598	64,181	1,076,633	1,140,814	1,151,501

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

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

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

Level 2 in the hierarchy of the fair values concerns the other financial assets and liabilities of which the fair value is based on observable inputs and other data that can be determined, directly or indirectly, for the assets or liabilities concerned. The valuation techniques concerning the fair value of the financial instruments at level 2 are the following: the fair value of the above financial assets and liabilities are valued at the book value except for bond loans where fair value is determined on the basis of a discounted cash flow model based on market interest rates since they are not traded frequently (level 2). Because the other financial liabilities are incurred at a floating interest rate, the fair value is very close to the book value.

Level 3 in the hierarchy of the fair values concerns the property portfolio of which the fair value is determined on the basis of non-observable inputs.

Liquidity requirement on the expiry date related to non-current loans (contractual cash flows and nonupdated interest)

in euros (x 1,000)	31 DEC. 17
Between one and two years	104,965
Between two and five years	700,437
More than five years	371,843
Total	1,177,245

Financial instruments at fair value (as per IAS 39)

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

These contracts are valued at fair value as per IAS 39 on the balance sheet date. This information is received from the various financial institutions and verified by WDP by discounting the future contractual cash flows based on the corresponding interest rate curves.

Fair value is based on observable inputs, and as such, the IRS contracts fall under level 2 in the fair value hierarchy as defined in IFRS. The fair value determination takes place on the basis of 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 2017. During this period, no hedging instruments were arranged prior to the expiry date. A number of existing hedging instruments were extended by flattening these over time in a cash-neutral manner.

	31 DEC. 17			
Classification according to IFRS	level (IFRS)	Notional amount in euros (x 1,000)	Interest rate (in %)	Duration (in year)
Interest Rate Swap	2	826,768	1.26	7.2
Interest Rate Swap (forward start)	2	50,000	0.92	10.3
Total		876,768	1.24	7.3
	31 DEC. 16			
		31 DE	C. 16	
Classification according to IFRS	Level (IFRS)	Notional amount in euros (x 1,000)	C. 16 Interest rate (in %)	Duration (in year)
_	Level (IFRS)	Notional amount		Duration (in year)
IFRS		Notional amount in euros (x 1,000)	Interest rate (in %)	. , ,

The variety of the fair value and valuation of the hedging instruments at fair value on the balance sheet date are as follows:

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
Fair value on balance sheet date	-42,909	-59,379
Financial fixed assets	5,764	4,189
Financial instruments at fair value via the profit and loss account	5,764	4,189
Other non-current financial liabilities	48,673	63,568
Permitted hedging instruments	48,673	63,568
Current financial liabilities	0	0
Other current financial liabilities	0	0
Changes in the fair value of financial assets and liabilities	16,470	1,787
Revenue	18,801	18,010
Costs	-2,331	-16,223

The table below gives an overview of the impact of the fair value of the IRSs if the interest rate should go up or down by a maximum of 0.50%:

Change in the interest rate	Impact on the change in fair value of the IRSs per 31 DEC. 17 (in euros x 1,000,000)
-0.50%	-32.4
-0.25%	-16.0
0.00%	0.0
+0.25%	15.7
+0.50%	31.0

For the impact of the interest rate changes on the EPRA Earnings, see 6.6. Management report - Outlook on page 73.

Liquidity obligation on the maturity dates linked to the derived products

in euros (x 1,000)	31 DEC. 17
Between one and two years	21,801
Between two and five years	27,483
More than five years	11,644
Total	60,929

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 the management of the financial risks (including credit risk, liquidity risk, interest risk, counterparty risk), see Chapter 6.4. Management report – Management of financial resources on page 58. See also the sensitivity analysis in Chapter 6.6. Management report – Outlook on page 73 as well as Note XX. Statement of financial debt on page 210.

xv. Assets held for sale

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
Belgium		
Assets held for sale at the end of 2016		1,367
Assets held for sale at the end of 2017	7,525	
Total	7,525	1,367

An amount of 7.5 million euros in Assets held for sale is currently recognised in the balance sheet. This is a building in Meer, Seoelstraat, Belgium, for which the deed was executed in early 2018 as well as part of the site in Leuven, Belgium.

Trade receivables and doubtful debtors

Trade receivables

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
Customers	10,102	11,455
Write-downs booked on doubtful	-3,352	-3,407
Invoices to be prepared/ credit notes to be received	2,292	2,613
Trade receivables	9,042	10,662

Trade receivables are mostly payable in cash. The table below shows the past due trade receivables.

in euros (x 1,000)	31 DE	C. 17	31 DE	C. 16
Non-expired and expired < 30 days	4,686		6,032	
of which provisioned for as doubtful debtors		-38		-9
Expired 30-60 days	416		1,371	
of which provisioned for as doubtful debtors		-167		-1
Expired 60-90 days	83		0	
of which provisioned for as doubtful debtors		0		0
Expired > 90 days	4,916		4,053	
of which provisioned for as doubtful debtors		-3,147		-3,397
Total clients	10,102		11,455	
of which provisioned for as doubtful debtors		-3,352		-3,407

Doubtful debtors - mutation table

in euros (x 1,000)	31 DEC. 17	31 DEC. 16	
At the end of the previous financial year	-3,407	-2,503	
Additions	525	-1,273	
Reversals	-299	370	
Other	-281	0	
At the end of the financial year	-3,352	-3,407	

The provision for doubtful debts is 3.4 million euros and is stable compared with last year.

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 quarantees 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 op page 117. 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. 17	31 DEC. 16
Tax receivables	16,228	0
Other current assets	6,602	2,902
Total	22,830	2,902

The increase in the Tax receivables section is due to the fact that a considerable amount of VAT could be recovered at the end of 2017 following the acquisition of the site in France and the purchase of three new lots in the Netherlands at the end of December 2017.

<u>xvIII.</u> Capital

		Changes in subscribed capital 31 DEC. 17 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 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 right	19,004	2,369,560
2017	Capital increase through contribution of claim as a result of an optional dividend	3,933	490,361
2017	Capital increase via a partial demerger and contribution in kind	1,547	192,873
Total		176,514	22,009,277

	31 DEC. 17	31 DEC. 16
Number of shares entitled to dividend	21,326,043	18,507,260
Capital increase through the contribution of a claim as a result of an optional dividend	490,361	449,223
Capital increase in cash with irreducible allocation right	0	2,369,560
Capital increase via a partial demerger and contribution in kinf	192,873	0
Number of shares entitled to a dividend at the end of the financial year	22,009,277	21,326,043
Net result (IFRS) of the financial year in euros (x 1,000)1	235,156	130,232
Net result (IFRS) per share (in euros) ¹	10.84	6.86

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 business 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 realised is a capital increase via a 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 irreducible allocation right (as referred to in the Belgian Act concerning Regulated Real Estate Companies) 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).

As on 31 December 2017, the available balance of the authorised capitals amounts to 125,491,210.93 euros insofar as it concerns a capital increase in terms of funds with the option of an irreducible allocation right and 25,752,857.91 euros for all forms of capital increases other than those referred to under item I. above with the option of first refusal if necessary.

xix. Provisions

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
Opening balance	1,045	1,046
Used amounts	-390	-1
Additions	0	0
Closing balance	655	1,045
Time of expected outflow of economic resources	< 5 years	< 5 years

In the course of the 2017 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 2017 still amounted to 0.7 million euros.

Provisions were mostly set aside for potential remediation of land in Grimbergen, Eppegemsesteenweg 31; Heppignies, rue de Capilône 6; Londerzeel, Weverstraat 2 and Anderlecht, Frans Van Kalkenstraat 9.

xx. Statement of financial debt

in euros (x 1,000)	Included as of		< 1 year		1-5 years		< 5 years	
	31 DEC. 17	31 DEC. 16	31 DEC. 17	31 DEC. 16	31 DEC. 17	31 DEC. 16	31 DEC. 17	31 DEC. 16
Commercial paper	186,100	138,000	186,100	138,000	-	-	-	-
Straight loans	52,190	38,906	52,190	38,906	-	-	-	-
Roll over loans	613	597	613	597	-	-	-	-
Financial leasing	1,946	1,970	1,946	1,970	-	-	-	-
Current financial liabilities	240,849	179,473	240,849	179,473			-	-
Roll over loans	776,871	532,350	-	-	450,649	299,472	326,223	232,878
Bond loan	326,187	325,949	-	-	266,452	174,668	59,735	151,281
Financial leasing	5,907	8,164	-	-	5,427	7,649	480	515
Non-current financial liabilities	1,108,966	866,463		-	722,527	481,789	386,438	384,674
Total	1,349,815	1,045,936	240,849	179,473	722,527	481,789	386,438	384,674

For further information on financial liabilities, please refer to Chapter 6.4. Management report – Management of financial resources on page 58.

For further information on the applicable banking agreements, see Note XXV. Rights and obligations not included in the balance sheet on page 214. For a complete overview of sensitivity, please refer to the table in chapter 6.6. Management report – Outlook on page 73.

The evolution from debt of 1,045.9 million euros to 1,349.8 million euros entails an immaterial

amount of non-cash movements, in particular the amortization of costs related to these debts over the term of the debts. The cash flow statement excluded this immaterial amount of non-cash movements. See 10.1. 2017 annual consolidated financial statements – Cash flow statement on page 169.

xxi. Calculation of the gearing and notes regarding changes in gearing

in euros (x 1,000)			31 DE	C. 17	31 DEC. 16	
			(IFRS)	(proportionate)	(IFRS)	(proportionate)
Non	Non-current and current liabilities		1,436,860	1,530,038	1,150,256	1,208,983
To be excluded:						
I.	Non-current liabilities - A. Provisions		655	656	1,045	1,046
I.	Non-current liabilities – C. Other non-current financial liabilities – Permitted hedging instruments		48,673	48,673	63,568	63,568
l.	Non-current liabilities – F. Deferred taxes – Liabilities		0	894	0	107
II.	Current liabilities – C. Other current financial liabilities – Other: Hedging instruments		0	0	0	0
II.	Current liabilities - F. Accruals and deferrals		13,394	13,677	13,916	15,286
Tota	al debt	A.	1,374,139	1,466,138	1,071,727	1,128,976
Total assets on the balance sheet			2,675,299	2,768,444	2,182,608	2,241,303
To b	e excluded:					
E.	Financial fixed assets – Financial instruments at fair value through profit and loss account – Permitted hedging instruments		5,764	5,764	4,189	4,189
	Total assets included in the calculation of the gearing ratio		2,669,535	2,762,681	2,178,420	2,237,115
Gea	ring ratio	A/B	51.5%	53.1%	49.2%	50.5%

Additional notes on changes in the gearing ratio

As stipulated in the GVV/SIR legislation, notably in Article 24 of the Belgian Royal Decree on GVVs/SIRs, when the (proportionate) consolidated gearing ratio of a GVV/SIR exceeds 50%, the GVV/SIR should draw up a financial plan with an implementation schedule describing the measures to be taken to prevent the gearing ratio from rising above 65% of consolidated assets. A report is appended to this financial plan by the statutory auditor in which he confirms that he has verified the method of preparation of the plan, particularly with regard to its economic basis, and that the figures contained in this plan agree with those in the accounts of the Regulated Real Estate Company. In the semi-annual and annual financial reports, an account should be given of how the financial plan was implemented during the relevant period and how the Regulated Real

Estate Company will implement the plan in the future.

1. Changes in gearing ratio

In 2017, WDP's consolidated gearing ratio (proportional) rose from 50.5% per 31 December 2016 to 53.1% per 31 December 2017. This takes into account a total investment volume of approx, 400 million euros. This was made possible because the new investments were financed with a combination of both shareholders' equity and borrowed capital. The shareholders' equity was reinforced with approximately 90 million euros through the capital increase following the optional dividend, the non-monetary contribution of the industrial site in Zonhoven and by means of the retained earnings. In addition, the property portfolio also enjoyed value growth, as estimated by the independent experts.

On the basis of the current gearing ratio of 53.1% as of 31 December 2017, 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 450 million euros before the 60% gearing ratio is exceeded.

On the other hand, the valuations of the portfolio also have an impact on the gearing ratio. Taking the current capital base into account, the maximum gearing ratio of 65% would only be exceeded in the case of a decrease in the value of the investment properties of approx. 500 million euros, or a 25% loss in a property portfolio on the order of 2,567 million euros. In this respect, WDP is of the opinion that the current gearing ratio is at an acceptable level and provides sufficient margin to absorb any decreases in value of the property. Moreover, the appraisal of the independent property experts in 2011-14 indicates stabilisation in the fair value of the portfolio, and since 2015-17 an upward trend has been identified.

The Regulated Real Estate Companies Act further stipulates that, should the consolidated gearing ratio of the R 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 Regulated Real Estate Company 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 the gearing ratio in 2018

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 2018, WDP's gearing ratio (IFRS or proportional, respectively) is likely to change from 51.5% (53.1%) as of 31 December 2017 to approximately 54% (54%) as of 31 December 2018. This takes the following items into account:

- ► The development of the current investment programme and scheduled disinvestments¹.
- ➤ The retained earnings, accounting for the profit forecast for 2018 of approximately 134 million euros and the dividend pay-out over the financial year 2017.
- An optional dividend in addition to the investment potential freed up by it (through shareholders' equity 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 the light of prevailing economic and property trends, planned investments and the expected changes in the shareholders' equity of the company, no additional measures need to be taken.

¹ See also 6.3. Management report – Transactions and realisations on page 46 and Balance sheet – Assets on page 167.

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 maturity 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 shareholders' equity 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.

xxII. Other current liabilities

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
Deposits and rental guarantees received	1,418	1,600
Other	9	9
Outstanding dividends	123	127
Total	1,549	1,736

XXIII. Average workforce and breakdown of employee costs

	31 DEC. 17	31 DEC. 16
At fully consolidated enterprises		
Average workforce (in FTE ¹)	41.2	36.0
a) Blue collar workers	4.2	5.4
b) White-collar workers	36.9	30.6
Administrative staff	25.8	23.3
Technical staff	11.1	7.3
Geographic locations of workforce (in FTE¹)	41.2	36.0
Western Europe	41.2	36.0
Central and Eastern Europe	0.0	0.0
Personnel costs in euros (x 1,000)	4,439	3,363
a) Salaries and direct social benefits	3,204	2,219
b) Employer contributions to social security	727	595
c) Employer premiums for non-statutory insurances	248	313
d) Other personnel costs	260	236

1 FTE stands for Full-time Equivalents

For its permanent personnel, WDP has taken out a group insurance contract with a defined contribution plan with 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 2017 that the shortfall for guaranteeing the statutory minimum yield is not substantial.

xxiv. Transactions between affiliates

Before 2017, the manager, De Pauw NV, determined the management fee for WDP Comm. VA at 1,525,000 euros. This amount corresponds to the total market-level cost of the Board of Directors in 2017, 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 83).

In addition to management fees, other transactions took place in 2017 between WDP and its joint ventures WDP Development RO, I Love Hungaria, BST-Logistics and WDP Luxembourg. The table below lists the pending receivables that WDP has outstanding for the WDP Development RO, I Love Hungaria, BST-Logistics and WDP Luxembourg joint ventures. Additionally, the management fee charged and the financial income received from WDP Development RO, I Love Hungaria, BST-Logistics and WDP Luxembourg are shown.

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
Receivables	98,355	23,699
For more than one year	91,705	20,617
For at most one year (interest and outstanding client balance)	6,650	3,082
Operating result (before the result on the portfolio)	1,247	864
Management fee and other	1,247	864
Financial result	1,685	590
Income from financial fixed assets	1,685	590

xxv. Rights and obligations not included in the balance sheet

WDP Comm. VA and its subsidiaries had established bank guarantees on 31 December 2017 for a total amount of 3,395,132 euros, of which the beneficiaries were classified into the following categories for the following amounts:

in euros	31 DEC. 17
Environmental	1,412,211
Rent and concession	974,943
Legal	750,000
Services	7,979
Execution of works	250,000

WDP Nederland N.V. has committed to purchasing building land intended for the construction of business premises at Schiphol and in Bleiswijk at a pre-agreed price (25 million euros for the three parcels together) by 2 January 2020 and 21 December 2019, respectively.

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

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

- ▶ A security for the commitments of WDP Nederland N.V. for an amount of 25 million euros in favour of ABN AMRO (short-term amounts financed through a straight loan of max. 25 million euros), 15.0 million euros of which has been drawn.
- ➤ A security for the commitments of WDP Development RO SRL for an amount of 75 million euros in favour of EIB, 63 million euros of which is outstanding.
- A security for the commitments of WDP Development RO SRL for an amount of 75 million euros in favour of BNP Paribas Fortis, 75 million euros of which is outstanding.
- ► A security for the commitments of WDP Luxembourg SA for an amount of a maximum of 6 million euros in favour of the Banque et Caisse d'Epargne de l'Etat.

WDP has entered into the following commitments with financiers¹.

- A commitment to various financiers to refrain from burdening the fixed assets with mortgages or any other real securities (negative pledge). WDP confirms that as of 31 December 2017, the property portfolio and other assets are not encumbered by any outstanding mortgages or other real securities.
- ▶ WDP has committed to various financiers that it will continue to qualify as a GVV/SIR. For the conditions on this, please see the Belgian Act of 12 May 2014 and the Royal Decree of 13 July 2014. For more information, see 12. General information on GVVs/SIRs, FBIs and SIICs on page 257.
- ► For the financing of operations in the Netherlands, WDP has entered into a commitment with one bank in order to continue to qualify as an 'FBI' ('Fiscale Beleggingsinstelling').

- ► For most financial institutions, WDP has committed to maintaining a minimum Interest Coverage Ratio² of 1.5x. For 2017, it amounts to 4.9x.
- For some financiers, WDP undertakes to repay the credit should a change of control occur and the financier would consequently ask for repayment.
- ► For some financiers, WDP undertakes to limit projects still not pre-leased (speculative developments) to 15% of the book value of the portfolio³. As at 31 December 2017, this ratio is 0%.

As of 31 December 2017, all covenants with regard to credit institutions and bondholders entered into by WDP had been complied with.

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

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

³ Except for one loan, for which this ratio is a maximum of 10%.

xxvi. Significant events after the balance sheet date

WDP has reinforced its capital in WDP Development RO by converting a subordinated shareholder's loan into shareholders' equity. This new structure ensures that the ownership ratio between the two shareholders, WDP/Jeroen Biermans, will change from 51/49 to 80/20 as from January 2018. Due to this new partnership between the shareholders and the corresponding shareholdings, WDP will fully consolidate this activity in its IFRS statements as from 1 January 2018, which in the past was processed using the equity method.

XXVII. Financial relations with third parties

in euros	31 DEC. 17	31 DEC. 16
Statutory Auditor		
The statutory auditor(s) and the people with whom they are associated		
Statutory auditor's pay	105,800	117,970
Salary for exceptional activities or special assignments executed within the company by the statutory auditor(s)		
Other auditing assignments	6,000	7,200
Other non-auditing assignments	31,200	191,257
Salary for exceptional activities or special assignments executed within the company by persons with whom the statutory auditor(s) is/are connected		
Tax consulting assignments	35,262	48,582

By virtue of Article 133(2)(§1 to 5) of the Belgian Companies Code: Without prejudice to the prohibitions following from Article 133(1), the statutory auditor shall not perform any services other than the tasks ascribed to statutory auditors by the law or by European Union legislation, if the sum total of the fees for these services exceeds seventy per cent of the sum total of the fees referred to in Article 134(§ 2). The 70% rule shall be calculated as an average over the course of the current appointment. This calculation includes fees for services invoiced by Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, with the exception of fees for statutory tasks ascribed to the statutory auditor of the company. WDP Comm. VA was not in breach of the 70% rule as at 31 December 2017.

in euros	31 DEC. 17	31 DEC. 16
Financial service fees paid	210,544	129,268
in euros	31 DEC. 17	31 DEC. 16
Fees of the property experts	355,424	318,541
Stadim	90,339	109,567
Cushman & Wakefield (Belgium)	48,392	44,524
Cushman & Wakefield (The Netherlands)	151,278	148,800
BNP Paribas Real Estate	20,040	15,650
CBRE The Netherlands	15,475	0
Jones Lang LaSalle	29,900	0
CBRE Romania	11,150	0

	31 DEC. 17	31 DEC. 16
Insurance cover		
Premiums in euros (x 1,000)	1,588	1,460
Belgium	654	608
The Netherlands	660	610
France	87	67
Luxembourg	6	0
Romania	90	88
Solar panels, Belgium	46	44
Solar panels, the Netherlands	14	4
Solar panels, Romania	37	39
Insured value of the property portfolio (in million euros)	1,977	1,679
Belgium	794	733
The Netherlands	854	731
France	99	67
Luxembourg	12	0
Romania	127	73
Solar panels, Belgium	42	44
Solar panels, the Netherlands	25	6
Solar panels, Romania	23	25

3. Auditor's report

Statutory auditor's report to the shareholders' meeting of WDP Comm. VA on the consolidated financial statements for the year ended 31 December 2017

In the context of the statutory audit of the consolidated financial statements of WDP Comm. VA (the company) and its subsidiaries (jointly the group), we hereby submit our statutory audit report to you. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These reports are one and indivisible.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 26 April 2017 in accordance with the proposal of the board of directors issued upon recommendation of the Audit Committee. Our mandate will expire on the date of the shareholders' meeting approving the consolidated financial statements for the year ending 31 December 2019. We have performed the statutory audit of the consolidated financial statements of WDP Comm. VA for 11 subsequent years.

1. Report on the audit of the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the company and its subsidiaries, which comprise the consolidated balance sheet as at 31 December 2017, the consolidated profit and loss account, the consolidated statement of overall income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended,

as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 2,675,299 (000) euros and the consolidated income statement shows a consolidated profit for the year then ended of 235,156 (000) euros. In our opinion, the consolidated financial statements of WDP Comm. VA give a true and fair view of the group's net equity and financial position as of 31 December 2017 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Responsibilities of the statutory auditor for the audit of the consolidated financial statements section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial

statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Valuation of investment properties

- Investment properties measured at fair value (2,404,027 (000) euros) represent 90 per cent of the consolidated balance sheet total as at 31 December 2017. Changes in the fair values of the investment properties have a significant impact on the consolidated net result for the period and equity.
- The portfolio includes completed investments and properties under construction and acquisitions and divestments of investment properties are individually significant transactions.
- ► The Group uses professionally qualified external valuers to fair value the Group's portfolio at three-monthly intervals. The valuers are engaged by the Directors and they perform their work in accordance with the International Valuation Standards issued by the ¹VSC¹. The valuers used by the Group have considerable experience in the markets in which the Group operates.
- ▶ The portfolio is valued by the investment method of valuation with development properties valued by the same methodology with a deduction for all costs necessary to complete the development together with a remaining allowance for risk. The key inputs into the valuation exercise are yields and current market rent, which are influenced by prevailing market forces, comparable transactions and the specific characteristics of each property in the portfolio.
- Therefore, the audit risk relates to the assumptions and critical judgment linked to those key inputs.

Reference to disclosures

We refer to the Financial Statements, including notes to the Financial Statements: *III. Accounting rules* and *Note XII. Investment properties*.

How the matter was addressed?

- We considered the internal control implemented by management and we tested the design and implementation of controls over investment properties.
- We assessed the competence, independence and integrity of the external valuers.
- We analyzed and challenged the valuation process, performance of the portfolio and significant assumptions and critical judgement areas, including occupancy rates, yields and development milestones.
- We benchmarked and challenged the key assumptions that were used in the valuation to external industry data and comparable property transactions, in particular the yield.
- We performed audit procedures to assess the integrity and completeness of information provided to the independent valuers relating to rental income, key rent contract characteristics and occupancy.
- We agreed the amounts per the valuation reports to the accounting records and from there we agreed the related balances through to the financial statements.
- As part of our audit procedures performed on the acquisitions and divestments of investment properties, we examined the most significant contracts and documentation on the accounting treatment applied to these transactions.
- For development properties, we also confirmed that the supporting information for construction contracts and budgets was consistent with the cost to complete deducted from the valuation of development properties. Capitalized expenditure was tested on a sample basis to invoices, and budgeted costs to complete were compared to supporting evidence (for example by inspecting original construction contracts).
- Furthermore, we assessed the appropriateness of the disclosures provided on the fair values of investment properties.

Valuation of derivative financial instruments

- The Group employs derivative instruments that are recognised at fair value. WDP Comm. VA uses derivative contracts to hedge interest rate risks. The fair value of the derivatives as at 31 December 2017 amounts to -42,909 (000) euros.
- Fair value valuations are carried out by WDP Comm. VA on a quarterly basis and are compared with the fair value valuations as received from the counterparties in the derivative contract (banks).
- Proper disclosures of the use of derivative financial instruments are relevant to the reader of the financial statements.
- Derivative transactions can be complex in nature and their valuation can be affected by a large number of variables. The valuation also includes an assessment of the credit risk of the counterparty (credit value adjustment) as well as the credit risk of WDP Comm. VA (debt value adjustment).
- ► Therefore, the key audit matter relates to the valuation of these derivative financial instruments.

Reference to disclosures

We refer to the Financial Statements, including notes to the Financial Statements: Note *III. Accounting rules*; Note *XIV. Financial instruments*

- We evaluated the appropriateness of the recognition and measurement policies applied to derivative financial instruments in accordance with IFRS.
- We considered the controls relevant to the measurement of financial instruments and we tested the design and implementation of controls over derivatives financial instruments.
 This includes:
 - re-performance of controls over the input used in the valuation
 of the derivative contracts for a sample of contracts and
 testing, on a sample basis, the accuracy of the data used such
 as nominal amounts, duration, interest rates; and
 - re-performance of the reconciliation controls in which WDP Comm. VA reconciles the valuations as performed by the counterparties with their own valuations performed.
- We validated the completeness of the derivative financial instruments by obtaining confirmations from all banks with whom WDP Comm. VA has engaged in this type of transactions.
- We reconciled the marked-to-market values as calculated by WDP Comm. V4 to the financial statements and compared these values to the marked-to-market values as obtained from the banks.
- We have engaged Deloitte's internal valuation experts to independently test the valuation of a sample of derivative financial instruments, based on their contract terms.
- Furthermore, we assessed the appropriateness of the disclosures provided on derivative financial instruments.

Responsibilities of the board of directors for the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements the board of directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ► conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transac-

tions and events in a manner that achieves fair presentation.

We communicate with those charged with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

From the matters communicated those charged with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes any public disclosure about the matter.

2. Report on other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements and other matters disclosed in this report.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian (revised) standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify the director's report on the consolidated financial statements and other matters disclosed in the annual report, in all material respects.

Aspects regarding the directors' report on the consolidated financial statements and other matters disclosed in this report

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, the directors' report on the consolidated financial statements is consistent with the consolidated financial statements for the same year and it has been established in accordance with the requirements of article 119 of the Companies Code.

In the context of our statutory audit of the consolidated financial statements we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the directors' report, i.e.:

▶ the required components of the WDP annual report in accordance with Articles 96 and 119 of the Companies Code, which appear in the following chapters: 1. Risk factors,

6.1. Management report – consolidated key figures, 6.2. Management report - Notes to the consolidated results of 2017, 6.3. Management report - Transactions and realisations, 6.4. Management report - Management of financial resources, 6.6. Management report - Outlook, 6.7. Management - Corporate governance and 10. Financial statements

is free of material misstatements, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such a material misstatement.

Statements regarding independence

We did not perform any services that are incompatible with the statutory audit of the consolidated financial statements and remained independent from the company during the performance of our mandate.

The fees for the non-audit services compatible with the statutory audit of the consolidated financial statements as defined in article 134 of the Companies Code have been properly disclosed and disaggregated in the disclosures to the consolidated financial stateme

Other statements

This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Antwerp, 21 March 2018

THE STATUTORY AUDITOR **DELOITTE** BEDRIJFSREVISOREN / RÉVISEURS D'ENTREPRISES BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Kathleen De Brabander

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 shareholders' equity, 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 WDP 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

4. Condensed version of the nonconsolidated financial statements for the 2017 financial year

The statutory auditor has issued an unqualified opinion on the statutory financial statements of WDP Comm. VA. This has been drawn up in accordance with IFRS as accepted within the European Union and according to the Royal Decree of 7 December 2010. The statutory financial statements had not yet been submitted at the time of publication of this annual financial report.

31 DEC. 17 31 DEC. 16

Profit and loss account

I. Rental income Rents Indemnification for early termination of lease III. Costs related to leases Rent to be paid for leased premises Impairments of trade receivables Reversals of impairments of trade receivables Net rental result IV. Recovery of property costs V. Recovery of rental charges normally paid by the tenant on leased properties	64,663 63,862 801 -789 -992 -92 296 63,874	58,067 58,012 55 -587 -862 -83 358
Indemnification for early termination of lease III. Costs related to leases Rent to be paid for leased premises Impairments of trade receivables Reversals of impairments of trade receivables Net rental result IV. Recovery of property costs	801 -789 -992 -92 296	55 -587 -862 -83 358
III. Costs related to leases Rent to be paid for leased premises Impairments of trade receivables Reversals of impairments of trade receivables Net rental result IV. Recovery of property costs	-789 -992 -92 296	-587 -862 -83 358
Rent to be paid for leased premises Impairments of trade receivables Reversals of impairments of trade receivables Net rental result IV. Recovery of property costs	-992 -92 296	-862 -83 358
Impairments of trade receivables Reversals of impairments of trade receivables Net rental result IV. Recovery of property costs	-92 296	-83 358
Reversals of impairments of trade receivables Net rental result IV. Recovery of property costs	296	358
Net rental result IV. Recovery of property costs		
IV. Recovery of property costs	63,874	
		57,480
V. Recovery of rental charges normally paid by the tenant on leased properties	0	0
	6,826	5,729
Re-invoicing rental charges paid out by the owner	1,882	1,658
Re-invoicing advance property levy and taxes on leased buildings	4,944	4,071
VI. Costs payable by the tenant and paid out by the owner for rental damage and refurbishment at end of lease	0	-157
VII. Rental charges and taxes normally paid by the tenant on leased properties	-7,634	-6,354
Rental charges paid out by the owner	-1,963	-1,808
Withholding levies and taxes on leased buildings	-5,671	-4,546
VIII. Other income and charges related to leases	9,360	8,603
Property management fees	786	702
Other operating income/expenses	549	511
Income from solar energy	8,025	7,390
Property result	72,425	65,300
IX. Technical costs	-1,797	-1,688
Recurrent technical costs	-2,053	-1,746
Repairs	-1,866	-1,570
Insurance premiums	-187	-176
Non-recurrent technical costs	256	58
Accidents	256	58
X. Marketing costs	-573	-323
Agency commissions	-167	-111
Advertising	-383	-103
Lawyers' fees and legal charges	-23	-109
XII. Property management costs	-1,287	-1,009
(Internal) property management costs	-1,287	-1,009
Property charges	-3,657	-3,020
Property operating results	68,769	62,280

XIV. General company costs XV. Other operating income and expenses (depreciation and write-down of so	15,074 blar panels) -3,180	15,179 -2,691
Operating result (before the result on the portfolio)	80,663	74,768
5 (
XVI. Result on disposals of investment properties	284	-41
Net property sales (sales price – transaction costs)	8,909	5,024
Book value of properties sold	-8,625	-5,065
XVIII. Changes in the fair value of investment properties	30,294	11,164
Positive changes in the fair value of investment properties ¹	32,081	13,270
Negative changes in the fair value of investment properties	-1,787	-2,106
Operating result	111,241	85,891
XX. Financial income	30,093	26,666
Interests and dividends received	29,945	26,578
Income from financial leases and similar	0	0
Other financial income	148	88
XXI. Net interest charges	-29,719	-30,817
Interests on loans	-15,848	-16,956
Interest capitalised during construction	601	329
Cost of permitted hedging instruments	-12,892	-13,688
Income from permitted hedging instruments	0	0
Other interest charges	-1,580	-502
XXII. Other financial charges	-489	-458
Bank charges and other commissions	-30	-32
Other financial charges	-459	-426
XXIII. Changes in the fair value of financial assets and liabilities	129,191	49,630
Permitted hedging instruments that are not subject to hedging accounting as defined	in IFRS 16,470	1,787
Other ²	112,721	47,843
Financial result	129,077	45,021
Result before taxes	240,318	130,912
XXIV. Corporate tax	-682	-783
XXV. Exit tax	133	-1,019
Taxes	-549	-1,802
Nekowala	000 700	100 140
Net result	239,768	129,110

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 shareholders' equity, under Reserves in accordance with IAS 16.

² This pertains to fluctuations in shares in affiliates and associated companies.

Statement of overall result

in euros (in euros (x 1,000)		31 DEC. 16
I.	Net result	239,768	129,110
II.	Other elements of the overall result (not recoverable through the profit and loss account)	-549	671
	H. Other elements of the overall result after tax	-549	671
	Revaluation of solar panels in Belgium	-549	671
Overal	lincome	239,219	129,781

Other components of comprehensive income

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
EPRA Earnings		
EPRA Earnings	83,179	71,048
Result on the portfolio¹	30,578	11,123
Changes in the fair value of participations	112,721	47,843
Revaluation of financial instruments	16,470	1,787
Depreciation and write-down of solar panels	-3,180	-2,691
Net result (IFRS)	239,768	129,110
in euros (per share) ²	31 DEC. 17	31 DEC. 16
EPRA Earnings		
EPRA Earnings	3.84	3.74
Result on the portfolio ¹	1.41	0.59
Changes in the fair value of shares	5.20	2.52
Revaluation of financial instruments	0.76	0.09
Depreciation and write-down of solar panels	-0.15	-0.14
Net result (IFRS)	11.06	6.80
in euros (per share; diluted) ²	31 DEC. 17	31 DEC. 16
EPRA Earnings		
EPRA Earnings	3.84	3.74
Result on the portfolio ¹	1.41	0.59
Changes in the fair value of shares	5.20	2.52
Revaluation of financial instruments	0.76	0.09
Depreciation and write-down of solar panels	-0.15	-0.14
Net result (IFRS)	11.06	6.80

¹ Including deferred taxes on the portfolio result.

² Calculated on the weighted average number of shares.

Balance sheet – Assets

in euros ((x 1,000)	31 DEC. 17	31 DEC. 16
Fixed	assets	2,611,236	2,062,316
B.	Intangible fixed assets	146	160
C.	Investment properties	1,008,286	923,181
	Property available for lease	982,853	877,768
	Property developments	6,121	31,213
	Other: land reserves	19,311	14,200
D.	Other tangible fixed assets	66,566	68,975
	Tangible fixed assets for own use	1,876	676
	Solar panels	64,690	68,299
E.	Financial fixed assets	1,535,416	1,068,944
	Assets at fair value through result	5,764	4,189
	Permitted hedging instruments	5,764	4,189
	Loans and receivables	770,976	489,863
	Other	770,976	489,863
	Other	758,676	574,892
	Shares in affiliated and associated companies	758,676	574,892
H.	Trade receivables and other non-current assets	822	1,056
Currer	nt assets	34,251	90,109
A.	Assets held for sale	7,525	1,367
	Investment properties	7,525	1,367
D.	Trade receivables	3,972	73,996
E.	Tax receivables and other current assets	20,920	14,015
	Tax receivables	1,285	166
	Other current assets	19,636	13,849
F.	Cash and cash equivalents	1,138	0
G.	Accruals and deferrals	694	731
	Property yields not yet due	6	6
	Prepaid property costs	132	223
	Prepaid interests and other financial costs	70	130
	Other	486	372
Total a	assets	2,645,486	2,152,425

Balance sheet - Liabilities

in euros (× 1,000)	31 DEC. 17	31 DEC. 16
Share	holders' equity	1,238,023	1,031,644
I.	Equity attributable to the parent company's shareholders	1,238,023	1,031,644
A.	Capital	168,939	163,818
	Subscribed capital	176,514	171,034
	Costs of capital increase	-7,575	-7,216
B.	Issue premiums	545,154	492,330
C.	Reserves	284,162	246,385
D.	Net result for the financial year	239,768	129,110
Liabili	ties	1,407,463	1,120,781
I.	Non-current liabilities	1,158,293	931,075
A.	Provisions	655	1,045
	Other	655	1,045
B.	Non-current financial liabilities	1,108,966	866,463
	Credit institutions	776,872	532,350
	Financial leasing	5,907	8,164
	Other	326,187	325,949
С	Other non-current financial liabilities	48,673	63,568
	Hedging instruments	48,673	63,568
H.	Current liabilities	249,170	189,706
В.	Current financial liabilities	227,730	163,808
	Credit institutions	225,784	161,838
	Financial leasing	1,946	1,970
C.	Other current financial liabilities	0	0
	Permitted hedging instruments	0	0
D.	Trade payables and other current debts	9,321	13,945
	Suppliers	6,730	7,883
	Tax, salary and social security	2,591	6,062
E.	Other current liabilities	474	474
	Other	474	474
F.	Accruals and deferrals	11,646	11,478
	Property revenue received in advance	3,638	2,338
	Non-expired interest and other costs	6,735	7,068
	Other	1,273	2,072
Total I	iabilities	2,645,486	2,152,425

Statutory appropriation of results

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
A.	Net result	239,768	129,110
B.	Addition to/withdrawal from reserves	123,108	34,100
1.	Addition to/withdrawal from reserves for the (positive or negative) balance of changes in the fair value of property ¹	31,814	14,944
	financial year	32,905	14,403
	construction of property	-1,090	541
2.	Addition to/withdrawal from the reserve of estimated transaction costs and fees for the hypothetical sale of investment properties	-2,611	-3,239
	financial year	-2,611	-3,239
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	16,470	1,787
	financial year	16,470	1,787
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 in IFRS	0	0
	financial year	0	0
7.	Addition to/withdrawal from the reserves for the balance of exchange rate differences for monetary assets and liabilities	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	0
10.	Addition to/withdrawal from other reserves ²	77,435	20,608
	financial year	77,435	20,608
11.	Addition to/withdrawal from results carried forward from previous financial years		0
C.	Compensation for capital in accordance with Article 13(§1)(1)	67,536	56,470
D.	Compensation for capital other than C	31,506	33,885
E.	Result to be carried forward	17,618	4,655

¹ Based on the investment value of the property.

² This pertains to changes in the fair value of participations with regard to solar panels of the of participations and changes in the fair value of participations with regard to property.

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Distribution obligation in accordance with the GVV/SIR Royal Decree of 13 July 2014 $\,$

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
0000 (1.1000)		
Net result	239,768	129,110
Depreciation and amortization (+)	3,534	3,046
Write-downs (+)	92	83
Reversals of write-downs (-)	-296	-358
Reversals of transferred and incorporated rents (-)	0	0
Other non-monetary components (+/-)	-129,191	-49,630
Result from property sales (+/-)	-284	41
Changes in the fair value of property (+/-)	-30,294	-11,164
Adjusted result (A)	83,329	71,128
Capital gains/losses on property realised during the financial year (+/-)	1,090	-541
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)	1,090	-541
Total (A+B) x 80%	67,536	56,470
Debt in liabilities (-)	0	0
Distribution obligation	67,536	56,470

Non-distributable shareholders' equity in accordance with Section 617 of the Belgian Companies Code

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
on oo (x. 1,000)		
Paid out capital or, if it is more, called-up capital	176,514	171,034
Issue premiums not available according to the Articles of Association	545,154	492,330
Reserves for the balance of changes in the fair value of property ¹	366,846	261,880
Reserves for the impact on the fair value of estimated transaction costs and fees for the hypothetical sale of investment properties	-24,998	-22,387
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	-42,909	-59,379
Other reserves declared unavailable by the Annual General Meeting ²	21,919	18,979
Non-distributable shareholders' equity in accordance with Section 617 of the Belgian Companies Code	1,042,526	862,457
Net asset	1,238,023	1,031,644
Proposed dividend payment	-99,042	-90,788
Net asset after distribution	1,138,981	940,856
Remaining margin after distribution	96,455	78,399

¹ Based on the investment value of the property, including changes in the fair value of subsidiaries with regard to property (see also Note V. Segmented information – Operational result on page 186), 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 of the statutory shareholders' equity 2017

in euros (x 1,000)	01 JAN. 17	Allocation of results from the 2016 financial year			
iii euros (x 1,000)		Profit for the previous finan- cial year	Transfer of result on portfolio and revaluation of subsidiaries	Transfer of changes in the fair value of financial instruments	
A. Capital	163,818	0	0	0	
Subscribed capital	171,034				
Costs of capital increase	-7,216				
B. Issue premiums	492,330	0	0	0	
C. Reserves	246,386	129,110	0	0	
Reserves for the balance of changes in the fair value of the properties (+/-)	f				
Reserves for the balance of changes in the investment value of the properties (+/-)	229,191		35,764		
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment properties (-)			-3,239		
Reserves for the balance of changes in the fair value or permitted hedging instruments that are not subject to hedging accounting as defined in IFRS (+/-)	-61,165			1,787	
Other reserves	18,979		-794		
Result carried forward from previous financial years	78,529	129,110	-31,731	-1,787	
D. Net result of the financial year	129,110	-129,110	0	0	
Total shareholders' equity	1,031,644	0	0	0	

31 DEC. 17		Other		ne overall result	Other elements of the	
	Other	Dividends distributed and capital increase as a result of an optional dividend	Capital increases	Changes in the fair value of solar panels	Net result for the current financial year	
168,939	0	3,620	1,501	0	0	
176,514		3,933	1,547			
-7,575		-313	-46			
545,154	0	36,983	15,841	0	0	
284,162	7	-90,792	0	-549	0	
264,955						
-22,387						
-59,378						
17,636				-549		
83,336	7	-90,792				
239,768	0	0	0	0	239,768	
1,238,023	7	-50,189	17,342	-549	239,768	

Statement of changes of the 2016 shareholders' equity

in euros (x 1,000)	01 JAN. 16	Allocation of results from the 2015 financial year			
in edios (x 1,000)		Profit for the previous finan- cial year	Transfer of result on portfolio and revaluation of subsidiaries	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. Share premiums	304,426	0	0	0	
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 of the financial year	145,866	-145,866	0	0	
Total shareholders' equity	767,745	0	0	0	

Other elements of	Other elements of the overall result				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	16,748	3,437	0	163,818
		19,004	3,603		171,034
		-2,256	-166		-7,216
0	0	158,713	29,191		492,330
0	671	0	-74,029	58	246,386
				18191	229,191
				10191	223,131
					-19,148
					-61,165
	671			3,260	18,979
			-74,029	-3,202	78,529
129,110	0	0	0	0	129,110
129,110	671	175,461	-41,401	58	1,031,644

5. Detailed calculation of the Alternative Performance Measures applied by WDP¹

Result on the portfolio (including share of the profits in joint ventures)

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
Changes in the fair value of investment properties	94,763	34,046
Result on disposal of investment properties	929	-41
Deferred tax on portfolio result	-79	-1,057
Participation in the portfolio of associated companies and joint ventures	5,876	-1,755
Result on the portfolio (including share in the result of joint ventures)	101,489	31,193

Changes in the gross rental income based on an unchanged portfolio

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
Properties held for two years	120,695	96,225
Projects	19,340	25,540
Acquisitions	9,297	13,877
Disposals	1,628	335
Total	150,960	135,977
To be excluded:		
Rental income of joint ventures	-5,299	-2,215
Rental income (IFRS)	145,661	133,761

Operating margin

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
Property income (IFRS)	154,493	139,661
Operational profit (before the portfolio result) excluding depreciation and write-down of solar panels)	142,839	130,242
Operating margin	92.5%	93.3%

¹ Excluding EPRA metrics, some of which are regarded as APMs and reconciled under Chapter 6.5. Management report – EPRA stats on page 65.

Average cost of debt

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
00.00 (x. 1,000)		
Financial result (IFRS)	-9,264	-28,497
To be excluded:		
Financial incomes	-3,268	-796
Changes in the fair value of financial assets and liabilities	-16,470	-1,787
Interest capitalised during construction	-1,859	-682
To be included:		
Interest expenses of joint ventures	-857	-770
Effective financial expenses (A)	-31,718	-32,532
Average outstanding financial debts (IFRS)	1,168,489	1,109,654
Average outstanding financial debts of joint ventures	64,487	54,949
Average outstanding financial debts (proportional) (B)	1,232,976	1,164,602
Average cost of debt (A/B)	2.6%	2.8%

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

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
Financial result (IFRS)	-9,264	-28,497
To be excluded:		
Changes in the fair value of financial assets and liabilities	-16470	-1,787
Financial result (excluding changes in the fair value of financial instruments)	-25,734	-30,284

Hedge ratio

in euros (x 1,000)	31 DEC. 17	31 DEC. 16
Notional amount of Interest Rate Swaps ¹	1,026,768	753,820
Financial debts at a fixed interest rate	7,532	8,098
Fixed-interest bonds	266,500	266,500
Financial liabilities at balance sheet date with respect to fixed interest rate and hedging instruments (A)	1,300,800	1,028,418
Current and non-current financial liabilities (IFRS)	1,349,815	1,045,936
Proportional share in joint ventures in current and non-current financial liabilities	81,091	55,119
Financial liabilities at balance sheet date (B)	1,430,906	1,101,055
Hedge ratio (A/B)	91%	93%

¹ The notional amount also includes the newly concluded hedges at the beginning of January 2018 with a notional amount of 150 million euros.

Gearing ratio

in euros (x 1,000)			31 DEC. 17		31 DEC. 16	
			(IFRS)	(proportionate)	(IFRS)	(proportionate)
Non-current and current financial liabilities			1,436,860	1,530,038	1,150,256	1,208,983
To be excluded:						
I.	Non-current liabilities - A. Provisions		655	656	1,045	1,046
I.	Non-current liabilities – C. Other non-current financial liabilities – Permitted hedging instruments		48,673	48,673	63,568	63,568
I.	Non-current liabilities – F. Deferred taxes – Liabilities		0	894	0	107
II.	Current liabilities – C. Other current financial liabilities – Other: Hedging instruments		0	0	0	0
II.	Current liabilities - F. Accruals and deferrals		13,394	13,677	13,916	15,286
Total debt		A.	1,374,139	1,466,138	1,071,727	1,128,976
Total assets on the balance sheet			2,675,299	2,768,444	2,182,608	2,241,303
To be excluded:						
E.	Financial fixed assets – Financial instruments at fair value through profit and loss account – Permitted hedging instruments		5,764	5,764	4,189	4,189
Tota ratio	ll assets included in the calculation of the gearing	В	2,669,535	2,762,681	2,178,420	2,237,115
Gearing ratio		A/B	51.5%	53.1%	49.2%	50.5%



1. Basic information

Company name (Article 1 of the coordinated Articles of Association)

Warehouses De Pauw, or WDP for short.

Legal form, incorporation¹

The company was founded as a public limited company ('NV'/'SA') 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 (Commanditaire Vennootschap op Aandelen, 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.

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 Defrancy, 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.

WDP's articles of association were amended repeatedly since then, for the last time on 13 September 2017, due to the capital increase from the partial demerger of Rettig Belgium NV by contribution in WDP. This deed was executed before civil-law notary Tim Carnewal in Brussels and was published in the Annexes to the Official Gazette of Belgium of 5 October 2017 under number 17140595.

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 property company, WDP changed its status to that of a public Regulated Real Estate Company under Belgian law (a public Regulated Real Estate Company). 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 and, subsequently, published in the Annexes to the Official Gazette of Belgium of 31 October 2014 under number 14199666. WDP is therefore subject to the legal system as determined in the Regulated Real Estate Company legislation.

Registered office (Article 3 of the coordinated Articles of Association)

The company is registered at Blakebergen 15, 1861 Meise (Wolvertem), Belgium. The registered office may be relocated within Belgium without amending the Articles of Association by a decision of the business manager, in compliance with language legislation.

¹ Also see 3. History and milestones on page 17 of this annual financial report

Company number

The company is registered in the Central Enterprise Databank, in the district of Brussels, under legal entity registration number 0417.199.869.

Duration (Article 2 of the coordinated Articles of Association)

The duration of the company is unlimited.

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 Regulated Real Estate Companies Act and the decisions and regulations adopted to implement this; and (b) possessing property within the limits of the Belgian Regulated Real Estate Companies Act.

'Property' shall mean:

- ▶ immovable goods as defined in Article 517 et seg 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 Regulated Real Estate Companies, 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 Regulated Real Estate Company, or other analogous rights of use are granted;
- ▶ shares in a fixed capital Belgian REIT (a 'Vastgoedbevak/SICAF');
- ▶ units in foreign undertakings for collective investment in property that is 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 Regulated Real Estate Companies;
- ▶ 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 provision 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));
- property 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 Regulated Real Estate Companies.

In the context of the provision of real estate, the company may exercise all activities related to its incorporation, construction (without infringing the prohibition on acting as a property developer, except for occasional transactions), alteration, fitting out, renovation, development, acquisition, sale, letting, sub-letting, exchange, inclusion, transfer, sub-division, bringing of real estate assets into a system of co- or joint ownership, as described above, the granting or receipt of the right of superficies, the right to the usufruct, long-term lease or other real or personal rights, management and running of properties.

The company may also do the following in accordance with the applicable regulations on Regulated Real Estate Companies:

- 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 lease 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 Regulated Real Estate Companies. 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 securities or guarantees within the framework of financing the company or its group, within the limits defined for this in the applicable regulations on Regulated Real Estate Company;
- provision of loans within the limits defined for this in the applicable regulations on Regulated Real Estate Companies;
- performance of transactions on permitted hedging instruments (as defined in the Regulated Real Estate Company 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, lease 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 Regulated Real Estate Companies, 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 non-monetary contributions, 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.

Places where documents are available for public inspection

In accordance with the relevant provisions of the law, the separate and consolidated 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 version of the annual financial report is 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 of the business manager are published in the Annexes to the Official Gazette of Belgium.

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 from the convening notice until participation and voting in full. 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.

2. Share capital

Subscribed capital (Article 6 of the coordinated Articles of Association)

The subscribed capital of WDP Comm. VA amounts to 176,513,771.65 euros, represented by 22,009,277 ordinary shares, each representing 1/22,009,277 of the capital. None of these shares provides special voting or other rights.

Authorised capital (Article 7 of the coordinated Articles of Association)

The manager is authorised to increase the fully paid-up share capital on the dates and under the conditions that it specifies, in one or more increments, up to a maximum amount of:

▶ 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 Act

- concerning Regulated Real Estate Companies 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. The manager has thus far used the power granted to it to increase the capital on two occasions. Today, the available balance of the authorised capital amounts to

- ▶ 125,491,210.93 euros insofar as it concerns a capital increase in terms of funds concerns the irreducible allocation right;
- ▶ 25.752.857.91 euros for all forms of capital increase other than those referred to under point I. above.

These capital increase(s) can be carried out via contributions in cash, non-monetary contributions 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 Regulated Real Estate Companies) which are convertible into capital, possibly with issuance of new securities, in accordance with the rules set out in the Belgian Companies Code, the regulations applicable to Regulated Real Estate Companies and the current articles of association.

Where applicable, in the case of a capital increase by a decision of 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 cancelled 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 Companies Code, in this process the business 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 Companies 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 non-monetary contribution 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 *Changes in capital*) must be met (including the option to deduct an amount corresponding to the share of the non-distributed gross dividend). The special rules on non-monetary capital increases 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.

Share repurchases (Article 10 of the coordinated 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 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 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 and 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 2017, WDP Comm. VA had no shares in its possession.

Changes in capital (Article 11 of the coordinated Articles of Association)

Barring the option to allocate 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 applicable 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 Companies 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 Companies 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 business manager provided for under Article 602 of the Belgian Companies 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 non-monetary contribution shall apply, with necessary modifications, to mergers, demergers and transactions deemed equivalent to these.

By virtue of GW/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 Companies 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 over the company (Article 14 of the coordinated articles of association)

Control over WDP Comm. VA falls to the statutory manager, 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 Companies 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 clarification of the meaning of 'control', see 2. Some background: the Comm. VA and its statutory manager under 6.7. Management report - Corporate governance on page 83.

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) that is a member of the Belgian Institute of Registered Auditors with offices on 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, reappointed until the annual meeting of 2019. In accordance with the European Audit Regulation 537/2017/ EU - as a result of which the mandate of Deloitte Bedrijfsrevisoren already terminated at the Annual General Meeting of 26 April 2016 -WDP launched a public tender procedure on 6 December 2016. The General Meeting of 26 April 2017 concerned the reappointment of Deloitte Bedrijfsrevisoren, represented by its permanent representative, Kathleen De Brabander, until the annual meeting of 2020.

The mandate of the statutory auditor consists of auditing the consolidated and the separate financial statements of WDP Comm. VA, as well as 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 on Gustav Mahlerplein 2970, 1081 LA Amsterdam, the Netherlands, was appointed as the statutory auditor for the WDP Nederland N.V. and WDP Development NL N.V. subsidiaries.

In Luxembourg, Deloitte Audit SARL, represented by Harald Thul with offices on rue de Neudorf 560, L-2220 Luxembourg, was appointed as statutory auditor of the WDP Luxembourg S.A. subsidiary.

The fees of the statutory auditor are 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 Companies Code.

Financial service (paying agent)

ING België NV Legal Financial Markets Marc Sanders Marnixlaan 24, 1000 Brussels + 32 2 547 31 40 marc.sanders@ing.be

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 valuates all buildings of the GVV/SIR and its subsidiaries at the end of each financial year. The book value of the buildings shown on the balance sheet has been 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 if the GVV/SIR

wants to perform transactions such as share issues or mergers.

All immovables goods that the Regulated Real Estate Company or its subsidiaries want to acquire or transfer are valued by the independent property expert prior to the transaction. The valuation of the expert shall apply as a minimum price (in cases of disposal) and maximum price (in cases of acquisitions), respectively, for the Regulated Real Estate Company when the counter party is a person that is closely involved with the Regulated Real Estate Company (as determined in the applicable regulations for Regulated Real Estate Companies) or if such persons receive any benefits from the transaction in question.

The Regulated Real Estate Company 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 Regulated Real Estate Company to ensure replacement of the expert(s) that it appoints under a double rotation requirement. Thus, the Regulated Real Estate Company 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 Regulated Real Estate Company or its subsidiaries. Special rules apply if the expert is a legal entity.

The property experts appointed by WDP Comm. VA appointed the property experts:

► Stadim CVBA, Uitbreidingstraat 10-16 (Antwerp Gate 2), 2600 Antwerp, Belgium, represented by Philippe Janssens;

- ▶ Jones Lang LaSalle BVBA, Marnixlaan 23, 1000 Brussels, Belgium, represented by Jean-Philip Vroninks;
- ► Cushman & Wakefield VOF, Gustav Mahlerlaan 362-364, 1082 ME Amsterdam, the Netherlands, represented by Frank Adema;
- ► CBRE Valuation & Advisory Services B.V., Gustav Mahlerlaan 405, 1082 MK Amsterdam, The Netherlands, represented by Hero W.B. Knol:
- ▶ BNP Paribas Real Estate, 167 quai de la Bataille de Stalingrad, 92867 Issy-Les-Moulineaux Cedex -France, represented by Jean-Claude Dubois;
- ► CBRE Real Estate Consultancy SRL, 47-53 Lascar Catargiu Blvd., Europe House, 2nd floor, Sector 1, Bucharest, Romania, represented by Ovidiu Ion:
- ▶ Jones Lang laSalle Luxembourg SECS, rue du Puits Romain 41, L-8070 Bertrange - Luxembourg, represented by Romain Muller.

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 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 2017, 76% of the portfolio had insurance coverage. The fair value of the portfolio includes land and potential building land, together accounting for 34% 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 the status of institutional Regulated Real Estate Company).

- ► 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'/'SA').
- ▶ WDP owns 100% of the shares in all foreign subsidiaries except for WDP Development RO (51%²) and WDP Luxembourg (55%).

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 the FBI and SIIC status, please refer to this annual financial report under 12. General information on REIT status on page 251.

The net profits can be disbursed to WDP, in which case the withholding tax or exemption depends on the EU Parent-Subsidiary Directive, its implementation in the local legislation of the respective countries and the applicable 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 Regulated Real Estate Company legislation.

This same maximum gearing ratio also applies to the separate statements of the Regulated Real Estate Company). 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 capitalisation³ 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.

WDP Comm. VA is represented in France by its permanent establishment n rue Cantrelle 28, 36000 Châteauroux, France.

WDP Nederland N.V. also has its wholly owned subsidiary: WDP Development NL N.V., Hoge Mosten 2, 4822 DA Breda, Netherlands, PO Box 9770, 4822 NH Breda, the Netherlands.

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 17.

³ Thin capitalisation refers to excessive use of borrowed 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 debit that is considered excessive.



The Belgian Act of 22 October 2017, with immediate effect, has introduced changes to the Belgian Act concerning Regulated Real Estate Companies of 12 May 2014. WDP will amend its articles of association in the course of 2018 in order to comply with this.

1. Public regulated real estate company under Belgian law

A public Regulated Real Estate Company under Belgian law (public GVV/SIR):

- ▶ is a property company that (i) mainly makes immovable goods available to users, (ii) may possess other types of property within the statutory limits (shares in fixed capital Belgian REIT (a 'Vastgoedbevak/SICAF'), units in certain foreign ICBs, shares issued by other REITs and property 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 and (iv) with the legal limits may also invest in the infrastructure sector (including via PPS) and the energy sector (including renewable energy);
- 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 Regulated Real Estate Company Act and of the Belgian Royal Decree concerning Regulated Real Estate Companies;
- 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 companies in which it is the owner, directly or indirectly, of more than 25 percent of the shares (perimeter companies), which may or may not take the status of an institutional Regulated Real Estate Company;
- must adhere to strict rules regarding conflicts of interest and internal auditing structures.

Public and institutional Regulated Real Estate Companies fall under the supervision of the FSMA.

Aside from Articles 523 (conflicts of interest of directors) and 524 (conflicts of interest of affiliated companies) of the Belgian Companies Code, which apply to all listed companies, special rules apply to GWs/SIRs regarding functional conflicts of interest (by virtue of Article 37 of the Belgian GW/SIR Act).

For further information on each of the procedures, please refer to 6.7. Management report – Corporate governance on page 83 of this annual financial report.

Special regulations applicable to public Regulated Real Estate Companies

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 allow 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 Regulated Real Estate Company demonstrates that the deviation is in the interests of the shareholders, or (c) if the Regulated Real Estate Company proves 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 consolidated debt ratio of the public Regulated Real Estate Company and its perimeter companies 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 Regulated Real Estate Company, 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.

Perimeter companies

Perimeter companies are companies in which a GVV/SIR holds, directly or indirectly, more than 25 percent of the shares, but participations in perimeter companies over which they do not exercise exclusive or joint control or of which they do not possess, directly or indirectly, 50% of the fair value of the capital may not exceed the threshold of 50% of the fair value of the consolidated assets of the public GVV/SIR.

At this time, WDP only has participations in companies where it exercises exclusive or joint control or where it possesses, directly or indirectly, at least 50% of the capital.

Financial reporting

European legislation states that public Regulated Real Estate Companies, 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 Regulated Real Estate Company legislation, a public Regulated Real Estate

Company (as well as an institutional Regulated Real Estate Company) 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 in accordance with IAS 40.

Valuation

The fair value of a specific property is valued at the end of every financial year by an independent property expert (the valuation 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 asset in question. These valuations are binding on public Regulated Real Estate Companies with regard to the drafting of their separate and consolidated financial statements.

In addition to this, the independent expert must assess the specific asset 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 Regulated Real Estate Company 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 securities

The consolidated and separate gearing ratios of the public Regulated Real Estate Company are limited to 65% of the consolidated and separate assets, respectively (minus the permitted hedging instruments). If the consolidated debt ratio of the public Regulated Real Estate Company and its perimeter companies is greater than 50% of the consolidated assets (minus the permitted financial hedging instruments), the public Regulated Real Estate Company 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 Regulated Real Estate Company or its perimeter companies are not permitted to grant any mortgages or other securities or guarantees within the framework of financing the activities of the group. The sum total that is covered by these mortgages, securities or guarantees cannot exceed 50% of the total fair value of the assets of the consolidated whole of (i) the public Regulated Real Estate Company, (ii) the companies that they consolidate with the application of the IFRS standards, and (iii) if they do not consolidate these with the application of the IFRS Foundation's standards, the perimeter companies. In addition, the mortgage, security or guarantee granted cannot be for more than 75% of the value of the encumbered asset.

Institutional Regulated Real Estate Company

In addition to the (traditional) property company, perimeter companies of a public GVV/SIR may also take the status of an institutional GVV/SIR (that only attracts funding from eligible investors or from natural persons (under the condition that the minimum amount of the acquisition, price or compensation for the acquirer has been determined by the King in a decision taken at the advice of the FSMA, and insofar as the acquisition or transfer takes place in accordance with

the aforementioned regulations) and whose securities may only be acquired by these investors). This status allows the public GVV/SIR to execute special projects with a third party, for instance.

WDP does not have any subsidiaries with the status of Regulated Real Estate Company.

Tax regime

Public and institutional Regulated Real Estate Companies 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% (except for shareholders who, on presentation of a certificate, claim a reduced rate).

Companies that apply for a Regulated Real Estate Company licence, merge with a Regulated Real Estate Company or demerge part of their immovable assets and transfer them to a Regulated Real Estate Company are subject to 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 Regulated Real Estate Company. For distribution of the share capital, a company must treat the positive difference between the distributions in cash, in securities or in any other form, and the re-assessed value of the paid-up capital (in other words, the added value present in the company) as a dividend. The Belgian Income Tax Code states that the sum distributed

must be equal to the actual value of the share capital on the date on which the transaction took place (Section 210, § 2 of the Belgian Income Tax Code. 1992). The difference between the actual value of the share capital and the re-assessed 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 (Fiscale Beleggingsinstelling) regime, which means a corporate tax rate of 0% has applied since that date. The company must meet the following conditions in order to enjoy this regime:

- WDP Nederland must be a B.V., N.V. or a unit trust.
- ► The objective 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 conditions 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 leasing 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.



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. See also Acquisition price.

Advance levy

Advance levy that a bank or financial intermediary deducts with the payment of a dividend. As at 1 January 2017, the standard rate of the advance levy on the dividends is set at 30%.

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 entry in this annual financial report. This definition will also be accompanied by a symbol (**) to inform the reader that the definition concerns an APM.

Average cost of debt

This is the weighted average interest rate on an annual basis for the report period taking into account the average outstanding debts and hedging instruments during that period. (APM)

Belgian GVV/SIR Act

Act of 12 May 2014 on Regulated Real Estate Companies amended by the Act of 22 October 2017 and together with the Belgian Royal Decree concerning Regulated Real Estate Companies, constituting the Regulated Real Estate Company legislation. See also Belgian Royal Decree on Regulated Real Estate Companies and Regulated Real Estate Company legislation.

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, Pass, Good, Very Good, Excellent or Outstanding.

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.

Change in the fair value of the financial instruments

The varieties in the fair value of financial assets and liabilities (non-cash item) are calculated based on the mark-to-market (M-t-M) value of the interest rate hedges concluded.

Compliance officer

The compliance function is charged with monitoring the observation of the legislation, 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.

Contractual rent

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. The Belgian Corporate Governance Code is available online at www.corporategovernancecommittee.be.

Dealing Code

Code of conduct with rules to be followed by the directors and the employees of WDP who would like to trade in financial instruments issued by the company.

Degree of distribution

Percentage of the EPRA Earnings that are distributed as a dividend over a specific financial year.

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 valued.

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 property, 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 book-keeping, 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 (excluding direct vacancy costs)

Administrative and operating costs (excluding direct vacancy costs) divided by the gross rental income. (APM)

EPRA cost ratio (including direct vacancy costs)

Administrative and operating costs (including direct vacancy costs) divided by the gross rental income. (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)

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)

Estimated rental value (ERV)

The estimated rental value is the rental value determined by the independent property expert.

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 Regulated Real Estate Companies or that merge with a Regulated Real Estate Company 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 amounts 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 property portfolio, more specifically formulation of the policy for management of existing buildings (maintenance, modification and improvement works). WDP has an internal team of facility managers working exclusively for the undertaking.

Fair value

The fair value is defined by the IAS 40 standard as the amount for which the assets could be exchanged between two well-informed parties without mutual special interests on a voluntary basis. 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.

Fair value

See Fair value.

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 212.

Financial result (excluding change 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)

Along with the National Bank of Belgium (the NBB), the FSMA supervises the Belgian financial sector and focusses more specifically on 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 (IFRS)

▶ The gearing ratio (IFRS) is calculated in the same manner as the gearing ratio (proportionate) in accordance with the Royal Decree concerning Regulated Real Estate Companies, but based on a consolidated balance sheet in accordance with IFRS that incorporates joint ventures using the equity method. (APM)

Gearing ratio (proportionate)

Statutory ratio calculated based on the Regulated Real Estate Company legislation by dividing the financial and other liabilities by the total assets. For the method used in the calculation of the gearing ratio, refer to the RD on Regulated real Estate Companies.

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 energy, with a minimum price per certificate.

Gross dividend

The gross dividend per share is the dividend before deduction of the advance levy. Also see Advance levy.

Hedge ratio

Percentage of fixed rate and floating rate debts hedged against interest rate fluctuations using derivatives. This economic parameter is not an obligatory parameter under the Belgian Regulated Real Estate Company Act. (APM)

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 be booked in the balance sheet at their fair value.

IAS 40 Investment properties

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.

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).

IFRS NAV

The IFRS NAV is calculated as equity as per IFRS divided by the number of dividend-entitled shares on the balance sheet date.

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.).

Indexing

The rent is contractually adjusted based on inflation annually on the anniversary of the contract start date based on the benchmark in each individual country.

Insider information

'Insider information' shall mean information of a precise nature which has not been made public that relates, directly or indirectly, to one or more issuers of financial instruments or to one or more financial instruments and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivatives.

Interest hedging

The use of derivatives to protect current debt positions against an increase in interest rates.

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 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 interest rate increases.

IVSC (International Valuation Standards Council)

An independent organ that develops global standards regarding valuations that investors

and other third parties or stakeholders should be able to trust.

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.

Market capitalisation

Closing price on the exchange multiplied by the number of shares in circulation on that date.

Maturity date of a lease

Date on which an option of termination is included within a lease.

Net asset value

The value of the portfolio including transaction costs, as determined by the independent property experts. The fair value (also see 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.

Net dividend

This is equal to the gross dividend after deduction of the 30% advance levy. Also see Advance levy.

Non-monetary contribution

The assets contributed when a company was incorporated or with the increase of its capital other than by deposit of money.

Occupancy rate

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

Operating margin

▼ See Operating margin. (APM)

Operating margin

The operating margin is obtained by dividing the operating result (before the result on the portfolio) by the property result. (APM)

Operating margin

The transfer of the ownership of an immovable property is, in principle, subject to the collection by the state of transaction costs that make up the largest part of the transaction costs. The amount of these rights depends on the means of transfer, the authority of the purchaser and the geographic location of the immovable property.

Optional dividend

With an optional dividend, the dividend receivables linked to a specific number of shares give a right to a new share, at an issue price per share that, if applicable, may entail a discount with respect to the share price (which may or may not be an average share price over a specific period). The share issue within the framework of the optional dividend is subject to the common company law with respect to capital increases. If, in addition to a non-monetary contribution within the framework of the distribution of an optional dividend, there is also a contribution in cash, the special provisions of Section 26 (§1) of the Act of 12 May 2014 with regard to capital increases in cash cannot be declared applicable by the articles of association, to the extent that this optional dividend is made effectively payable for all shareholders. The special regulations with regard to non-monetary contributions in a Regulated Real Estate Company, as provided for in Section 26(§2) of the Act of 12 May 2014, do not apply either unless a specific provision is fulfilled.

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 Companies Code).

Portfolio value

The portfolio value is composed of investment properties, investment properties under construction for own account with the purpose of being rented out, assets held for sale and the fair value of the solar panels.

Project management

Management of building or renovation projects. WDP has an internal team of project managers working exclusively for the undertaking.

Property portfolio

The investment properties including the buildings intended for leasing, the investment property in development with the purpose of being leased and the assets held for sale.

PV system

Photovoltaic or solar panel system.

Quality breakdown of the properties within the property portfolio

The quality breakdown of the properties within the property portfolio is based on the classification according to 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.

Regulated Real Estate Companies (GVVs/SIRs)

A Regulated Real Estate Company is an exchange-listed operational property company that is specialised in making immovable goods available to users and meets the statutory conditions set out in the Regulated Real Estate Companies legislation. It positions itself in an international context as an REIT, characterised by a regime of fiscal transparency. Regulated Real Estate Company (Regulated real-estate company under Belgian law) Also see Regulated Real Estate Company legislation.

Regulated Real Estate Company legislation

The Belgian Law of 12 May 2014 (the Regulated Real Estate Company Act) and the Belgian Royal Decree of 13 July 2014 (Royal Decree concerning Regulated Real Estate Companies).

REIT (Real Estate Investment Trust)

International term for listed investment property funds with a special fiscal status (such as in Belgium, the Netherlands and France).

Result on the portfolio (including share in the result of joint ventures)

▶ Realised and unrealised capital gains/loss with respect to the valuation by the property experts at the end of the previous financial year while 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.

Result on the portfolio (including share in the result of joint ventures) per share

This is the result on the portfolio (including share in the result of 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.

Royal Decree concerning Regulated Real Estate Companies

Belgian Royal Decree of 13 July 2014 on Regulated Real-Estate Companies. Along with the Belgian Regulated Real Estate Company Act, this constitutes the Regulated Real Estate Company legislation. See also the Belgian GVV/SIR Act, GVV/SIR legislation and REIT.

Sales value

The fair value for which a specific immovable property was sold.

SIIC (Société d'Investissement Immobilier Cotée)

Special fiscal status in France for listed property companies is available if specific requirements are met.

Sustainable economic practices Environment friendly policy of sustainable warehouses that is focused on reducing CO2 emissions of the warehouses in the portfolio and, at the same time, substantially decrease the energy bill of the 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.

Velocity

The number of shares traded per year divided by the total number of free-float shares at the end of the year.

Notes	





You should never stop believing in yourself. At first, we were the smallest company within our sector. But we remained focussed. That is how we grew.

TONY DE PAUW and JOOST UWENTS



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