WDP
warehouses with brains

2012

Annual financial report

12


1
2
3
4

Contents

1

Risk factors

1

RISK FACTORS

Since investing in property means investing in security, WDP's strategy is aimed at ensuring stability for investors, both in terms of dividend and in terms of long-term income. The management and Board of Directors of WDP are aware of the specific risks associated with managing a property portfolio, and attempt to manage these risks as effectively as possible and eliminate them as much as possible.

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

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

1 In the table, the numbering used for *Potential impact* refers to notes in *Limiting factors and control*.

Risk management

MARKET RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Economic situation Substantial deterioration of the economic situation.	**1.** Fall in the demand for storage and distribution facilities and possible tenant bankruptcies **2.** Higher vacancy and/or lower rents when re-let **3.** Fall in the fair value of the property and consequently of the NAV [2]	Long lease: terms averaging 7.2 years [3], sectoral diversification of clients and a low average contractual rent.	**1/2/3**
		Quality of the tenant portfolio, comprising mainly large national and international companies and a limited annual provision for dubious debts (averaging less than 0.25% of the rent per year for the past five years).	**1**
		Excellent location of WDP properties, mainly in the strategic Amsterdam-Rotterdam-Breda-Antwerp-Brussels-Lille logistics axis, offering easy accessibility, consumers in the vicinity, and a high activity level among logistics players due to the importance in the hinterland of the ports, which serve as an import and export gateway for Europe.	**2/3**
Rental market for logistics and semi-industrial property Lower demand for logistics and semi-industrial property, oversupply, and deterioration of tenants' financial situation.	**1.** Rental income and cash flow affected by a rise in vacancy rates and costs related to re-letting **2.** Reduced solvency among tenants and rise in the number of doubtful debts, leading to a decline in the rent collection rate **3.** Fall in the fair value of the property and consequently the NAV [2] **4.** In-ability to pre-let projects to further develop the potential of land in the portfolio and improve its profitability	Diversified client base with a limitation on the maximum exposure to a single tenant and a good spread of tenants across the industries (as well as of tenants' clients, particularly when these are third-party logistics services providers).	**1/2**
		Thorough integration in the market thanks to years of experience and in-house sales teams.	**1/4**
		Only sites in strategic logistics hubs or in secondary locations with growth potential.	**1/3/4**
		High degree of structural quality and durability in accordance with statutory norms and standards, which entails versatility and mixed use .	**1/3**
		Flexible property player that aims to meet changing client needs.	**1**
		The land reserves account for only EUR 40 million of a balance sheet total of over EUR 1 billion. This is long-term potential to respond flexibly to client requirements (speculative development is not envisaged).	**4**

2 Net Asset Value.
3 Including solar panels.

MARKET RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Investment market for logistics and semi-industrial property Reduced investor demand for property.	1. Fall in the fair value of property 2. As a result, decline in the NAV [4] and increase in gearing	Investment strategy aimed at high-quality buildings that generate stable long-term income based on sustainable low rental levels.	1/2
		Prudent management of the capital structure, making it possible to offset any potential decreases in the fair value of the property.	2
		Geographic diversification of the portfolio with approximately 96% of the portfolio (according to fair value) located in stable, mature Western European markets.	1
		Large share of land in the valuation of the property portfolio (36%), which has in the past been able to withstand decreases in value.	1
Interest rate volatility Sharp future fluctuations in the main short-term and/or long-term interest rates in the international financial markets.	1. Negative impact on expenses and consequently on cash flow in the event of a rise in the interest rate 2. Sharp fluctuations in the value of the financial instruments that serve to hedge the debt 3. Potentially negative impact on the NAV [4]	High degree of hedging against interest rate fluctuations through derivative financial instruments (e.g. Interest Rate Swaps).	1
		Day-to-day monitoring of interest rate movements and of their impact on the effectiveness of the hedges .	1
		Fluctuations in the fair value of the hedging instruments represent a non-realised non-cash item (if these products are held until maturity and are not settled prematurely).	2/3
Deflation A reduction in economic activity, resulting in an overall drop in price levels.	1. Fall in rental income, due among other things to downward pressure on market rent levels and lower or negative indexation	Clause in the leases that sets a lower limit at the level of the basic rent.	1
Financial markets Extreme volatility and uncertainty in international markets.	1. More difficult access to equity markets in order to retrieve new capital / shareholders' equity and a reduction in the number of options for debt financing 2. Sharp fluctuations in the share price 3. Less liquidity available in debt capital markets with regard to the refinancing of outstanding commercial paper	Extensive, frequent dialogue with the capital markets and financial counterparties and transparent communications with clear targets.	1/2/3
		Strict monitoring and control of any risks that could negatively affect investor and financier perceptions of the company.	1/3
		Aim to build long-term relationships with financial partners and investors.	1/3
		Available unused credit facilities to cover the commercial paper programme.	3

4 Net Asset Value.

OPERATIONAL RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Strategy Ill-advised policy decisions.	1. Failure to achieve projected returns 2. Threat to the stability of revenue flow (as a result of visibility due to long lease terms and the current rate hedges) 3. Property portfolio not adjusted to the demand for semi-industrial and logistics property	Defining a clear investment strategy with a long-term vision and consistent management of the capital structure.	1/2/3
		Continuous monitoring of changes in economic, property-related and regulatory trends (including with regard to tax law, company law, regulations regarding *vastgoedbevaks*, etc.).	2/3
		Experience of the management and supervision by the Board of Directors.	3
Investments Economic, tax and legal aspects relating to acquisitions.	1. Transfer of specific hidden liabilities in acquisitions and/or inaccurate assessment of tax consequences of complex transactions 2. Acquisition of buildings that inadequately meet the quality requirements of the company 3. Failure to achieve projected returns	Extensive economic, strategic and property analysis of each acquisition proposal by the Investment Committee of the Board of Directors.	2/3
		Extensive due diligence covering the property, economic, tax, legal, accounting and administration issues of all acquisitions – combined with specialised external consultants.	1/2/3
		Valuation of properties by an independent property expert prior to acquisition.	3
Investment properties under development for own account with the purpose of being rented out Risk specifically related to developments, such as contractor solvency, securing the required permits, etc.	1. Inability to secure the required permits 2. Major delays resulting in the loss of potential income 3. Substantial overrun of investment budgets 4. In the event of speculative developments, extended periods of vacancy 5. Failure to achieve the projected (higher) returns on developments	Specialised in-house property development team and use of external consultants in order to control all risks.	1/2/3/5
		Strict monitoring of the construction process, including the implementation of penalty clauses in the event of non-compliance with contracts by third parties.	2/3/5
		Use of well-established contractors with good solvency, who submit the required guarantees .	3/5
		Community engagement to maintain a constructive dialogue with local decision-makers.	1
		Typically no speculative developments are initiated, which means projects are launched only if they are pre-let and fully financed and the required permits have been obtained.	4/5
Non-renewal or early termination of leases Termination of leases earlier than initially expected.	1. Higher vacancy rates, assumption of costs typically passed on to the tenant (such as land value tax, management costs, etc) and commercial costs related to re-letting and/or downward adjustment of the rents 2. Decline in revenues and cash flows	Specialised in-house teams responsible for commercial management and facility management.	1
		Very extensive network in the logistics property market.	1
		Contractually required indemnity in the event of early termination of the lease.	1/2
		Preference for realistic rent levels and long-term contracts with tenants.	1

OPERATIONAL RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Vacancies Unexpected circumstances, such as bankruptcies and relocations that result in vacancy.	1. Higher vacancy rates, assumption of costs typically passed on to the tenant (such as land value tax, management costs, etc) and commercial costs related to re-letting 2. Decline in the fair value of the property, resulting in a lower NAV [5]	Proactive internal property management and marketing.	1
		High quality and versatility of the buildings, which increases reletting potential.	1/2
		Preference for realistic rent levels and long-term contracts with tenants.	1
Negative variations in the fair value of buildings Negative revaluation of the property portfolio.	1. Negative influence of the net result and NAV [5] 2. Negative change in the gearing ratio	The property portfolio is being valued on a quarterly basis by independent experts to ensure developing trends can be quickly identified and proactive measures taken.	1/2
		Investment policy oriented to high-quality property at strategic logistics hubs or secondary locations with growth potential.	1
		Good portfolio diversity with a maximum risk per building of 5%.	1
		Prudent, clearly defined management of capital structures.	2
Industry-specific risks Concentration of the activities of the tenant portfolio.	1. Loss of income if a specific industry is affected by an economic downturn	Strong sectoral diversification of the tenant base.	1
Maintenance and repair Unexpected volatility in maintenance costs.	1. Decline in the results and cash flows 2. Unexpected fluctuations in results	Continuous inspection of the buildings by the facility managers and commercial teams in their day-to-day interaction with clients.	1/2
		Stringent periodic maintenance policy that is managed within the company.	1
Obsolescence and building quality Risk of structural and technical deterioration in the buildings' lifecycle.	1. Obsolescence of the buildings, reducing their commercial appeal 2. Loss of income and long period during which the invested capital does not generate a profit	Regular update of redevelopment plans for the portfolio, with the objective of maintaining the highest quality levels.	1/2
		Ad-hoc redevelopment and renovation of obsolete properties in addition to regular investment in quality and sustainability.	1
Destruction of buildings Destruction by fire, natural disasters, accidents, terrorism, etc.	1. Discontinuity in the use of the building 2. Loss of rental income and possible client turnover	The insured value of the portfolio is based on the newly-built value, i.e. the cost of restoring the building to its original state, including architects' fees and value-added tax.	1
		Loss of rental income due to temporary full or partial vacancy is also insured (loss of rent up to a maximum period of two years).	2

5 Net Asset Value.

OPERATIONAL RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Concentration risk Risk of concentration of tenants or concentration of investments in one or more buildings.	**1.** Sharp decline in income and cash flows due to the departure of a tenant **2.** Increased effect of a decline in the fair value of the property and consequently the NAV [6] if investments are concentrated in one or more buildings	Highly diversified tenant base, where the largest tenant accounts for no more than 10% of rental income [7].	1
		Furthermore, the largest tenants are spread over several buildings, various countries and different activities.	1
		Good property portfolio spread over approximately a hundred sites, with the largest site representing 5% of the fair value of the portfolio.	2
Tenant solvency Risk of partial default or bankruptcy of clients.	**1.** Sudden unexpected decline in rental income due to a lower rent collection rate or a decline in occupancy **2.** Commercial costs of reletting if tenant insolvency results in vacancies	Extensive tenant solvency check by external rating agency prior to inclusion in portfolio.	1
		Target for portfolio development through long-term contracts with first-rate stable, solvent tenants.	1
		Rent is payable in advance on a monthly, quarterly or (in exceptional cases) annual basis.	1
		Standard rent deposit covering at least 3 months, which is at the disposal of WDP (as owner).	1/2

FINANCIAL RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Counterparty risks Insolvency/credit risk affecting financial partners.	**1.** Loss of deposits **2.** Cancellation of existing lines of credit, costs related to 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.	1/2
		Well-regulated financial position, with any cash surplus used to reduce outstanding financial debt.	1
Liquidity risk Non-availability of financing or term of financing options.	**1.** Impossibility of financing acquisitions or developments (with shareholders' equity or debt) or higher costs that reduce profitability **2.** Higher cost of debt due to higher bank margins, impacting the result and cash flows	Conservative and prudent financing strategy with a balanced spread of maturity dates, diversification of sources of financing and a large group of banking partners.	1/2
		Maintenance of sufficient available credit lines to finance operating costs and planned investments .	1

6 Net Asset Value.
7 Including solar panels.

FINANCIAL RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Cost of capital Combination of unfavourable interest rate movements, higher risk premium in equity markets and rise in the cost of debt.	**1.** Material rise in the company's weighted average cost of capital (i.e. shareholders' equity and debt) **2.** Impact on the profitability of the company as a whole and on new investments	Protection from interest rate rises with hedging instruments. If the rise in interest rates is the result of higher inflation, the indexation of rental income is also a mitigating factor.	**1/2**
		Continuous dialogue with investors and banking partners in order to build solid long-term relationships.	**1/2**
Budget Risk that financial results will deviate from the budget and statutory requirements.	**1.** Impact of the company's performance and non-compliance with specific obligations	Quarterly update of the financial model, including testing of the assumptions and preparation methods, and daily monitoring of (economic, property and other) parameters that could affect the result.	**1**
Use of derivatives Risks of using derivatives to hedge the interest rate risk.	**1.** Complexity and volatility of the fair value of the hedging instruments and by extension the NAV [8] as published in accordance with IFRS **2.** Counterparty risk with regard to partners with whom derivatives contracts have been signed	Fluctuations in the fair value of the hedging instruments relate to a non-realised non-cash item (if the products are held until the maturity date and not terminated prematurely) and are displayed separately in the analytical profit and loss account in order to improve readability.	**1**
		All derivatives are used solely for hedging purposes. No instruments are held for speculative use.	**1**
		Cooperation with leading financial institutions.	**2**
Covenants and statutory financial parameters Risk of non-compliance with requirements to meet specific financial parameters under credit agreements and the statutory regimes to which the company is subject.	**1.** Sanctions and/or stricter supervision by the regulator if specific statutory financial parameters are not met (e.g. compliance with the gearing ratio) **2.** Possible cancellation of credit facilities and diminished confidence among investors and bankers in the event of non-compliance with contractual covenants	Prudent financial policy, including continuous monitoring in order to meet financial parameters.	**1/2**
Foreign currency risks Risk of currency fluctuations relating to operations conducted outside the euro zone.	**1.** Decline in income and cash flows **2.** Decline in the value of the investments	WDP operates primarily in the euro zone.	**1/2**
		The euro is the functional currency for the company's limited operations outside the euro zone (Romania), and impact of exchange rate fluctuations (either realised or through conversion effects) is not substantial.	**1/2**

8 Net Asset Value.

1 RISK FACTORS

REGULATORY AND OTHER RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Regulatory framework for *vastgoedbevak* Non-compliance or amendment of the rules required by the fiscally transparent regime used for the Belgian operations.	1. Loss of tax status and compulsory repayment of specific credit facilities in the event of non-compliance with the rules 2. Negative impact on the results or NAV [9] in the event of any changes in the regime	Continuous monitoring of the statutory requirements and compliance with those requirements, assisted by specialised external consultants.	1/2
		Intensive dialogue with the regulator as part of the prudential regulation of *Vastgoedbevaks/Sicafis*.	1/2
		Representation of the company in organisations that represent the *Vastgoedbevak/Sicafi* industry.	1/2
Regulatory framework for FBIs Non-compliance or amendment of the rules required by the fiscally transparent regime used for the Dutch operations.	1. Loss of tax status and compulsory repayment of specific credit facilities in the event of non-compliance with the rules 2. Negative impact on the results or NAV [9] in the event of any changes in the regime	Continuous monitoring of the statutory requirements and compliance with those requirements, assisted by specialised external consultants.	1/2
Regulatory framework for SIIC Non-compliance or amendment of the rules required by the fiscally transparent regime used for the French operations.	1. Loss of tax status in the event of non-compliance with the rules 2. Negative impact on the results or NAV [9] in the event of any changes in the regime		1/2
Changes in the regulatory framework the company is operating in Possible negative impact of the transposition into Belgian law of new EU regulations, including the Alternative Investment Fund Managers Directive (*AIFMD*) and the EU Regulation on OTC Derivatives. Centralisation of counterparties and Trade Repositories, known as the European Market Infrastructure Regulation (*EMIR*).	1. Negative impact of business, result, profitability, financial well-being and prospects 2. Negative impact on the current operating model (due among other things to the reintroduction of the position of custodian) 3. Negative impact of European regulations in the event of potential classification as Alternative Investment Fund (AIF), such as EMIR (leading to the company being exposed to heavy margin calls on its hedging tools), Basel III and Financial Transaction Tax.	Continuous monitoring of the statutory requirements and compliance with those requirements, assisted by specialised external consultants.	1/2/3
		Maintenance of a strong liquidity position and buffer of unused credit facilities.	3

9 Net Asset Value.

1 RISK FACTORS

REGULATORY AND OTHER RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Changes to international accounting rules Changes to international financial reporting standards (IFRS).	**1.** Potential impact on reporting, capital requirements, use of derivatives and organisation of the company **2.** Resulting impact on transparency, returns and possibly the valuation	Continuous assessment of changes to statutory requirements and compliance, assisted by specialised external consultants, and gathering of advice from industrial organisations.	**1/2**
Urban development legislation Changes to building regulations 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 leasing condition **2.** Fall in the fair value of the property and consequently the NAV [10] **3.** Delay in new build and/or renovation projects	Continuous assessment and possibly anticipation of changes to statutory requirements and compliance, assisted by specialised external consultants, and gathering of advice from industrial organisations.	**1/2/3**
Environmental law Regulatory changes implemented by public and/or administrative authorities.	**1.** Negative impact on opportunities to lease the buildings, having an impact on rental income and ability to re-let the properties, along with the increased costs of maintaining the leasing condition **2.** Fall in the fair value of the property and consequently the NAV [10] **3.** Delay in new build and/or renovation projects	Continuous assessment and possibly anticipation of changes to statutory requirements and compliance, assisted by specialised external consultants, and gathering of advice from industrial organisations.	**1/2/3**
Expropriation risk Expropriation as part of public expropriations by competent government agencies.	**1.** Loss of investment value and forced sale at a loss **2.** Loss of income due to lack of reinvestment opportunities	Continuous dialogue with the government in order to develop a constructive solution in the interest of all stakeholders.	**1/2**
Transactions Complexity of acquisitions and divestments.	**1.** Assumption of specific, inaccurately assessed risks the materialisation of which affects the company's profitability or financial situation	Extensive due diligence process covering property, economic, tax, legal, accounting and administration as part of all acquisitions - combined with the use of specialised external consultants.	**1**
Human resources Turnover of key employees.	**1.** Negative impact on existing business relations **2.** Reputational damage in relation to stakeholders **3.** Loss of decisiveness and efficiency during the management decision process	Competitive pay package for employees.	**1**
		Clear and consistent procedures in order to ensure continuity.	**1/2/3**
		Working with teams to ensure that individuals are not responsible for important and strategic tasks.	**3**

10 Net Asset Value.

1

RISK FACTORS

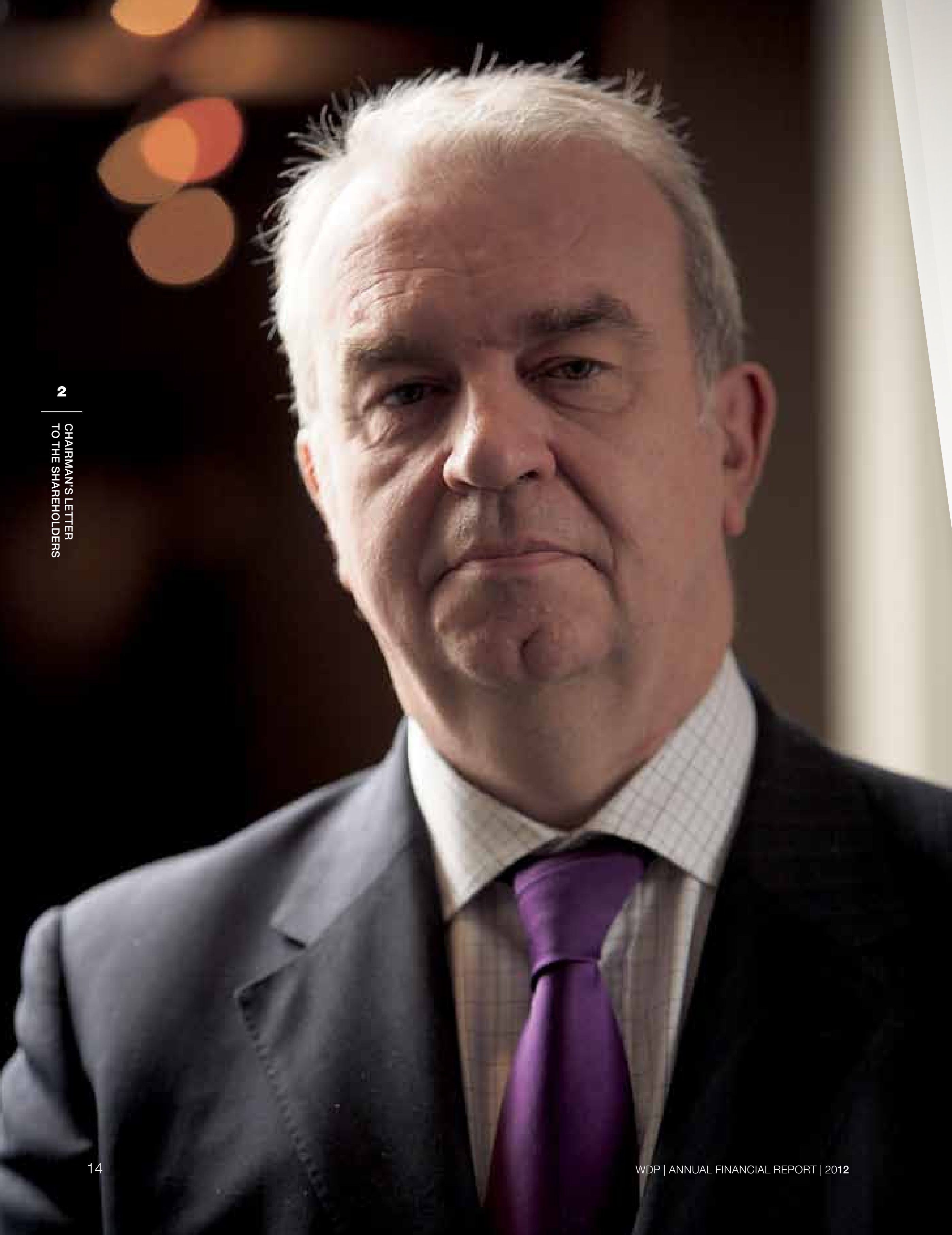
REGULATORY AND OTHER RISKS

DESCRIPTION OF RISK	POTENTIAL IMPACT	LIMITING FACTORS AND CONTROL	
Politics Various decisions made by regional, national or European political governments, for example with regard to taxation or subsidy laws.	1. Depending on the domain in which the decisions are made, they can have an impact on the financial results of the *Vastgoedbevaks/Sicafis* (e.g. taxation) and on the planned investments, strategy and objectives (e.g. scaling back subsidies and/or imposing new levies with regard to renewable energy)	Continuous monitoring of the political decisions made at the various regulatory levels, making it possible to anticipate, reduce or avoid a possible impact.	1
Potential changes to regulations New legislation and regulations[1] could come into force or changes could be made to existing legislation and regulations or their reinterpretation and application by agencies (including the tax administration) or courts.	1. Negative impact on the business, result, profitability, financial situation and outlook	Constant monitoring of existing and future new legislation, regulations and requirements and related compliance, assisted by specialized external advisors.	1

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

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

1 Such as existing practices within the tax administration, as mentioned in Ci.RH.423/567.729 of 23 December 2004 of the Belgian Finance Ministry setting out how the exit tax is calculated, which, among other things, stipulates that the actual/fair value of the immovable property used to calculate the exit tax base is determined by taking account of the registration fees or the VAT that would be applied if the immovable property in question was sold, which can be different (including lower) than the fair value of these assets as determined for IFRS purposes in the financial statements.



2

Chairman's letter to the shareholders

WDP can look back on 2012 with satisfaction. The figures speak for themselves. The value of our property portfolio attained the historic level of EUR 1 billion. Net current profit exceeded EUR 50 million. Our market capitalisation has now risen to approximately EUR 700 million. As a result, we are attracting more and more interest from large international investment funds.

2012 will also go on record as the year in which WDP permanently established itself on the Dutch property market. The large breakthrough came back in 2011, but we put down strong roots with the acquisition of the Lake Side Portfolio in March 2012. As a result, WDP acquired no fewer than eight state-of-the-art premises, at strategic locations throughout the country. In the second half of the year the Lake Side Portfolio was enlarged with the acquisition of logistics premises in Veghel. The pre-let project at Schiphol (Haarlemmermeer) was also completed, which means that WDP now has access to this prime logistics region. A 30,000 m² distribution centre in Barneveld was added to the portfolio in early December. These events take the total value of the WDP portfolio in the Netherlands to over EUR 350 million, incorporating almost thirty sites.

It has helped WDP build brand awareness in the Netherlands in the past year, as well as reinforcing our market position in the Benelux as a specialised logistics property investor.

This strong emphasis on the Netherlands went hand in hand with the equally strategic decision to sell the Czech subsidiary WDP CZ. The purpose of this optimisation is to enable us to strengthen our position on core markets in Western Europe. We do remain active in Romania, which we consider to be a supplementary logistics growth market.

We have also continued to roll out our growth strategy in Belgium. Among other things, we handed over the keys to a 3,200 m² cold store warehouse to France-based international dairy group Lactalis. We also immediately reinvested part of the anticipated proceeds from the planned sale of WDP CZ to acquire a project at a strategic location at Zwijndrecht in the port of Antwerp.

It goes without saying that WDP always acts in line with its trailblazing role in sustainable logistics property. For instance, we hold the internationally renowned BREEAM compliance certificate for more and more of our properties. As part of this permanent focus on sustainability, last August we signed a new agreement with Triodos Bank to finance our growth plans. Triodos Bank specifically provides financing for sustainable projects.

Our healthy property activities in 2012 are also reflected in the financial results. Net current profit was EUR 52 million in 2012. Net current profit per share – based on the weighted average number of shares – rose by 7% to EUR 3.67 versus EUR 3.42 in 2011 and by 18% versus EUR 3.11 in 2010. As a consequence, the cumulative profit growth of 20% per share in 2011-13 is within reach and we can start to work on a new growth plan.

We have continued to strengthen the foundations of our company in the past year. This will enable WDP to continue to scale up in terms of size and profitability.

Our confidence in the future is underpinned by other figures, too. Portfolio occupancy at the end of December 2012 was 97.3% versus 96.7% at the end of December 2011. 90% of expiring leases were renewed, which is a sign of the loyalty and stability of our tenants.

Despite a net investment volume of around EUR 175 million, the gearing ratio of WDP remained virtually unchanged at 56%. That's because shareholders' equity rose by some EUR 70 million, due among other things to the great success of the optional dividend, the contribution in kind of selected premises and the retained profit.

This synchronised matching of capital creation and property acquisition is part of our value creation strategy. The purpose of issuing new shares is to maintain the growth of the company. Increasing profit per share with due regard for a constant capital structure remains a priority.

All of this strengthens our confidence in the future. We have continued to strengthen the foundations of our company in the past year. This will enable WDP to continue to scale up in terms of size and profitability, so that we are able to show the requisite resilience in tough economic conditions.

In concrete terms, the Board of Directors expects profit in 2013 to continue to grow to at least EUR 60 million or at least EUR 3.85 per share. This allows the gross dividend per share to rise further: from EUR 3.10 to EUR 3.25 EUR per share.

To summarize, 2012 was an outstanding year for WDP. We have become a reference player on the Dutch logistics property market and we have reinforced our position as market leader in the Benelux. Our strong progress has also led to the launch of a new growth plan for 2013-16. Over the next four years, WDP targets to realize a cumulative growth in net current result per share of 20-25%.

This would not be possible without the unfailing efforts of the members of the management team, the workforce and the external service providers. I would like to thank them for that. I am also obliged to my colleagues on the Board of Directors for their valued work.

MARK DUYCK
Chairman of the Board of Directors

3

Strategy

Investment segments

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

WDP is market leader in the Benelux [1] and a respected European player, with activities in France and Romania, too.

WDP has been steadily enlarging its property portfolio by developing storage and distribution facilities for own account, based on client demand and requirements and with due consideration for the highest industry standards. WDP also invests directly in high-quality existing sites with a view to long-term leasing.

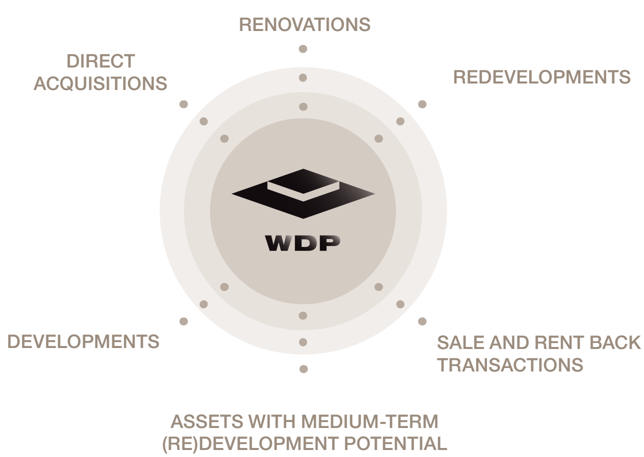
1 This is based on a comparative calculation of the number of square metres of lettable area in the portfolio.

WDP
warehouses with brains

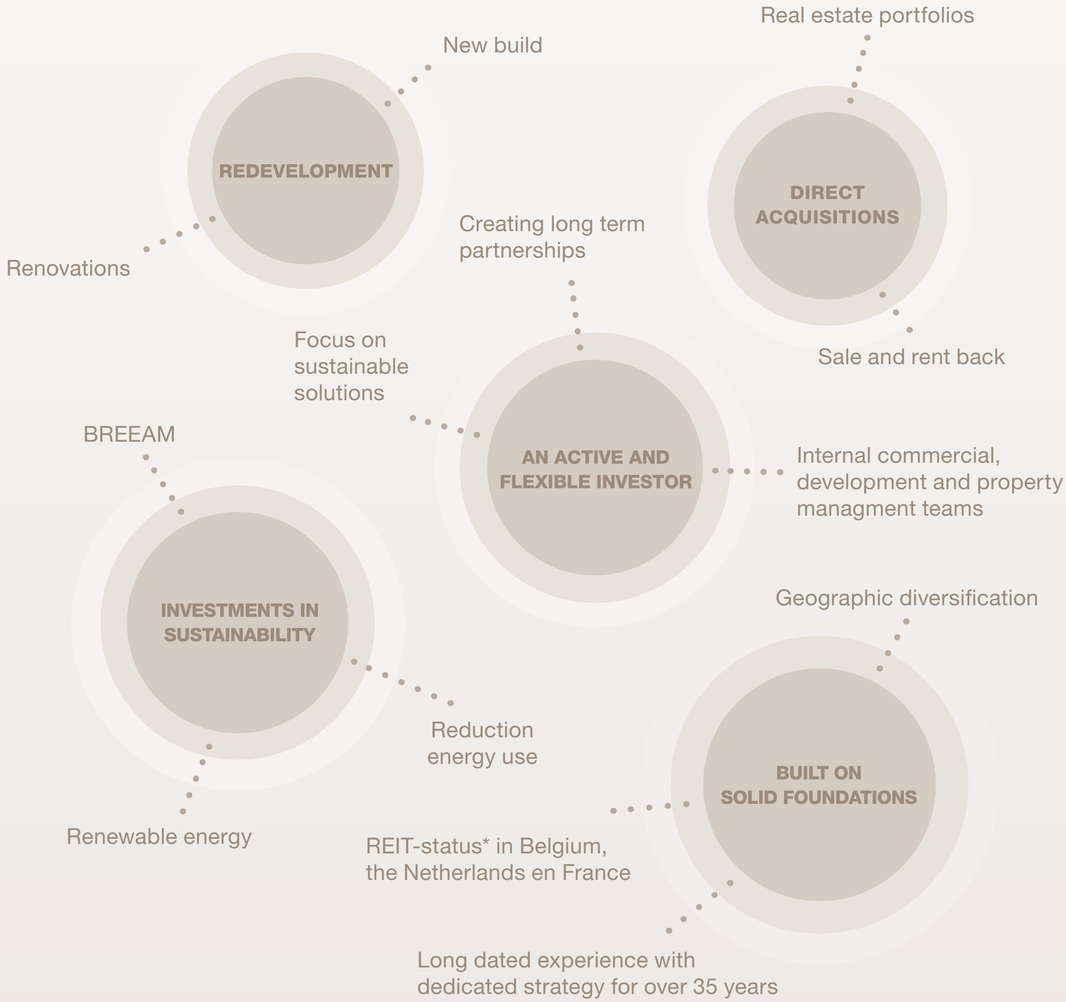
The backbone of WDP's policy is the high occupancy, which is the result of long-term leases with tenants, who are first and foremost regarded as partners. At WDP, we want to be a property partner that helps clients meet their challenges. That's the root of our slogan: *WDP - Warehouses with Brains*.

WDP is not a passive company but a commercial business offering tailor-made premises and property solutions. WDP operates as a self-managed fund, so it is completely at the service of its shareholders and other stakeholders. By maintaining projects in the portfolio following completion or acquisition, any surplus value generated is kept within 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 through in-house teams with many years' experience, WDP can guarantee high-quality solutions every time.



A *pure player* focused on the logistics sector.



* Real Estate Investment Trust.

WIN/WIN FOR ALL STAKEHOLDERS | GENERATING SUSTAINABLE GROWTH IN PROFIT PER SHARE

Another key concept in WDP's strategy is *flexibility*. WDP is able to quickly respond to changing client needs, based on a good understanding of tenants and their sphere of activity, and a diversified portfolio (see box on page 24). By working with a relatively small but dedicated team, WDP can also guarantee tenants fast and flexible solutions, while the high operating margin benefits our shareholders.

WDP

DYNAMIC PURE PLAY PROPERTY COMPANY OFFERING CREATIVE LONG-TERM SOLUTIONS TO CLIENTS

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

BUILDING SCALE AND FINANCIAL STRENGTH TO DIVERSIFY RISKS AND DRIVE PERFORMANCE

LEAN & MEAN POSITIONING WITHIN ITS CORE MARKETS AS TO MAINTAIN FLEXIBILITY

That brings us to another key concept in WDP's strategy: *in-house knowhow*.

At WDP, we not only have our own commercial team focused on achieving the highest possible occupancy. At the same time, our properties are being developed and managed under the care of our own project and facility management teams. We also maintain tight control of financial, accounting and legal aspects. It is important to manage all critical property functions in-house so that any problems can be dealt with speed and efficiently and the company's long-term well-being can be protected. The method must have no impact on the cost structure.

This remains competitive. Lastly, WDP's strategy demands that 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.

Geographic presence

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

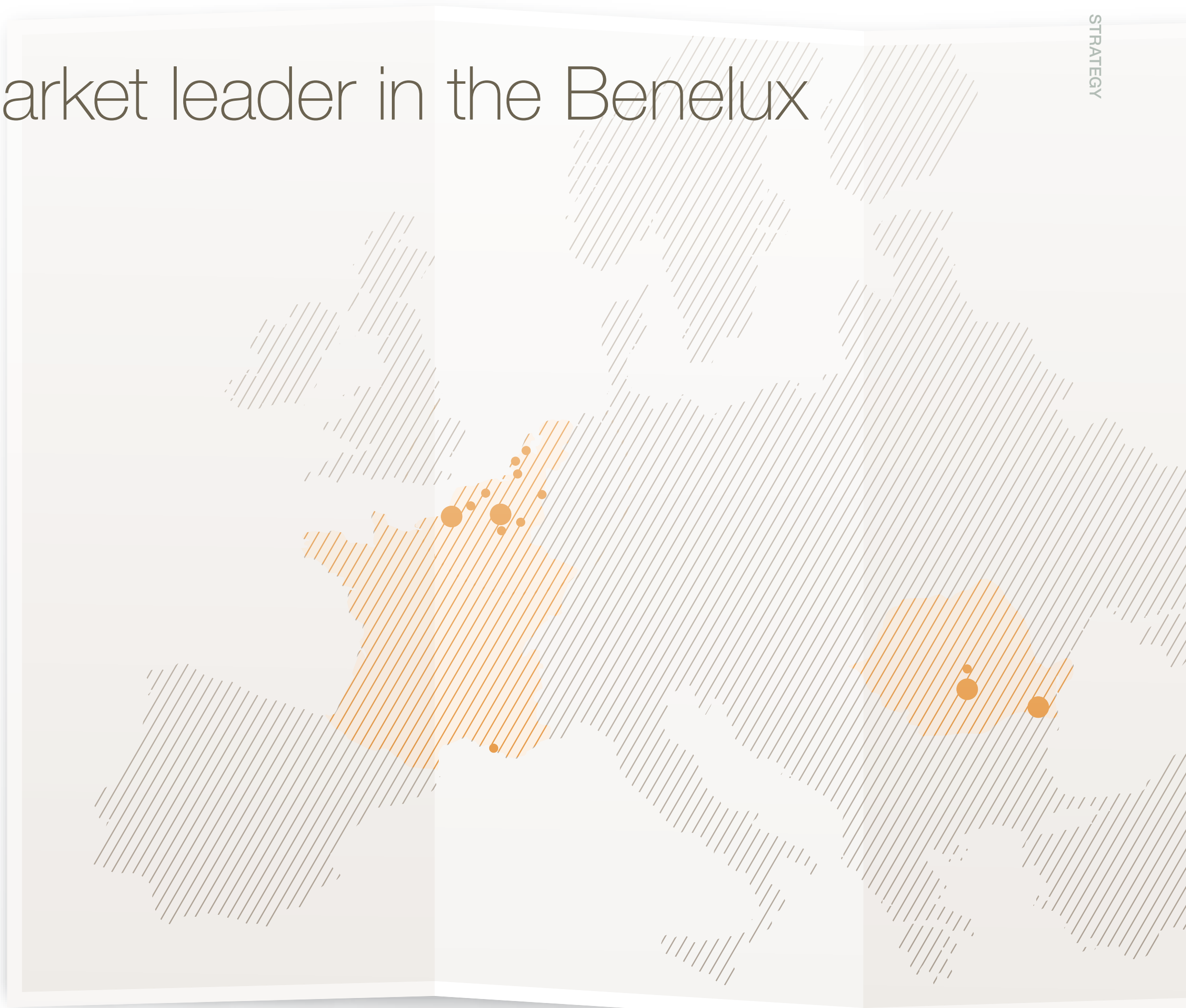
Priority markets are Belgium, the Netherlands and France, supplemented by the growing logistics market of Romania [2].

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

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

2 The decision was taken to sell 100% of the shares in WDP's Czech subsidiary WDP CZ in the autumn of 2012. This transaction fits in with WDP's strategy of strengthening its position in its core markets in Western Europe, supplemented by the growing logistical market of Romania. See also the press release of 13 November 2012.

Market leader in the Benelux



A total solution based on our highly diversified portfolio

*In the spring WDP added the former **Crown-Baele** industrial site on Weversstraat in Londerzeel to its portfolio. The integrated plan for the various WDP sites in Londerzeel will enable the creation of better premises for Crown-Baele as well as the adaptation of the facilities to better meet the needs of other WDP tenants on Nijverheidsstraat. That's because Crown-Baele will move into better suited premises at Nijverheidsstraat 15 on a nine-year lease.*

*WDP is committed to building a tailor-made newly-built warehouse on Weversstraat for the current tenant of these premises, **Colfridis**. This will revitalise the former industrial site to ensure it meets the needs of modern-day logistics.*

*A suitable tenant was also found for the freestanding office space at Rijksweg 19 in Bornem. **Davigel**, which has an office and warehouse at Nijverheidsstraat 13-15, will centralise its activities there. The office space will be completed and a cool store warehouse will be incorporated.*

*Lastly, a second part of Nijverheidsstraat 13 will be redeveloped, including the building of a state of the art deep-freeze storage facility with capacity for 20,000 pallets for **Lantmännen Unibake**, an international supplier of bake-off bread, based on a twenty-two-year lease.*

It is a strong example of WDP's flexibility, based on its diversified portfolio and spirit of enterprise.

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 positive outcome of a thorough screening process to check for all potential technical, financial, commercial, and property-related risks.

In addition, with regard to financing, efforts are made to couple property investments to synchronous issue of new capital and the taking on of debt. This enables a healthy mix of shareholder's equity and borrowings to be applied. Furthermore, the basic philosophy of the company – growth in earnings per share – can be put into practice through capital increases immediately deployed in 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 – that is 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 logistical 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 and innovative projects are implemented to reduce the customer's energy bill. This is always based on a win/win approach so that all stakeholders are able to benefit. Furthermore, WDP has also made investments in green energy, installing solar panels on the roof of some of its portfolio properties.

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 (from the shareholder, customers, financiers, employees to the suppliers) must benefit from strict cost control together with a sound debt structure and interest rate hedges.

Appropriate financing is an essential condition for a solid, profitable business model, given the capital-intensive nature of the property sector. The target is maintaining a gearing ratio of between 55% and 60%, with a high coverage ratio. By continously enlarging its scope, 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. In addition, through retaining part of the earnings, it is being ensured that a financial buffer can be built for the future.

Benefits of the *Vastgoedbevak/Sicafi* structure

Over the years, WDP has positioned itself as a leading listed property expert that sets the benchmark in logistics and semi-industrial property.

In Belgium WDP is structured as a property investment company with fixed capital (*Vastgoedbevak/Sicafi*). In the interests of tax optimisation, the company is incorporated in a similar form in the Netherlands and France – a Fiscale Beleggingsinstelling (FBI) and a Société d'Investissement Immobilier Côtée (SIIC) respectively.

This ensures that WDP reaps the benefits of a number of attractive features of this form of investment.

As defensive investment vehicles, *Vastgoedbevaks/Sicafis* are subject to strict regulations designed to protect the shareholders and financiers. The *Vastgoedbevak/Sicafi* gives institutional and private investors alike the opportunity to gain exposure to 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 *Vastgoedbevak/Sicafi* like WDP provides a full-fledged profitable alternative to direct property. Due to the scale of the portfolio, WDP provides investors with immediate important economies of scale in specific regions.

Operating as a *Vastgoedbevak/Sicafi*, FBI and SIIC in Belgium, the Netherlands and France respectively, internationally WDP can position itself consistently vis-à-vis clients, suppliers, banks and investors.


A21-D-1

4

Management report

1. Consolidated key figures

KEY FIGURES	2003 [1]	2004
OPERATIONAL		
Fair value of the investment property (including solar panels) (in EUR million)	333,6	340,4
Total surface area (in m^2) (including land in concession)	1,409,500	1,445,600
Leasable area (in m^2)	660,066	718,901
Gross return on rents (including vacancy) [2] (in%)	9.1	9.1
Average lease term (until first break) [3] (in yr)	N/A	N/A
Occupancy rate [4] (in%)	95.7	94.8
Operating margin [5] (in%)	89.1	90.4
RESULT (IN EUR million)		
Property result	25.7	26.6
Operating result (before result on the portfolio)	22.9	24.0
Financial result (excluding IAS 39 result)	-4.0	-3.9
Net current result	18.9	20.2
Result on the portfolio	4.1	2.8
IAS 39 result	0.0	0.0
Net result	23.0	23.0
FINANCIAL		
Balance sheet total (in EUR million)	341.9	349.4
Shareholders' equity (excluding IAS 39 result) (in EUR million)	214.5	227.8
Net financial debt (in EUR million)	101.0	106.4
Debts and liabilities included in the gearing (in EUR million)	127.4	116.2
Gearing [6] (in %)	37.3	33.3
Average cost of debt (in%)	N/A	N/A
Interest Coverage Ratio [7] (in x)	5.4	5.9
DETAILS PER SHARE (IN EUR)		
Gross dividend	2.47	2.47
Net current result	2.75	2.56
Result on the portfolio	0.47	0.36
IAS 39 result	0.00	0.00
Net result	3.22	2.91
NAV (IFRS) [8, 9]	29.52	27.83
NAV (IFRS excluding IAS 39)	29.52	28.76

1 Belgian GAAP.
2 Calculated by dividing the annualised gross (cash) rents by fair value. The fair value is the value of the property investments after deduction of transaction costs (mainly transfer tax).
3 Including the solar panels, which are included in the remaining weighted average term of the Green Energy Certificates.
4 Calculated based on the rental values of the leased properties and the non-leased surfaces, including the income from solar panels. Ongoing projects and/or renovation are not considered.
5 Operating margin is calculated by dividing operating result (before result on the portfolio) by property result.
6 For the calculation method used for the gearing, please refer to the Royal Decree on *Vastgoedbevaks/Sicafis* of 7 December 2010.

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

	2005	2006	2007	2008	2009	2010	2011	2012
	342.9	429.6	616.6	777.8	883.7	889.2	989.4	**1,163.1**
	1,440,000	1,954,000	2,799,000	3,767,000	3,975,000	3,969,000	4,281,504	**4,793,766**
	701,483	804,768	952,819	1,123,754	1,302,670	1,356,407	1,659,621	**2,018,150**
	8.9	8.2	7.2	7.8	8.3	8.3	8.3	**8.2**
	N/A	N/A	N/A	N/A	N/A	6.1	7.2	**7.2**
	94.5	96.6	98.5	98.7	91.7	95.7	96.7	**97.3**
	90.8	88.9	91.8	90.1	92.4	91.8	91.7	**91.3**
	26.8	29.9	37.3	46.9	57.8	62.7	69.1	**81.3**
	24.4	26.6	34.2	42.2	53.4	57.5	63.3	**73.4**
	-4.2	-4.3	-7.7	-12.8	-18.1	-18.5	-18.9	**-21.3**
	20.2	22.3	26.2	28.7	34.0	39.0	44.3	**52.1**
	8.2	16.3	26.1	-15.7	-22.7	-4.2	2.7	**1.7**
	0.6	3.5	0.8	-28.8	-10.9	-2.3	-17.3	**-18.5**
	28.9	42.0	53.2	-15.8	0.4	32.6	29.7	**35.3**
	354.0	457.2	663.5	802.7	916.1	922.4	1.018.9	**1,196.4**
	227.8	271.9	304.2	282.8	399.3	406.0	453.3	**520.6**
	108.4	159.9	313.5	475.8	492.8	499.2	547.0	**658.1**
	123.7	177.0	334.8	506.1	506.1	509.1	561.3	**670.7**
	34.9	38.7	50.5	63.0	55.3	55.2	55.1	**56.1**
	N/A	N/A	N/A	N/A	N/A	4.28	3.95	**3.63**
	5.8	5.9	4.5	3.0	2.5	2.9	3.1	**3.4**
	2.47	2.47	2.72	2.94	2.94	2.94	2.94	**3.10**
	2.56	2.75	3.05	3.34	3.14	3.11	3.42	**3.67**
	1.04	2.01	3.04	-1.83	-2.29	-0.33	0.21	**0.12**
	0.07	0.43	0.10	-3.35	-1.01	-0.18	-1.34	**-1.30**
	3.67	5.18	6.19	-1.84	-0.21	2.60	2.29	**2.49**
	28.83	31.99	36.10	30.41	29.27	29.62	29.43	**29.85**
	26.39	31.53	35.54	33.20	32.05	32.58	33.24	**34.52**

7 Defined as *Operating result before the result on the portfolio* divided by *Interest charges* minus *Interest and dividends collection* minus *Compensation for financial leasing and others.*

8 NAV = Net asset value for profit distribution for the current financial year

9 The NAV includes the total accumulated impact of the valuation at fair value of the interest rate hedges on the balance sheet date, i.e. including movements in the fair value of the hedging instruments during 2012 (i.e. EUR -18.5 million), which constitute a component of the result for the 2012 financial year and have therefore not yet been allocated to the relevant item in the reserves.

BUILT ON STRONG FUNDAMENTALS

> 95% Historical average occupancy rate

> 8% Consistently high portfolio yield

< 10% Operating expenses as a % of revenues

< 4% Controlled cost of debt

55-60% Constant capital structure synchronizing debt and equity insurance

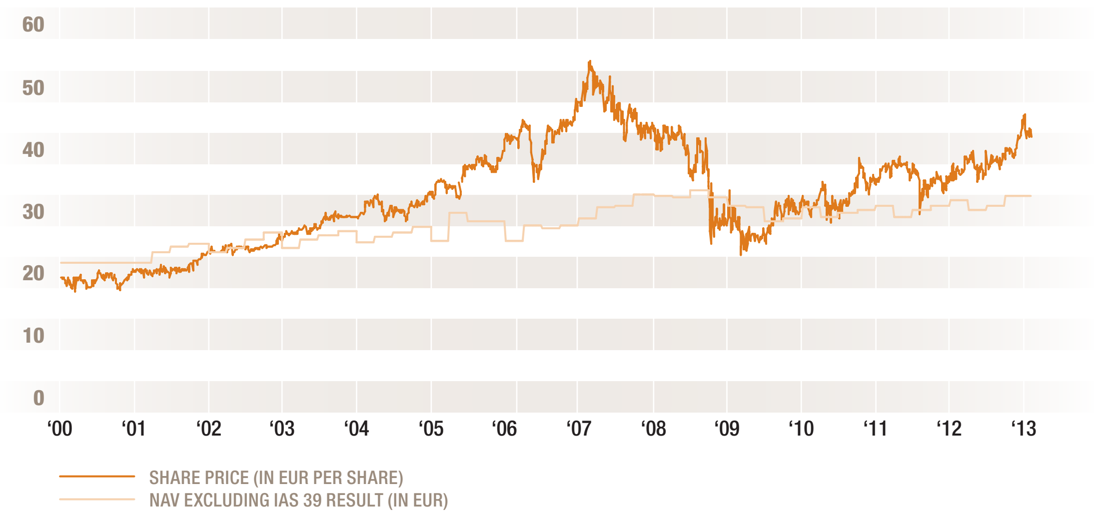
 # 35 Headcount - combining SME Spirit & *large cap* sophistication

EPRA KEY PERFORMANCE MEASURES*

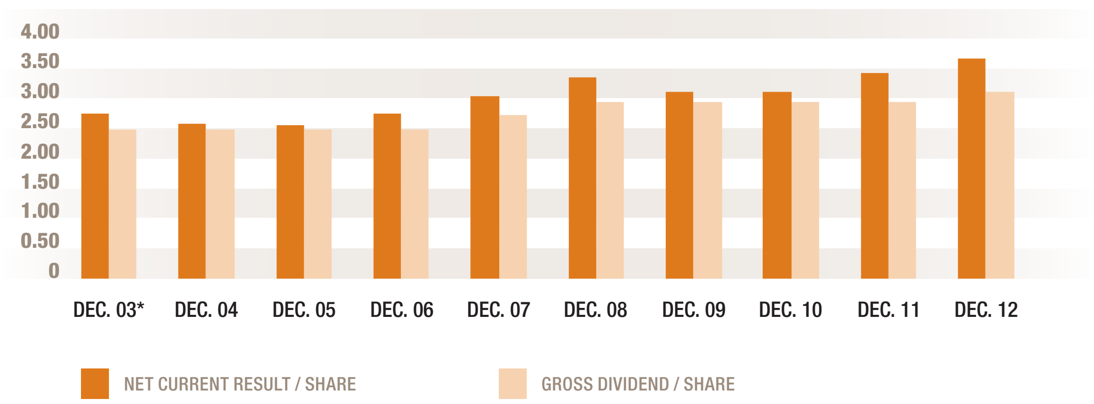
	2012	2011
EPRA result (in EUR per share)	3.67	3.42
EPRA NAV (in EUR per share)	34.64	33.35
EPRA NNNAV (in EUR per share)	29.85	29.43
EPRA Net Initial Yield (in %)	7.4	7.5
EPRA Topped-up Net Initial Yield (in %)	7.4	7.5
EPRA vacancy rate (in %)	2.9	3.6

* See chapter *4.5. Management Report – EPRA stats* on page 54.

CONSISTENT TRACK RECORD



HISTORICAL NET CURRENT RESULT AND GROSS DIVIDEND PER SHARE



* Belgian GAAP.

4 MANAGEMENT REPORT

2. Notes to the consolidated results for 2012

1. Summary

- The net current result [1] for 2012 amounts EUR 52.1 million, an increase of 17.6% compared to 2011 (EUR 44.3 million) and well above the initial expectations for 2012 [2]. The net current result per share [3] for 2012 increased by 7.4% to EUR 3.67, compared to EUR 3.42 in 2011, and by 18% compared to EUR 3.11 in 2010. This means that the targeted cumulative profit growth of 20% per share is within reach for the period 2011-13 and a new growth plan can be formulated.

- There is a proposed dividend increase of 5.4%, resulting in a dividend of EUR 3.10 gross or EUR 2.33 net per share [4] and again under the form of an optional dividend.

- The occupancy rate [5] on 31 December 2012 was 97.3%, compared to 96.7% at the end of 2011. The average duration (until the first termination date) of the lease contracts in the WDP portfolio is 7.2 years (including solar panels).

- On 31 December 2012, the gearing ratio was 56.1% [6], compared to 55.1% as at 31 December 2011. The fair value of the portfolio [7] amounted to EUR 1,163.1 million, compared to EUR 989.4 million at the end of 2011.

- The net asset value [8] of WDP shares on 31 December 2012 was EUR 34.52, compared to EUR 33.24 on 31 December 2011.

1 The net current result is the result exclusive of the result on the portfolio and IAS 39 result.

2 See press release dated 15 February 2012 as well as the *Annual financial report 2011*.

3 Based on the weighted average number of outstanding shares for 2012, i.e. 14,194,272, taking account of the issuance of 622,013 new shares in relation to the optional dividend, 84,226 new shares following the partial demerger of Immo Weversstraat and 736,932 new shares through the *Lake Side bis* transaction.

4 After deduction of the withholding tax of 25%.

5 The occupancy rate is calculated in relation to the rental values of leased buildings and unleased premises and includes incomes from solar panels. Projects under construction and/or renovation are not taken into account.

6 When, in calculating the gearing ratio as at 31 December 2012, account is taken of the anticipated profit in 2013 from the sale of *Assets held for sale* worth EUR 34.6 million, the pro forma gearing ratios is 54.8%.

7 The portfolio value is composed of investment properties, investment properties under development for own account with the purpose of being rented out, assets held for sale and the fair value of the solar panels. If the solar panels are not taken into consideration, the portfolio value amounts to EUR 1,095.2 million, compared to EUR 922.4 million at the end of 2011.

8 The net asset value (excluding the IAS 39 result and before dividend payout for the current financial year) is the equity capital per share, where only the sum of the estimations of the individual properties is taken into account and which is not a valuation of WDP in its entirety.

- → WDP wants to continue its focused and profitable expansion through a new growth plan, which involves a proposed expansion of the portfolio by 50% to EUR 1.8 billion over the next four years. This expansion shall be achieved by means of acquisitions and through its own pre-leased projects on existing and/or new sites. For the period of 2013-16, the aim is to realise a cumulative increase in the net current result per share of 20-25%, leading to a result of EUR 4.40-4.60 per share.

- → For the financial year 2013, WDP anticipates a further increase in the net current result of at least EUR 60 million or EUR 3.85 per share [9]. With this in mind, the company expects to issue a dividend for the financial year 2013 (payable in 2014) of EUR 3.25 gross per share, representing a further increase of 5% compared to 2012.

2. Notes to the consolidated profit and loss account for 2012 (analytical schedule)

Property result

In 2012, the property result totalled EUR 81.3 million – up 17.7% compared with the previous year (EUR 69.1 million). The rise is driven by the continued growth of the portfolio in Belgium and the Netherlands in particular through acquisitions and the completion of pre-let projects, on the one hand, and internal growth through higher occupancy and the indexation of rental income on the other. Based on an unchanged portfolio, the rental income increased by 2.3% over the past twelve months. This result also includes EUR 6.3 million income from solar panels (compared with EUR 6.2 million in the previous year).

Operating results (before result on portfolio)

In 2012 the **operating result** (before the result on the portfolio) was EUR 74.3 million – up 17.3% compared with the previous year (EUR 63.3 million). Property charges and other general expenses totalled EUR 4.9 million for the full financial year – a rise of EUR 0.6 million compared with 2011. WDP has otherwise managed to keep the costs under control, which means that the operating margin [10] for 2012 was 91.3% – a slight fall compared with 2011 (91.7%).

Financial result (excluding IAS 39 result)

The **financial result** (excluding IAS 39 result) was EUR -21.3 million - a rise compared with the previous year (EUR -18.9 million), including a rise in total financial liabilities to EUR 660 million versus EUR 549 million at the start of the year. The average cost of debt totalled 3.6% in 2012 versus 4.0% in 2011. This fall is the consequence of the active management of the interest rate hedges and the fall in interest rates on the international financial markets.

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

10 The operating margin is calculated by dividing net operating result (before the result on the portfolio) by the property result.

4

MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET (IN EUR X 1,000)	31 DEC. 12	31 DEC. 11
Rental income, less costs connected with the lease	75,384	63,103
Income from solar energy	6,275	6,209
Other operating income / costs	-324	-218
PROPERTY RESULT	**81,335**	**69,094**
Property charges	-2,149	-1,403
General company expenses	-4,914	-4,362
OPERATING RESULT (BEFORE RESULT ON PORTFOLIO)	**74,272**	**63,329**
Financial result excluding IAS 39 result	-21,312	-18,917
Taxes on net current result	-534	-87
Deferred taxation on net current result	-355	-58
NET CURRENT RESULT	**52,072**	**44,268**
RESULT ON THE PORTFOLIO [1]		
Movement in the fair value of investment property (+/-)	1,757	3,399
Result from sale of investment property (+/-)	101	17
Deferred taxation on portfolio result	-115	-708
RESULT ON THE PORTFOLIO	**1,742**	**2,708**
IAS 39 RESULT		
Revaluation of financial instruments (IAS 39 impact)	-18,488	-17,272
IAS 39 RESULT	**-18,488**	**-17,272**
NET RESULT	**35,326**	**29,704**

1 Result on the portfolio excludes the movement in the fair value of solar panels. These are valued in accordance with IAS 16, under which such movement is directly recognised in shareholders' value.

CORE RATIOS (IN EUR)	31 DEC. 12	31 DEC. 11	31 DEC. 10
Net current result / share [1]	3.67	3.42	3.11
Result on the portfolio / share [1]	0.12	0.21	-0.33
IAS 39 result / share [1]	-1.30	-1.34	-0.18
Net result / share [2]	2.49	2.29	2.60
Net current result / share [1]	3.45	3.25	3.11
PROPOSED PAYMENT	**46,753,245**	**40,052,245**	**36,864,818**
Dividend payout ratio (versus net current result) [3]	89.8%	90.5%	94.5%
Gross dividend / share	3.10	2.94	2.94
Net dividend / share	2.33	2.32	2.50
Number of shares outstanding at end of period	15,081,692	13,638,521	12,533,938
Weighted average number of shares	14,194,272	12,958,501	12,533,938

1 Calculated based 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 based on the consolidated result. Dividend is distributed on a statutory basis by WDP Comm. VA.

Result on the portfolio

The result on the portfolio for the full financial year was EUR +1.7 million (EUR +0.12 per share). For the same period last year, this result was EUR +2.7 million (EUR +0.21 per share). The result by country for 2012 is as follows: Belgium (EUR +4.5 million), the Netherlands (EUR +0.0 million), France (EUR -2.1 million), Czech Republic (EUR -0.4 million) and Romania (EUR -0.2 million).

IAS 39 result [11]

The impact of the IAS 39 result was EUR -18.5 million or EUR -1.30 per share in the course of 2012 (versus EUR -17.3 million or EUR -1.34 per share in 2011). This negative impact is caused by movements in the fair value of the interest rate hedges (primarily Interest Rate Swaps) at 31 December 2012 as a result of the strong decline in the long-term interest rate in the course of 2012.

Movements in the fair value of these interest rate hedges are fully recognised in profit and loss rather than in shareholders' equity. Since this impact represents a non-cash, non-realised item, it is removed from the analytical representation of the results from the financial result and recognised separately in profit and loss.

Net result

Net current profit combined with the result on the net result in 2012 of EUR 35.3 million (compared with 2011, when it was EUR 29.7 million).

The difference between the net result of EUR 35.3 million and the net current result of EUR 2.10 million is attributable to the lower fair value of the interest rate hedging instruments (IAS 39 result), slightly offset by the higher fair value of the portfolio (see above).

3. Notes to the consolidated balance sheet for 2012

Property portfolio

According to independent property experts Stadim, Cushman & Wakefield, DTZ Zadelhoff and BNP Paribas Real Estate, the fair value 1[2] of WDP's property portfolio in accordance with IAS 40 was EUR 1,095.2 million at 31 December 2012, versus EUR 922.4 million at the start of the financial year (including *Assets held for sale*). Along with the valuation at fair value of the investments in solar panels [13], the total portfolio value increased to EUR 1,163.1 million, compared with EUR 989.4 million at year-end 2011.

This EUR 1,163.1 million includes EUR 1,048.1 million in completed properties (standing portfolio). This rise is largely attributable to acquisitions, as well as the completion of the (100% pre-let) projects. The ongoing projects represent a value of 7.2 million EUR with projects on the sites in Anderlecht and Nijvel in Belgium and Ridderkerk in the Netherlands. In addition, there are the land reserves, among other places, in Sint-Niklaas, Courcelles, Heppignies, Libercourt and the land bank in Romania at a fair value of EUR 39.9 million.

11 The impact of IAS 39 is calculated based on the mark-to-market (M-t-M) value of the interest rate hedges. Fluctuations in the fair value of the hedging instruments are a non-realised, non-cash item (if these products are held until maturity and are not settled prematurely).

12 For the exact valuation method, please refer to the BEAMA press release of 6 February 2006: http://www.beama.be/content/index.php.

13 The solar panel investments are valued in accordance with IAS 16, in compliance with the revaluation model.

BALANCE SHEET (IN EUR X 1,000)	31 DEC. 12	31 DEC. 11
FIXED ASSETS	**1,146,822**	**992,410**
Intangible fixed assets	213	310
Property investments	1,060,615	908,089
Other tangible fixed assets	69,018	68,185
Financial fixed assets	11,396	11,418
Trade receivables and other fixed assets	5,580	4,408
CURRENT ASSETS	**49,603**	**26,474**
Assets held for sale	34,564	14,310
Trade receivables	8,393	6,649
Tax receivables and other current assets	2,458	1,431
Cash and cash equivalents	1,801	1,704
Other current liabilities	2,388	2,380
TOTAL ASSETS	**1,196,425**	**1,018,884**
SHAREHOLDERS' EQUITY	**450,181**	**401,334**
Capital	117,349	106,336
Issue premiums	138,428	94,168
Reserves	159,078	171,126
Net earnings for the financial year	35,326	29,704
LIABILITIES	**746,244**	**617,550**
Non-current liabilities	554,473	477,594
Provisions	1,071	1,112
Non-current financial liabilities	481,446	422,536
Other non-current financial liabilities	69,838	51,978
Deferred taxes - Liabilities	2,118	1,968
Current liabilities	191,771	139,956
Current financial liabilities	178,418	126,187
Trade payables and other current liabilities	10,274	10,225
Other current liabilities	1,178	2,348
Deferred charges and accrued income	1,901	1,196
TOTAL LIABILITIES	**1,196,425**	**1,018,884**

CORE RATIOS (IN EUR)	31 DEC. 12	31 DEC. 11
NAV (IFRS) [1]	29.85	29.43
NAV (EPRA) [2, 1]	34.64	33.35
NNNAV (EPRA) [2]	29.85	29.43
Share price	47.24	37.06
Premium / discount wih regard to NAV [1] (excluding IAS 39 result) / share	36.8%	11.5%
Gearing ratio [3]	56.1%	55.1%

1 NAV = Net asset value for profit distribution for the current financial year.
2 Financial performance indicators calculated according to EPRA's (European Public Real Estate Association) Best Practices Recommendations. See also www.epra.com. These data are not required by the *Vastgoedbevak/Sicafi* regulations and not subject to regulations by government agencies.
3 For the calculation method used for the gearing, please refer to the Royal Decree on *Vastgoedbevaks/Sicafis* of 7 December 2010.

The investments in solar panels were valued at a fair value of EUR 67.9 million at 31 December 2012. The solar panels are included on the balance sheet under *Other tangible fixed assets*.

Overall, the portfolio is now valued at the gross yield of 8.0%. The gross yield after addition of the estimated market rental value for the non-leased parts was 8.2%.

Shareholders' equity

As at 31 December 2012, the company's shareholders' equity (IFRS) was EUR 450.2 million versus EUR 401.3 million at year-end 2011. The shareholders' equity excluding the cumulated IAS 39 result (which is incorporated in shareholders' equity under IFRS) was EUR 520.7 million at 31 December 2012 versus EUR 453.3 million at the end of 2011. This rise is a consequence of the growth of the capital base through profit generation during 2012, the distribution of dividend for the 2011 financial year and the capital increases in 2012 as a result of the optional dividend, the partial demerger of Immo Weversstraat and the (indirect) contribution of three sites through the *Lake Side bis* transaction.

Net asset value

As at 31 December 2012, net asset value per share (excluding the IAS 39 result) was EUR 34.52. This is a rise of EUR 1.28 versus the net asset value at 31 December 2011 (EUR 33.24). Including the IAS 39 result, net asset value at 31 December 2012 was EUR 28.85 per share, versus EUR 29.43 per share at 31 December 2011.

Debts

Total long-term and current financial liabilities in 2012 rose from EUR 548.7 million at 31 December 2011 to EUR 659.9 million at the end of December 2012. The debts and liabilities as included in the calculation of the gearing ratio in accordance with the Royal Decree on *Vastgoedbevaks/Sicafis* of 7 December 2010 rose from EUR 561.3 million to EUR 670.7 million. At the same time, the balance sheet total rose from EUR 1,018.9 million to EUR 1,196.4 million. As a result, the gearing ratio remained relatively stable in 2012, at 56.1% [14] at the end of December 2012 versus 55.1% at the end of December 2011.

14 When the expected sale in 2013 of assets held for sale in the amount of EUR 34.6 million is factored in when calculating the gearing ratio at 31 December 2012, the pro forma gearing ratio is 54.8%.

3. Transactions and realisations

1. Introduction

In 2012 WDP was able to continue its perennial march towards growth as market leader in the Benelux in the logistics property market.

WDP strengthened its position in the core Western European markets, with special focus on the Benelux, through acquisitions (total gross sum EUR 185 million) and pre-let projects.

WDP Netherlands experienced the fastest growth in the group, with a portfolio value of rising to over EUR 350 milllion. WDP has established itself as a reference player within the logistics property market in the Netherlands, reinforcing its market leadership in the Benelux as a whole.

The strategic decision was taken in the autumn of 2012 to sell 100% of the shares in WDP's Czech subsidiary WDP CZ. This transaction fits in with WDP's strategy of strengthening its position in its core markets in Western Europe, supplemented by the growing logistical market of Romania.

2. New acquisitions

Belgium

→ **Londerzeel, Weversstraat 2**: on 21 September 2012, WDP acquired a site in Londerzeel for EUR 3.4 million. The acquisition was carried out via a partial split and the payment was financed through the issue of new WDP shares. This 30,000 m^2 property is a strategic site with direct access to the A12 motorway and an excellent redevelopment potential.

→ **Zwijndrecht, Vitshoekstraat 12**: in late October 2012 WDP finalised the acquisition process to gain control of Aedess BVBA, the owner of 20,000 m^2 logistics premises strategically located at Zwijndrecht in the port of Antwerp between Kennedytunnel and Liefkenshoektunnel for an amount of EUR 8.5 million. The land will be leased on the basis of a long-term concession agreement. There is potential for the site to be expanded by a further 20,000 m^2 or so. (See also *9. Significant events after the balance sheet date* on page 44).

Netherlands

→ **Lake Side Portfolio**: in March 2012 WDP acquired the Lake Side Portfolio for EUR 105 million. This comprises eight top locations in the Netherlands, all of which are leased or pre-let to high-grade tenants on long-term contracts of 12.5 years on average. Ownership of the buildings was transferred in stages during 2012.

LOCATION	TENANT	LEASED SURFACE AREA (IN M²)	DURATION (IN YEARS)*
Nieuwegein, Inundatiedok 14	V&D	43,486	14.8
Zwolle, Lippestraat 15	Kuehne + Nagel	21,385	7.1
Helmond, Sojadijk 2	Prinsen	13,270	14.6
Veghel, Doornhoek 3765	Vetipak	9,820	8.8
Oss, Menhirweg 15	Vetipak	10,625	13.6
Oss, Keltenweg 70	Movianto	17,141	9.8

* Remaining duration until the first expiry date on 30 June 2012.

The initial annual rental income of this portfolio is EUR 8.2 million and is indexed annually. The two remaining premises will be added to the portfolio after completion in October. (See also *3. Projects completed in 2012* on page 39)

At the same time, new logistics premises in Veghel were acquired for approximately EUR 9 million. This site is adjacent to WDP's existing site in Veghel and is also rented to Kuehne + Nagel, which creates a strategic site of approximately 100,000 m² at this location. This property was an addition to the acquisition of the Lake Side Portfolio.

→ **Barneveld, Nijverheidsweg 50-52**: a 30,000 m² distribution centre acquired for EUR 26 million, which is now being completely renovated and supplemented with a new build by the seller Pon Onroerend Goed BV with delivery scheduled mid-2013. The entire site will be leased to a Pon company.

All these acquisitions were made at prices in line with the fair value as determined in the appraisal reports issued by independent property experts.

3. Projects completed in 2012

Belgium

→ **Mollem (Asse), Zone 5, number 200**: a 3,200 m² cool storage facility for international diary group Lactalis SA. This is the first full LED warehouse in Belgium, with exclusive use of LED for interior and exterior lighting. The pilot project strengthens WDP's leading role in sustainable development.

→ **Ternat, Industrielaan 24**: in Ternat, the site redevelopment project was completed in the fourth quarter after the conclusion of various lease contracts with ATS and bpost. The latter has set up a 2,500 m² regional distribution centre at this site. This means that 90% of the available area is leased out.

→ **Willebroek, Koningin Astridlaan 16**: this site, which based on its location by the A12 will be used mainly for logistics purposes, will be expanded with a 15,000 m² new build project. The tenant has leased 20,000 m² of space at this location since the end of 2007, so the site will become a first-rate strategic logistics site with a built area of 35,000 m², all of which is leased to Distri-Log. The new WDP site in Willebroek will be awarded the BREEAM rating of Very Good (see also *8. Renewable energy and sustainable warehousing projects* on page 43)

Netherlands

- **Alphen aan den Rijn, Eikenlaan 32-34**: WDP acquired a 15,000 m² site for EUR 7 million (including complete renovation) in 2011 from a multinational that is centralising its primary operations elsewhere in the Netherlands. The site was leased to VT Verkerk, a logistics service provider in the Randstad conurbation, for ten years in January 2012. The property comprises three different interconnected logistics premises. The site was fully repaired and renovated, including the complete of the offices, which was not part of the original plan. In total, 14,000 m² of warehouse space was completely refurbished and adapted to ensure optimal fire control. 500 m² of office space was also completely refurbished. The renovation of the site is a fine example of how style and function can be combined in a logistics property, with a little creativity.

- **Maastricht-Aachen (Beek), Engelandlaan 30**: the construction of a 25,200 m² logistics property on a 38,000 m² site in the vicinity of Maastricht-Aachen Airport. It has been completely pre-let to Koninklijke Mosa on a 15-year lease. The property is part of the Lake Side Portfolio, which WDP acquired in April 2012 (see also *2. New Acquisitions* on page 38).

- **Roosendaal, Aanwas 9**: construction of over 9,000 m² of storage space together with 17,000 m² exterior storage on a 32,000 m² site, entirely pre-let to BIS Industrial Services on a 10-year lease. This property is also part of the Lake Side Portfolio (see also *2. New Acquisitions* on page 38).

- **Haarlemmermeer, Incheonweg 7 (Schiphol – Schiphol Logistics Park (SLP) I)**: Rapid Logistics, a specialist in airport-related logistics in the region of Schiphol, has agreed a 10-year lease on the new site. This access to such a premium region as Schiphol – a strategic niche market – confirms WDP's position as benchmark setter in the Dutch logistics property industry. The project was recently awarded the BREEAM rating of Very Good (see also *8. Renewable energy projects and sustainable warehouses* on page 43)

- **Venlo, Edisonstraat 9 (phase II)**: the remaining 15,000 m² of the site was completed after a lease was signed with Arrow Electronics, effective as of 1 June 2012.

4. Investment properties under development for own account with the purpose of being rented out

Belgium

- **Heppignies (Fleurus), rue de Capilône 1**: WDP acquired 16 ha of land close to Charleroi airport for EUR 2.3 million at the end of 2011. The site is very strategically located, in the heart of the economic activity around the airport, near a junction of motorways. Demolition and remediation began in early 2012. Once that has been completed, work can start on building a logistics park of over 80,000 m² subject to leasing opportunities identified.

Netherlands

- **Ridderkerk, Handelsweg 20**: completion of a multi-story car park on land acquired at the end of 2008 as part of the Univeg transaction in 2007 has been delayed until the final building permit is granted.

5. Future potential

WDP has also applied for building permits for a number of projects within its own portfolio so that work can start as soon as the economic conditions are right and/or the site in question is pre-let.

Belgium

- **Courcelles, rue de Liège 6 (phase II)**: there is space on this site for a third phase, the building of an additional 10.000 m² of storage space.
- **Sint-Niklaas, Prins Boudewijnlaan**: a 16,000 m² project on a site of approximately 28,000 m² at a prime location by the E17.
- **Liege, Trilogiport**: WDP holds a concession at Trilogiport Liège, a tri-modal logistics hub in the city where 50,000 m² of land can be developed once the infrastructure has been completed.

France

- **Lille (Libercourt), Zone Industrielle – Le Parc à Stock (phase II)**: construction of 24,000 m² of additional storage space, which would bring the total area of the project to 60,000 m² (see also *4. Property investments under development intended for lease* on page 40).

Romania

So there is still a great deal of potential in Romania besides the two completed projects in Oarja. In the future, WDP will continue to focus on building pre-let properties through WDP Development RO, a 51-49 joint operation with entrepreneur and Romania expert Jeroen Biermans.

6. Leases

Belgium

- **Londerzeel, Nijverheidsstraat 13**: a flexible short-term solution could be found for part of the property in Londerzeel, based on the seasonal peak at Eurobrokers. Eurobrokers gained access to 5,000 m² of space between August and December 2012.
- **Londerzeel, Nijverheidsstraat 15**: Crown-Baele is relocating from its home on Weversstraat to better suited premises on Nijverheidsstraat on the basis of a nine-year lease. See also *Significant events after the balance sheet date* on page 44.
- **Willebroek, Koningin Astridlaan 16**: after completion of the 15,000 m² new build project at the end of December 2012, Distri-Log moved in to this logistics site. The property is a prime strategic location together with the neighbouring warehouse at number 16. See also *3. Projects completed in 2012* on page 39.

- **Boom, Langelei 114-120, Industrieweg 1**: Arcese, a global player in logistics services, takes occupancy of 7.500 m² from March 2013 on the basis of a 3-6-9 lease.

- **Vilvoorde, Havendoklaan 13**: Toyota vacated the warehouse on Havendoklaan at the end of 2012 and will only use the site car park in the future. Carrosserie Bogemans takes Toyota's place in the bodyshop and the offices. KDL Trans, which already leases the neighbouring warehouse at Havendoklaan 19, signed a lease on the vacated warehouse at the start of 2013.

- **Zele, Lindestraat 7**: The space vacated by United Promotions was leased to VPK Packaging. The surface area is approximately 6,000 m².

Netherlands

- **Venlo, Ampèrestraat 7**: The available 13,000 m² will be leased to DHL Supply Chain on a flexible basis.

The average gross rental yield of the projects finished after 2012 is around 8%.

At 31 December 2012 occupancy of the WDP portfolio properties was 97.3%, up from 96.7% at 31 December 2011. This positive growth is primarily due to leases within the existing portfolio in Venlo, Zele and Londerzeel.

7. Sales

Belgium

WDP previously announced negotiations [1] with regard to the sale of seven small non-strategic sites within the Belgian portfolio for a total amount of EUR 20.1 million, in line with the most recent fair value. In the course of 2012 three sites were sold for EUR 10.4 million – in Tournai, Sint-Niklaas and Sint-Katelijne-Waver. WDP expects to sell the four remaining sites in Aalst (3) and Wieze (1) in 2013.

WDP does not have an active disposal programme. Small, non-strategic properties are occasionally sold if there is a demand from property investors and it helps to optimise the portfolio.

The strategic decision was taken in the autumn to sell 100% of the shares in WDP's Czech subsidiary WDP CZ . This transaction fits in with WDP's strategy of strengthening its position in its core markets in Western Europe, supplemented by the growing logistical market of Romania. The transaction involves a total value of the Czech property portfolio of approximately EUR 25 million, which is in line with the most recent fair value. The deal should be closed (under the usual conditions, including financing) no later than 30 June 2013 [2]. Consequently, an amount of EUR 34.6 million is recognised on the balance sheet as *Assets held for sale*.

1 See the press release of 15 February 2012.

2 See the press release of 13 November 2012.

8. Renewable energy projects and sustainable warehouses

The solar energy project launched by WDP in 2007 with the aim of creating a profitable carbon-neutral property portfolio was obstructed by political decisions in various European countries (amongst others Belgium and France) to scale back solar panel subsidies.

However, WDP currently has a total installed capacity of around 16 MWp (megawatt peak), after the installation of solar panels, good for 1.2 MWp, on the roof of a further four Belgian sites in 2012. The total investment was EUR 2.4 million (including roof renovations). Solar panels were installed on the roof of two recently completed new build projects in Oarja, Romania in the third quarter of 2012. The total generating power is 0.6 MWp and the total investment is EUR 1.1 million. [3]

WDP is committed to extending its lead in sustainable construction of logistics property and continues to pursue carbon neutrality within the portfolio in the medium-long term. The company is exploring various opportunities to take this to the next level, considering wind and other renewable energy sources in addition to solar.

3 WDP share within the 51-49 WDP Development RO joint operation.

A number of properties were also equipped with energy-efficient lighting to reduce the electricity consumption of tenants. A good example is the full LED warehouse in Mollem (Asse), which was completed at the beginning of 2012.

However, WDP's goals reach far beyond the energy and environmental performance of the buildings; in 2010, the company became the first developer in the Netherlands to earn the global BREEAM sustainability certificate for its properties in Nijmegen, Industrieterrein Bijsterhuizen and Tilburg, Industrieterrein Loven. Two properties in the Lake Side Portfolio, in Nieuwegein and Helmond, also hold the BREEAM certificate.

In the Netherlands as well, the property in the Haarlemmermeer, Icheonweg 7 (in Schiphol Logistics Parc (SLP)) received the BREAAM *Very Good* certificate.

SITE	BUILT SURFACE (IN M²)	QUALIFICATION
Willebroek (B), Koningin Astridlaan 14	26,872	Good [1]
Willebroek (B), Koningin Astridlaan 16	26,778	Very Good [2]
Nieuwegein (NL), Inundatiedok 14	43,486	Good [2]
Nijmegen (NL), Bijsterhuizen 2404	14,396	Very Good [3]
Tilburg (NL), Siriusstraat 7-9	17,271	Good
Helmond (NL), Sojadijk 2	13,270	Good [2]
Haarlemmermeer (NL), Incheonweg 7	12,409	Very Good
TOTAL	**154,482**	

1 *BREAAM In-Use*, applicable to existing operational buildings.
2 Provisional BREEAM based on building plans.
3 The first logistics building to earn the Very Good qualification in Western Europe.

In Belgium, the WDP site in Willebroek, Koningin Astridlaan 16, was the first Belgian site to receive the BREAAM certificate for existing sites (BREAAM In Use). The neighbouring project in Koningin Astridlaan 16 will receive the *Very Good* certificate.

The BREEAM-certified buildings in Nieuwegein and Helmond are also the first in the WDP portfolio with a geothermal heat pump, which is used to pump heat to or from the ground, so that the buildings can be heated or cooled depending on the season. This is another first in the logistics industry for WDP.

9. Significant events after the balance sheet date

Belgium

→ **Londerzeel, Nijverheidsstraat/ Weversstraat**: an integrated plan for the various WDP sites in Londerzeel will enable better premises to be created for Crown-Baele as well as offering more appropriate facilities to some other WDP tenants on Nijverheidsstraat. In the long term, Crown-Baele will move into premises better suited to its needs at Nijverheidsstraat 15, having signed a nine-year lease. WDP is committed to building a tailor-made new property on Weversstraat for the current tenant Colfridis over six years. Lastly, Lantmännen Unibake will move into a newly renovated part of the Nijverheidsstraat 13 site, a state of the art deep-freeze warehouse with capacity for 20,000 pallets, on a twenty-two-year lease.

→ **Bornem, Rijksweg 19**: Davigel, a specialist in professional kitchens and part of Nestlé, will centralise its activities in WDP properties on Rijksweg in Bornem. This includes the freestanding office space at that address. The office space on the first floor will be finished and a cold-storage warehouse will be fitted out on the lower floor, again after the signing of a nine-year lease.

→ **Nivelles, rue Buisson aux Loups 8-10**: WDP agreed a package deal with GLS, market leader and benchmark setter in package and pallet distribution, for the sale of 2 ha of the existing 5 ha of land and the construction of a 4,000 m² cross-dock warehouse based on a long-term lease. GLS, which is specialised in parcels and pallets, continues to grow in the logistics industry, due in part to the increasing success of e-commerce.

→ **Zwijndrecht, Vitshoekstraat 12**: WDP is able to extend the site in the port of Antwerp haven by 20,000 m² on the basis of a lease with Van Moer Group, which also leases the existing property.

→ **Aalst, Tragel 47**: the existing Tech Data site will be enlarged by 3,000 m² and the existing lease will be renewed.

4. Management of financial resources

1. Financing policy

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

The main objectives in this context are as follows:

- proactive management of the capital structure;
- a good balance between equity and debt;
- good diversification of the various financing sources;
- a good spread of the maturity dates of the liabilities;
- maintenance of a satisfactory liquidity position;

KEY FINANCIAL DATA

	31 DEC. 12	31 DEC. 11
Net financial debt (in EUR million)	658.1	547.0
Debt and liabilities included in the gearing ratio (in EUR million)	670.7	561.3
Balance sheet total (in EUR million)	1,196.4	1,018.9
Gearing ratio [1] (in %)	56.1	55.1
Interest Coverage Ratio [2] (in x)	3.4	3.1
Average cost of debt (in%)	3.63	3.95
Average remaining term of outstanding debts (in y)	2.7	3.5
Average remaining term of long-term credit facilities (in y)	3.6	4.1
Hedge ratio [3] (in%)	78	76
Average remaining term of interest rate hedges [4] (in y)	5.8	6.3

1 See the *Vastgoedbevak/Sicafi* Royal Decree of 7 December 2010 for the calculation method used for the gearing.
2 Defined as *Operating result before the result on portfolio* divided by *Interest charges minus interest and dividends collected* minus *Compensation for financial leasing and other*. This ratio indicates the extent to which the company is able to meet its annual interest payments.
3 Percentage of the debt at fixed rate or hedged against interest rate fluctuations by means of derivative financial instruments.
4 Remaining term of interest rate hedges entered into to hedge the debt against interest rate fluctuations.

- maintenance of sustainable long-term relationships with all financing partners;
- active management of financial risks, including interest rate risks, liquidity risks and counterparty risks.

WDP has a competitive edge when looking for appropriate sources of financing due to the scale at which it manages its business operations, the stringent regulations with which *Vastgoedbevaks/Sicafis* must comply and the high level of rent flow transparency. This is extremely important in the current economic climate, in which the availability of credit has been sharply reduced.

2. Debt structure

Gearing

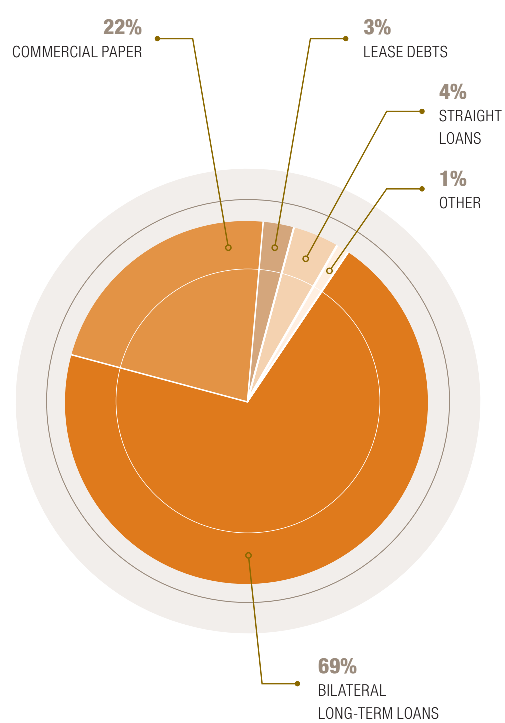
The use of debt is restricted by law under the *Vastgoedbevak/Sicafi* Royal Decree of 7 December 2010. For example, the maximum gearing ratio is set at 65% (at both consolidated and statutory level) and distribution to shareholders is not possible if this exceeds the legal limit, as the resources must be used to reduce the gearing below 65% in that case. Debts are used to maximise shareholder return, but must be used prudently, taking into account a set of factors, such as access to capital in order to finance the capacity to bear interest charges, the quality of the portfolio, the term of the leases and the share of investment properties under development for own account with the purpose of being rented out. WDP prefers a financial policy based on a gearing between 55% and 60%. At year-end 2012, the consolidated gearing was 56.1% versus 55.1% at year-end 2011*.

Breakdown

At 31 December 2012 the total consolidated financial debt was EUR 660.0 million. This amount is broken down as follows:

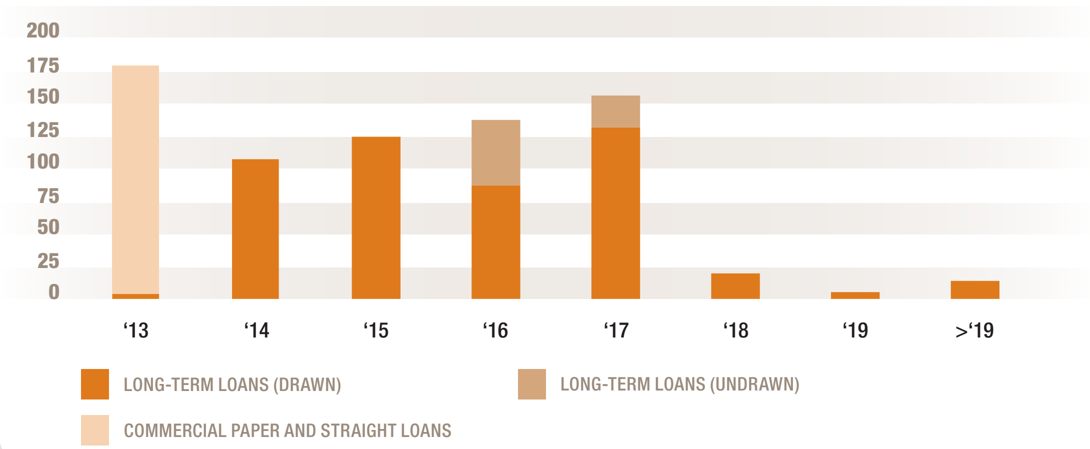
- EUR 456.6 million in traditional bilateral medium and long-term bank loans, spread over nine banks;
- EUR 145.4 million in commercial paper;
- EUR 21.3 million in lease debts;
- EUR 27.6 million in straight loans;
- EUR 8.8 million in other loans and receivables (including overdrafts).

As part of its bank debt policy, WDP aims to work mainly with local bankers in those countries in which it operates.

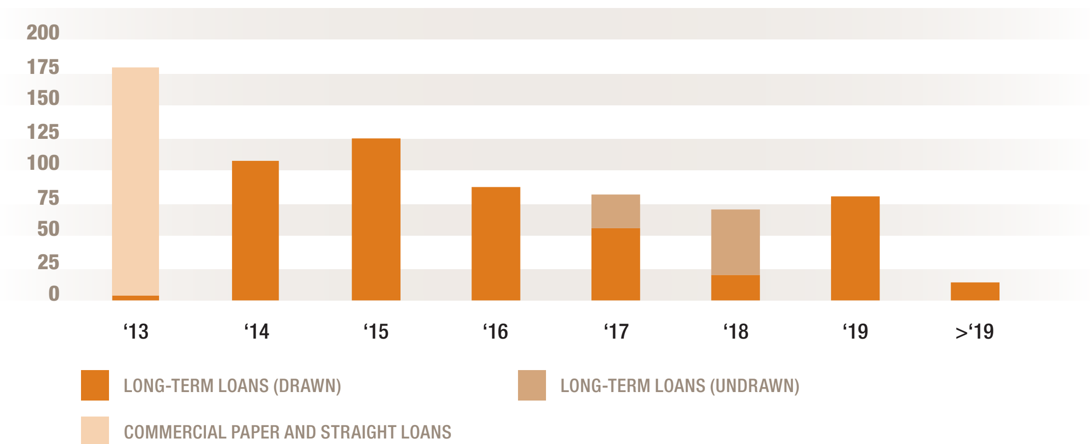


* See also note *XXVII. Calculation of the gearing and notes regarding changes in gearing* on page 217.

DEBT MATURITY DATES (MINIMUM TERM) [1]



DEBT MATURITY DATES (MAXIMUM TERM) [1]



1 For some loans, the lender may decide to extend the credit through an extension option. For the minimum term, it is assumed that this extension option would not be exercised; for the maximum term, the assumption is that it would be exercised each time.

4 MANAGEMENT REPORT

The basic financing is provided mainly by traditional large Belgian banks (BNP Paribas Fortis, ING Bank, Belfius Bank and KBC Bank), in addition to financing provided by Banque LBLux, Triodos Bank and Monte Paschi. In the Netherlands, WDP works with ABN AMRO Bank. In Romania, the company has access to a financing package provided by the EIB (European Investment Bank).

The commercial paper is fully covered by the revolving 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.

Maturity dates

The bulk of debt instruments applied are bullet instruments, which means that interest charges are payable on the principal drawn down during the term and the capital must be fully repaid on the final maturity date. 27% of debts are short-term debts (mainly straight loans and commercial paper), while the remaining 73% have a term of more than 1 year and 6% expire after more than 5 years. With regard to the maturity dates of the long-term debts in 2013, these respective credit facilities have already been extended proactively in full.

The weighted average term of WDP's outstanding debts at 31 December 2012 was 2.7 years [1]. The weighted average term of the total number of long-term loans withdrawn and not withdrawn is 3.6 years [2]. At year-end 2011, this was 3.5 years and 4.1 years respectively.

At 31 December 2012, the total amount in undrawn and confirmed long-term credit facilities was EUR 75 million [3]. In addition, there is also a short-term EUR 25 million credit facility for the pre-financing of projects in the Netherlands, along with available short-term credit facilities to finance the dividend and the working capital and to cover the commercial paper programme.

The graphs above show the maturity dates of the loans. WDP intends to spread debt as evenly as possible over time, which also involves finding a balance between term, cost, and diversification of the debt instruments used. As the lender for some loans can exercise an extension option, the graphs above take into account the minimum and maximum term of the loans. With regard to the maximum term, it was assumed that extension options were always exercised by the bank. A total of EUR 178.4 million in debt will reach maturity in 2013, EUR 145.4 million of which is related to the commercial paper, which by definition has a term of less than one year. As noted before, this commercial paper is fully covered by available, unused credit facilities if they cannot be placed with investors in whole or in part.

Hedges

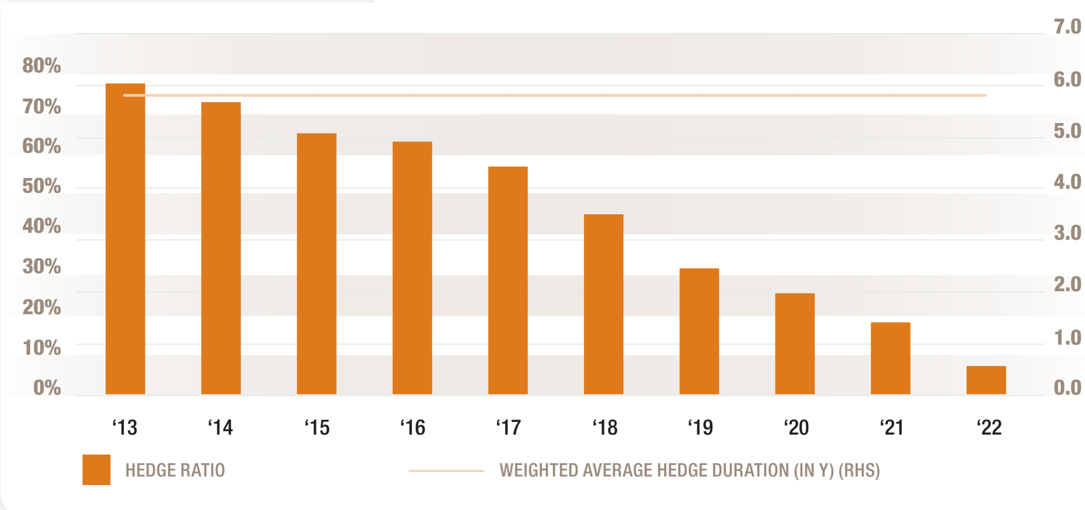
At 31 December 2012, virtually all debts were entered into at a floating short-term interest rate plus bank margin. WDP uses Interest Rate Swaps to hedge against volatility and a rise in short-term interest rates. It currently has a notional amount outstanding in IRS of EUR 513 million, which means that 78% of debts are hedged. Based on a constant debt level, this hedging rate will drop to 78% in 2013 and to 57% in 2017.

1 Including short-term debts: these mainly consist of the commercial paper programme, which is fully covered by backup facilities that are renewed annually.

2 This includes the new financing transactions completed after the balance sheet date and prior to the publication of the 2012 financial statements. For some loans, the lender may decide to extend the loan through an extension option. If this option were to be exercised each time, the weighted average term of the long-term loans would be 4.2 years.

3 Excluding the credit facility with the European Investment Bank to finance pre-let property developments in Romania and excluding extra funds released as a consequence of the bond issue at the beginning of March 2013.

CHANGE IN HEDGE RATIO



The weighted average interest rate of these hedges was 3.4% at 31 December 2012, with an average term of 5.8 years [4]. However, WDP's result remains subject to fluctuations (see page 205 for a detailed list of financial derivatives and page 66 for a sensitivity analysis of short-term interest rates).

WDP's weighted average cost of debt for the 2012 financial year was 3.6%, including credit margins, the reservation commission on unused credit facilities and the cost of hedging instruments. The average cost of debt in 2011 was equal to 4.0%. This fall is the consequence of the active management of the interest rate hedges and the decline in interest rates on the international financial markets. (see page 206 for an overview of the outstanding interest rate hedges).

WDP endeavours to guarantee asset-liability matching as much as possible. From that perspective its assets generate a return of around 8% based on very high visibility with an average lease term of 7.2 years. 55-60% of this is financed by debts, the current cost of which is less than 4% with a very high hedging ratio with long-term hedging instruments (average 5.8 years). This high margin between return and cost creates a satisfactory basis for meeting the financial charges, which is expressed in an interest coverage ratio of 3.4x. The transparency of revenues and charges also results in a more robust cash flow.

4 For its hedging strategy, WDP implicitly assumed, for the long term of the existing interest rate hedges, that the absolute level of the outstanding liabilities would be maintained. See also *1. Risk factors* on page 3 and in note *XVIII. Derivative financial instruments* on page 205.

3. Covenants and securities

The contractual provisions of the credit facilities generally stipulate that WDP remains qualified as a *Vastgoedbevak/Sicafi* in Belgium and as a Fiscale Beleggingsinstelling (FBI) in the Netherlands for the financing of WDP Nederland NV, that there is a minimum interest rate coverage ratio of 1.5x and[5] that the value of speculative development projects must not exceed 15% of the book value of the portfolio. WDP confirms that all these conditions were satisfied during the whole of the 2012 financial year. The interest coverage ratio was 3.4x, while the percentage for speculative developments at year-end 2012 was 0%.

5 A minimal interest coverage ratio of 2.0x applies to three small loans, which total EUR 58 million. See also note *XXXI. Rights and obligations not included in the balance sheet* on page 221 for a detailed overview of the liabilities with regard to lenders.

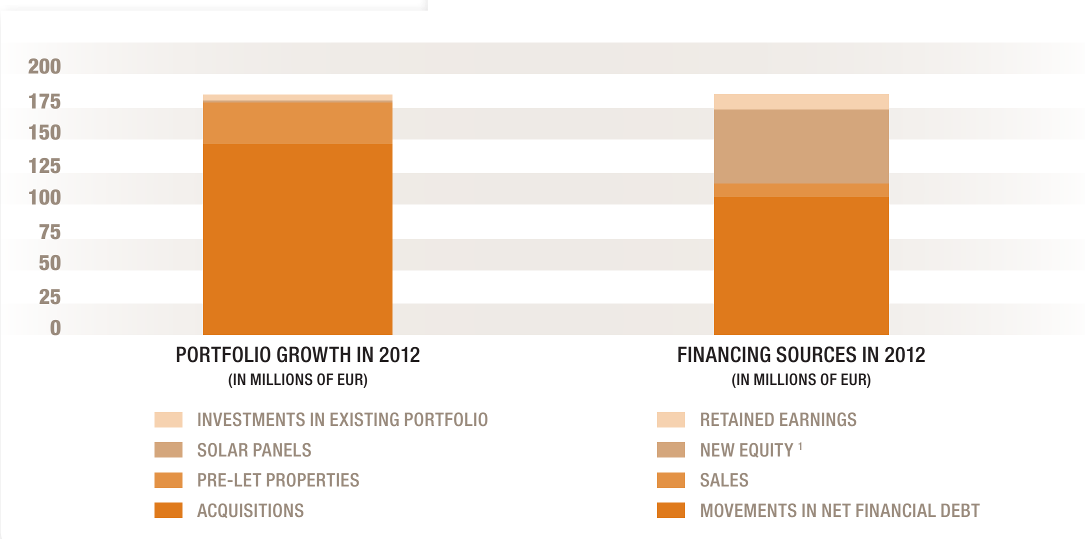
WDP's financing policy is also aimed at not providing any mortgages or any other securities to creditors, with the exception of those stated on page 221.

4. Implementation of the financing strategy during 2012

Financing policy in 2012

In 2012 a significant investment volume was generated of approximately EUR 175 million (approximately EUR 185 million gross investments less EUR 10 million in completed sales). An appropriate financing strategy was developed in advance in order to be able to comply with the investment obligations and to maintain the company's capital structure. For example, approximately EUR 70 million of the circa EUR 175 million capital expenditure was financed through new equity (through the

FINANCING SOURCES IN 2012



1 Equity was reinforced in 2012 through the optional dividend (EUR 22 million) and the acquisition of a site in Londerzeel paid for with new WDP shares (EUR 3 million) and the (indirect) contribution in kind of three sites through the *Lake Side bis* transaction (EUR 30 million).

optional dividend, the partial demerger of Immo Weversstraat, the *Lake Side bis* transaction and retained profits) and the balance through new loans.

The maturity dates of the loans in 2013 were also anticipated and a buffer of unused credit facilities was maintained.

In 2012 the company boosted its financial resources as follows (in chronological order):

→ **Increase of the ABN AMRO loan package by EUR 20 million.**
The partnership launched in spring 2011 between WDP and ABN AMRO to support continued growth of WDP in the Netherlands was strengthened in April by increasing the loan package by EUR 20 million to EUR 125 million (EUR 100 million of which is long term and 25 short term).

→ **Optional dividend of EUR 22 million.**
Shareholders representing approximately 73% of WDP's shares opted to contribute their dividend rights in exchange for new shares in lieu of a cash dividend. This resulted in a capital increase of EUR 22.4 million through the creation of 622,013 new shares at an issue price of EUR 36.0. These funds were immediately used to finance the purchase of the Lake Side Portfolio, which changed hands in late April 2012.

→ **The granting of a new loan of EUR 15 million by Triodos Bank.**
Within the framework of its growth plans and permanent focus on sustainability, in August WDP signed a new financing agreement with Triodos Bank, which specifically provides financing for sustainable projects. The six-year bilateral bullet investment loan of EUR 15 million was used to finance the BREEAM project at Schiphol (see also page 40).

→ **Acquisition of a site in Londerzeel in exchange for new WDP shares worth EUR 3.4 million.**
At the end of September the Extraordinary General Meeting of shareholders approved the acquisition through partial demerger of a site owned by Immo Weversstraat in Londerzeel for EUR 3.4 million, which resulted in a capital increase for WDP of EUR 3.4 million and the issue of 84,226 new shares of WDP at an issue price of EUR 40.37 (rounded off) per share.

→ **Addition of EUR 30 million to equity through the Lake Side transaction.**
At the beginning of October 2012 WDP completed the acquisition of the three remaining sites in the Lake Side Portfolio through the *Lake Side bis* transaction. The transaction led to the acquisition of the three remaining properties in the Lake Side Portfolio (sites in Roosendaal, Maastricht-Aachen (Beek) and the additional acquisition in Veghel). The transaction was based on an (indirect) contribution in kind and the payment was made by means of the issue of new WDP shares. The new shares were issued as a consequence of a capital increase, by a decision of the Board of Directors using the authorised capital. The transaction led to EUR 30.0 million being added to equity through the issue of 736,932 new WDP shares at EUR 40.75 per share.

→ **Increase of the KBC Bank loan package by EUR 10 million.**
The relationship with KBC Bank was strengthened in October 2012 within the framework of WDP's expansion through the enlargement of the existing loan package by EUR 10 million.

→ **New credit at Banque LBLux of EUR 25 million.**
At the beginning of November 2012 WDP signed a new financing agreement with Banque LBLux, a EUR 25 million bullet loan with a term of five years. This enabled WDP to broaden its financing base to support continued growth.

Additionally, at the end of the 2012 financial year the company was able to complete the following key financing transactions:

→ **Extension of the credit lines at ABN AMRO for an amount of EUR 125 million.**
At the beginning of January 2013 WDP was able to renew the EUR 125 million financing package at ABN AMRO. The existing EUR 100 million bullet loan with initial maturity in April 2013 was extended for EUR 25 million for one year and EUR 75 million for two years respectively. The package also includes a short-term credit facility of EUR 25 million, which was also confirmed, to finance the continued growth of WDP in the Netherlands. This enabled WDP to proactively refinance all long-term debts maturing in 2013.

→ **Private placement of seven-year bonds for a total amount of EUR 50 million.**
At the beginning of March WDP took another step in its financing strategy with the successful private placement of bonds for a total amount of EUR 50 million with maturity in 2020 and an annual gross return of 3.82%. This issue supports WDP in the implementation of its recently announced 2013-2016 growth plan and the diversification of its financing sources. It also extends the average term of the debts.

Financial risks

WDP continued to closely monitor the potential impact of the financial risks in 2012 and implemented the necessary measures to manage these risks. These risks include counterparty risk (insolvency or credit risk affecting financial partners), liquidity risk (non-availability of funding or very expensive funding options) and risks related to interest, budget, covenants and exchange rates.

For a detailed overview of financial and other risks, their mitigating factors and management, see *1. Risk Factors* on page 3.

5. EPRA-stats

EPRA key performance indicators

The rules pertaining to *Vastgoedbevaks/Sicafis* do not impose any obligation to publish these data, which are not verified by public authorities.

The Auditor has verified whether the *EPRA Earnings*, *EPRA NAV* and *EPRA NNAV* ratios have been calculated in accordance with the definitions in the *EPRA Best Practices Recommendations* of August 2011 and/or whether the financial data used to calculate those ratios tally with the accounting data included in the consolidated financial statements.

TABLE	EPRA PERFORMANCE MEASURE	DEFINITION	PURPOSE	IN EUR (X1,000)	EUR / SHARE
I.	EPRA EARNINGS	Recurring earnings from 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.	52,071	3.67
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 fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.	522,363	34.64
II.	EPRA NNNAV2	EPRA-NAV adjusted to include the fair value of (i) financial instruments, (ii) debts and (iii) deferred tax.	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.	450,181	29.85
III.	EPRA NET INITIAL YIELD (NIY)	Annualised rental income based on the cash rent collected 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. There have been debates about portfolio valuations in Europe in the past. This measure should make it easier for investors to judge themselves how the valuation of portfolio X compares with portfolio Y.		
III.	ADJUSTED EPRA NIY	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).	The provision of the calculation that reconciles the difference between EPRA NIY and the adjusted EPRA NIY.		
IV.	EPRA VACANCY RATE	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	A *pure* (IN %) measurement of the vacant property investment based on ERV		

1 NAV = Net Asset Value.
2 NNNAV = Triple Net Asset Value.

4

MANAGEMENT REPORT

I. EPRA EARNINGS

(IN EUR X 1,000)	31 DEC. 12	31 DEC. 11
EARNINGS PER IFRS INCOME STATEMENT	**35,326**	**29,703**
Adjustments to calculate EPRA earnings, exclude:		
I. Changes in value of investment properties, development properties held for investment and other interests	-1,757	-3,399
II. Profit or loss on disposal of investment properties, development properties held for investment and other interests	-101	-17
VI. Changes in fair value of financial instruments and associated close-out costs	18,488	17,272
VIII. Deferred tax in respect of EPRA adjustments	115	708
X. Minority interests in respect of the above	0	0
EPRA EARNINGS	**52,071**	**44,267**
Weighted average number of shares	14,194,272	12,958,501
EPRA EARNINGS PER SHARE (EPS)	**3.67**	**3.42**

II. EPRA NET ASSET VALUE

(IN EUR X 1,000)	31 DEC. 12	31 DEC. 11
NAV PER THE FINANCIAL STATEMENTS	**450,181**	**401,334**
NAV per the financial statements / share	29.85	29.43
DILUTED NAV, AFTER THE EXERCISE OF OPTIONS, CONVERTIBLES AND OTHER EQUITY INTERESTS	**450,181**	**401,334**
COMPRISES/EXCLUDES:		
(iv) Fair value of financial instruments	70,467	51,978
(v.a) Deferred tax	1,715	1,565

(IN EUR X 1,000)	31 DEC. 12	31 DEC. 11
EPRA NAV	**522,363**	**454,878**
Number of shares	15,081,692	13,638,521
EPRA NAV PER SHARE (EUR)	**34.64**	**33.35**
EPRA-NAV **COMPRISE:** (i) Fair value of financial instruments (iii) Deferred tax	 **522,363** -70,467 -1,715	 **454,878** -51,978 1,565
EPRA NNNAV	**450,181**	**401,334**
Number of shares	15,081,692	13,638,521
EPRA NNNAV PER SHARE (EUR)	**29.85**	**29.43**

III. EPRA NIY AND ADJUSTED EPRA-NIY

(IN EUR X 1,000)		31 DEC. 12	31 DEC. 11
Investment property - wholly owned Assets held for sale Less project developments and land reserves		1,060,615 34,564 -47,168	908,089 14,310 -72,533
Completed property portfolio Allowance for estimated purchasers' costs		1,048,011 39,819	849,866 27,468
GROSS VALUE OF THE VALUATION OF THE PORTFOLIO OF COMPLETED PROPERTIES	**B**	**1,087,830**	**877,334**
Annualised cash rental income collected Property charges		83,151 -2,473	67,901 -1,873
ANNUALISED NET RENTS	**A**	**80,678**	**66,028**
Add: notional rent expiration of rent free period or other lease incentives		0	0
ADJUSTED ANNUALISED NET RENT	**C**	**80,678**	**66,028**
EPRA NIY	A/B	7.42%	7.53%
ADJUSTED EPRA-NIY	**C/B**	**7.42%**	**7.53%**

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

SEGMENT	GROSS RENTAL INCOME 2011 (IN EUR X 1,000)	NET RENTAL INCOME 2011 (IN EUR X 1,000)
Belgium	40,548	38,926
Netherlands	25,123	24,517
France	6,193	6,011
Czech Republic	0	0
Romania	414	349
TOTAL PROPERTIES AVAILABLE FOR LEASE	**72,278**	**69,803**
RECONCILIATION TO THE CONSOLIDATED IFRS INCOME STATEMENT		
Rental income related to:		
- Investment properties held for sale	3,328	3,077
- Previously sold investment property	207	152
- Property under development at WDP's expense, designated for lease	-1	-206
- Other applications	85	85
TOTAL	**75,897**	**72,911**

V. INVESTMENT PROPERTY - MOVEMENTS IN NET RENTAL INCOME ON A STABLE COMPARISON BASIS

	31 DEC. 12	
(IN EUR X 1,000)	PROPERTIES OWNED THROUGHOUT THE TWO YEARS	ACQUISITIONS
Belgium	33,903	2,807
Netherlands	12,657	10,214
France	4,741	0
Czech Republic	2,523	0
Romania	0	0
TOTAL PROPERTIES AVAILABLE FOR LEASE	**53,824**	**13,021**
RECONCILIATION TO THE CONSOLIDATED IFRS INCOME STATEMENT		
Net rental income of property investments acquired at an earlier date		
Unassigned		
Solar income		
PROPERTY OPERATING RESULT IN THE CONSOLIDATED IFRS INCOME STATEMENT		

LETTABLE SPACE AT 31 DEC. 12 (IN M²)	GROSS ANNUAL RENTAL INCOME (IN EUR X 1,000)	EXPECTED RENTAL VALUE FOR VACANT SPACES AT 31 DEC. 12	TOTAL ESTIMATED RENTAL VALUE (IN EUR X 1,000)	VACANCY RATE (IN %)
1,139,502	42,240	1,530	43,569	3.5%
662,225	31,034	380	30,118	1.3%
150,113	6,270	534	6,330	8.4%
0	0	0	0	N/A
6,879	381	0	688	0.0%
1,958,719	**79,925**	**2,443**	**80,705**	**3.0%**
59,431	3,226	27	2,886	0.9%
2,018,150	**83,151**	**2,470**	**83,591**	**2.9%**

31 DEC. 12			31 DEC. 11	
DISPOSALS	PROJECTS	TOTAL NET RENTAL INCOME	PROPERTIES OWNED THROUGHOUT THE TWO YEARS	ORGANIC GROWTH IN NET RENTAL INCOME 2012 (IN %)
151	2,855	39,716	33,256	1.9
0	1,482	24,353	12,259	3.2
0	1,357	6,098	4,660	1.7
0	0	2,523	2,475	1.9
0	367	367	0	N/R
151	**6,061**	**73,057**	**52,650**	**2.3**
		1		
		-147		
		6,275		
		79,186		

4

MANAGEMENT REPORT

VI. INVESTMENT PROPERTY - VALUATION DATA

(IN EUR X 1,000)	FAIR VALUE	FAIR VALUE CHANGES IN THE YEAR	EPRA NET INITIAL YIELD (IN %)
Belgium	581,989	4,392	7.0
Netherlands	361,571	12	7.9
France	77,594	-2,124	7.6
Czech Republic	24,901	-372	9.7
Romania	4,111	-151	9.0
TOTAL PROPERTIES AVAILABLE FOR LEASE	**1,050,166**	**1,757**	**7.4**
RECONCILIATION TO THE CONSOLIDATED IFRS INCOME STATEMENT			
- Investment properties under development for own account with the purpose of being rented out	7,207		
- Land reserves	37,806		
- Investment properties held for sale	-34,564		
INVESTMENT PROPERTIES IN THE CONSOLIDATED IFRS BALANCE SHEET	**1,060,615**		

VII. INVESTMENT PROPERTY - DETAILS REGARDING LEASES

SEGMENT	AVERAGE LEASE LENGTH	
	TO BREAK (IN YR)	TO EXPIRY (IN YR)
Belgium	5.2	7.1
Netherlands	8.9	11.0
France	3.0	5.3
Czech Republic	2.9	2.9
Romania	8.9	8.9
TOTAL	**6.4**	**8.3**

	DETAILS ON NEXT EXPIRY DATES OF LEASES CURRENT RENT OF LEASES APPROACHING NEXT EXPIRY DATE (IN EUR X 1,000)			DETAILS ON FINAL EXPIRY DATE OF LEASES CURRENT RENT OF LEASES APPROACHING FINAL EXPIRY DATE (IN EUR X 1,000)		
	YR 1	YR 2	YR 3-5	YR 1	YR 2	YR 3-5
	5,969	11,076	8,138	3,388	2,758	7,247
	3,731	3,630	4,323	3,726	1,850	3,131
	2,084	988	2,362	2,084	0	2,034
	160	1,050	783	157	1,050	783
	0	0	0	0	0	0
	11,944	**16,744**	**15,606**	**9,355**	**5,658**	**13,195**

6. Outlook

The outlook as described below includes expectations for the 2013 financial year with regard to WDP Comm. VA.

This outlook was prepared based on information available at 31 December 2012 and does not take into account events after the balance sheet date.

The projections with regard to the consolidated balance sheet and the net current result represent a forecast, the actual realisation of which specifically depends on changes in the economy, the financial markets and the property markets. They do not represent a commitment for the company and are not certified by the statutory auditor.

The statutory auditor – Deloitte Bedrijfsrevisoren BV in the form of a CVBA (a type of cooperative limited liability company) represented by Rik Neckebroeck - has confirmed that the outlook for 2013 was adequately prepared in the manner indicated and that the accounting method used for this outlook complies with the accounting methods used by WDP, as part of the preparation of its consolidated financial statements in accordance with IFRS as applied by the European Union and implemented by the *Vastgoedbevaks/Sicafis* Royal Decree of 7 December 2010.

1. Assumptions

Assumptions regarding elements that are beyond WDP's direct control

- For changes in rental income, an average inflation level of 1.9% is taken into account for the indexation of leases in 2013.
- Interest rates are calculated based on 1-month and 3-month average Euribor interest rates of 0.1% and 0.2% respectively at 31 December 2012 and then rising slighting during the year as shown by the position of the forward curve at 31 December 2012.
- The financial result does not take into account any exchange rate fluctuations in Romania (RON). However, the potential impact of these fluctuations is likely to remain limited, as the functional currency for both these countries is the euro (EUR), being the determining factor in the economic reality of the underlying transactions for these foreign entities.
- The financial hedging instruments (mainly IRSs) are valued in accordance with IFRS (IAS 39) at market value in the financial statements at group level. Due to the volatility in the international financial markets, movements in these market values were not taken into account.

- In line with IFRS (IAS 40), the property portfolio is stated at fair value. However, no forecast is made regarding movements in the fair value of the property portfolio, as this would be unreliable and subject to a variety of external factors that are beyond the company's control. WDP's property portfolio is measured by independent property experts on a quarterly basis.

Assumptions regarding elements that are within WDP's direct control

Net rental result

- This result is estimated based on current contracts and signed contracts for current investment projects and future leases, taking into account the assumptions used for the indexation of leases.
- The assumptions regarding lease renewal are based on an individual analysis of each lease, whereby, in the event of a tenant's departure, a period of vacancy is taken into account, along with increased charges and taxes that are normally charged to tenants, any renovation costs, marketing costs, and a new rental level if the property is re-let.
- In 2013, 13% of the leases will reach their next expiry date, and more than 70% of these have already been renewed by the time of publication of the 2012 results. Based on the currently available information and the existing lease market situation, WDP assumes a minimal occupancy of 96% for 2013.
- These estimates are based on the current status of the rental market without taking into account any improvement or deterioration in this market.
- Another factor taken into account was a specific expected investment volume to be realised (see also *Investments*).

Other operating income / operating expenses

- This item mainly contains results from the production of solar energy, which are estimated at EUR 6.6 million.
- In addition, this item also includes the net effect of the costs charged on to tenants, including the management fee for the property, which WDP charges to tenants.

Property charges

- These charges mainly include net costs (i.e. after any costs recharged to the tenants) for maintenance and repair, utilities, taxes, insurance contracts and commissions. For 2013, the charges were estimated based on the current portfolio, expected investments and changes in the results for previous financial years. The expected increase is in line with the growth of WDP's portfolio.

Overhead costs

- These costs include WDP's internal operating costs, i.e. the remuneration paid to WDP's manager and the costs of administrative staff. This includes the contractual rents payable for WDP's offices in Wolvertem and Breda, along with administrative costs.
- Fixed costs also include an item consisting of estimated fees payable to external consultants and experts, including property experts, lawyers, tax experts, accounting and IT costs, consultancy projects and fees paid to the statutory auditor for statutory audits.

- As WDP is a listed company, its overhead costs also include the annual tax on collective investment schemes, fees payable to the financial agent and the liquidity providers, fees related to the Euronext listing and the company's budget for financial and marketing communication.

Interest charges

- Interest charges are estimated based on changes in financial debts, starting from the situation at 31 December 2012, and include an estimate of additional debt for the financing of the investment programme being implemented in 2013 and the assumption regarding continued portfolio growth (see also *Investments*).
- Taking into account changes in short-term interest rates (see above) and a hedge ratio of 78% based on the situation at 31 December 2012, overall financing charges are estimated at 3.7% for 2013. These latter charges include an average weighted credit margin, along with the reservation commission for unused credit facilities and charges related to interest rate hedging instruments.
- Total financial costs were subsequently decreased by an estimated amount in capitalised interest based on existing property developments and the possibility to capitalise interest. This implies that the capitalised borrowing costs are neutralised in the profit and loss account and included in the investment costs of the projects. The interest rate used for capitalising borrowing costs is equivalent to the estimated overall cost of debt.

Taxes

- These include the annual corporate tax. WDP's tax base in Belgium, the Netherlands and France is virtually nil due to the company's tax transparency in these countries (not including the effect on disallowed expenses and unusual benefits).
- For the other companies forming part of the WDP Group, an estimate was made based on projected local results.

Investments

- Further growth is assumed and the investment potential created through planned sales, intended optional dividend and confirmed unused credit facilities will be used for new acquisitions – taking account of an unchanged capital structure with a debt ratio of 56%.

2. Projected consolidated profit and loss account for 2012 (analytical schedule)

Based on the current outlook and the assumptions above, WDP expects net current profit to increase to at least EUR 60 million in 2013 (based on current conditions). This expected profit is based on the current situation and does not take into account any unforeseen circumstances (e.g. a further deterioration of the economic and financial climate), and assumes a normal level of solar irradiation.

CONSOLIDATED PROFIT AND LOSS ACCOUNT - ANALYTICAL SCHEDULE (IN EUR X 1,000)	2012 ACTUAL	2013 BUDGET
Net rental income, net of rental-related expenses	75,384	85,963
Income from solar energy	6,275	6,646
Other operating income / operating costs	-324	-372
PROPERTY RESULT	**81,335**	**92,236**
Property charges	-2,149	-2,483
Corporate management costs	-4,914	-5,105
OPERATING RESULTS (BEFORE RESULT ON PORTFOLIO)	**74,272**	**84,648**
Financial result excluding IAS 39 result	-21,312	-24,154
Taxes on net current result	-534	-50
Differed taxation on net current result	-355	-431
NET CURRENT RESULT	**52,072**	**60,013**
Result on the portfolio [1]		

CONSOLIDATED BALANCE SHEET (IN EUR X 1,000)	2012 ACTUAL	2013 BUDGET
FIXED ASSETS	**1,146,822**	**1,273,228**
Investment property	1,060,615	1,180,079
Other tangible fixed assets (including solar panels)	69,018	66,268
Other fixed assets	17,189	26,881
CURRENT ASSETS	**49,603**	**14,262**
Assets held for sale	34,564	-
Cash and cash equivalents	1,801	1,676
Other current assets	13,239	12,586
TOTAL ASSETS	**1,196,425**	**1,287,489**
SHAREHOLDERS' EQUITY	**450,181**	**486,889**
NON-CURRENT LIABILITIES	**554,473**	**643,720**
Non-current financial liabilities	481,446	572,346
Other non-current liabilities	73,027	71,374
CURRENT LIABILITIES	**191,771**	**156,880**
Current financial liabilities	178,418	145,127
Other current liabilities	13,353	11,753
TOTAL LIABILITIES	**1,196,425**	**1,018,884**
Gearing ratio	56.1%	56.4%

With this in mind, WDP expects a rise in the net current result per share for 2013 to at least EUR 3.85 per share compared to EUR 3.67 in 2012.

3. Expected dividend

The dividend policy is set by the Board of Directors of WDP's manager and subsequently proposed to the Annual General Meeting of shareholders at the end of each financial year. For 2013, WDP expects an increase in net current profit (based on current conditions) to at least EUR 60 million or at least EUR 3.85 per share. Based on this outlook and barring any unforeseen circumstances, WDP expects to pay a dividend per share of EUR 3.25 for the 2013 financial year (payable in 2014), which corresponds to a 5% rise compared to 2012.

4. Projected consolidated balance sheet

The projected balance sheet for 2013 was prepared, taking into account any factors that could reasonably be estimated. Consequently, this estimate does not include the impact of the revaluation of financial instruments in compliance with IAS 39 or the impact of market fluctuations on the portfolio in compliance with IAS 40.

5. Sensitivity

The table below provides a non-exhaustive list of external and internal factors that affect the main parameters of the company, i.e. net current profit, gearing, and shareholders' equity.

SENSITIVITY ANALYSIS ON THE BASIS OF THE CONSOLIDATED FIGURES PER 31 DEC. 12					
Δ Inflation (in %)	- 1.0	- 0.5	0.0	+ 0.5	+ 1.0
Δ Net current profit (in EUR million)	- 0.8	- 0.4	0.0	+ 0.4	+ 0.8
Δ Occupancy rate (in %)	- 1.0	- 0.5	0.0	+ 0.5	+ 1.0
Δ Net current profit (in EUR million)	- 0.9	- 0.5	-	+ 0.5	+ 0.9
Δ Euribor (in %)	- 1.0	- 0.5	0.0	+ 0.5	+ 1.0
Δ Net current profit (in EUR million)	- 1.5	- 0.7	-	+ 0.7	+ 1.5
Δ Fair value of the investment property (in %)	- 5.0	- 2.5	0.0	+ 2.5	+ 5.0
Δ Gearing ratio (IN %)	- 2.7	- 1.3	0.0	+ 1.3	+ 2.5
Δ Investments (in EUR million)	- 50.0	25.0	-	+ 25.0	+ 50.0
Δ Gearing ratio (IN %)	- 1.9	0.9	0.0	+ 0.9	+ 1.8
Δ Fair value of the investment property (in %)	- 5.0	- 2.5	0.0	+ 2.5	+ 5.0
Δ Fair value of the investment property and shareholders' equity (in EUR million)	- 54.8	- 27.4	-	+ 27.4	+ 54.8
Δ Interest rates (in %)	- 1.0	- 0.5	0.0	+ 0.5	+ 1.0
Δ Fair value of hedging instruments and shareholders' equity (in EUR million)	- 31.3	- 17.0	-	+ 16.6	+ 32.6

6. New growth plan 2013-16

WDP wants to achieve further growth in dimension and profitability through the enlargement of its portfolio particularly in the core markets in Belgium and the Netherlands, together with northern France and the logistical growth market Romania. Within this context, WDP aims to enlarge its portfolio in 2013-16 by 50% to approximately EUR 1.8 billion. This growth will be generated through acquisitions and new projects on existing and/or new land.

In addition, WDP examines investment opportunities to back up its carbon-neutral ambition in the medium-long term. Both alternative sources of energy and projects to reduce energy consumption within the existing portfolio are under consideration.

The creation of shareholder value is a priority of the targeted growth. The aim of the new strategic growth plan 2013-16 is to realize cumulative growth of the net current result per share of 20-25% to EUR 4.40-4.60 over the four-year term. This also enables future dividend growth.

WDP assumes that it can achieve this growth through the company's current strong fundamentals – such as high occupancy, long leases, sustainable average rent levels, an experienced and motivated team of employees, a cost of debt that remains under control and a capital structure that remains in balance due to the strategy of pairing property investments with a synchronous issue of new equity and borrowed capital.

7. Corporate governance and structures

Corporate Governance report

Corporate governance report

Pursuant to Section 96, §2 (1) of the Companies Code (amended by the Act of 6 April 2010 to strengthen good governance at listed companies) and the Royal Decree of 6 June 2010 designating the Good Governance Code to be complied with by listed companies, WDP Comm. VA is required to comply with the 2009 Belgian Corporate Governance Code.

WDP fully endorses the principles of good governance contained in the Belgian Corporate Governance Code of 12 March 2009, and uses this as its reference code. The Belgian Corporate Governance Code is available at the website www.corporategovernancecommittee.be. WDP does its utmost to comply with these principles at all times, with due regard for the size of the company and WDP's specific management structure. For this reason, the corporate governance principles are primarily relevant to the management structure of the statutory manager.
Integrity and correctness in business conduct has been a priority since formation. In addition, WDP is committed to creating a balance between the interests of its shareholders and the other parties directly or indirectly involved in the company (the *stakeholders*).

The Corporate Governance Code applies the *comply or explain* principle, whereby departures from the recommendations must be justified. The WDP Corporate Governance Charter departs from the recommendations of the Corporate Governance Code only on a few points.

The departures from these recommendations can be explained by the limited size of the Board of Directors of the manager of WDP:

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

→ The Corporate Governance Code recommends that the nomination committee should include a majority of independent non-executive directors. Due to the limited size of the Board of Directors, WDP's nomination committee consists of the entire 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 - and hence 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 management duties) chairs the nomination committee, even though the Corporate Governance Code recommends that this should be a non-executive director. Since the chairman of the Board of Directors, although he/she has certain executive duties, does not also serve as CEO, the Board of Directors believes that a specific, typical responsibility of a chairman, such as chairing the nomination committee, can be assigned to the chairman of the Board of Directors.

The Board of Directors must devote a separate section of its annual 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. Pursuant to Section 96, §2 of the Companies Code, the corporate governance report must contain at least the following information:

→ The Corporate Governance Code applied by the company, including statements regarding any deviations from the Corporate Governance Code, in accordance with the requirement of the *comply or explain* principle;
→ The principal features of the internal systems for monitoring and risk management in relation to financial reporting;
→ The shareholder structure, based on the transparency statements the company has received from its shareholders, and specific financial and company information;
→ The composition and operation of the administrative bodies and their committees.

This chapter of the 2012 annual financial report includes the contents of the WDP Corporate Governance Charter, which is also available on its website at www.wdp.be.

The description of the Board of Directors of the manager and executive management applies to the situation as at 31 December 2012.

1. Board of Directors

1.1. Some background information: the Commanditaire Vennootschap op Aandelen (partnership limited by shares)

WDP is a *Vastgoedbevak/Sicafi* that has assumed the legal form of a Commanditaire Vennootschap op Aandelen (Comm. VA: a type of partnership limited by shares). A Commanditaire Vennootschap op Aandelen has two types of partners. The first is the general partner, whose name appears in the company's commercial name and who has unlimited liability and is jointly and severally liable for the commitments the company makes. The managing partner of WDP Comm. VA is De Pauw NV. There are also *commanditaire* or *silent partners*, who are shareholders and whose liability is limited to the sum of their investment.

Characteristic of a Commanditaire Vennootschap op Aandelen is that it is managed by a (statutory) manager, who must be a sleeping partner, it is practically irremovable and it has the veto right against all major resolutions of the General Meeting.

The manager is free to resign at any time. However, the duties of the manager can only be withdrawn by a decision of the court called upon for this purpose by the General Meeting of shareholders, based on valid reasons. The manager cannot vote on this resolution of the General Meeting.

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

1.2. The Board of Directors of the manager, De Pauw NV

1.2.1. Duties of the Board of Directors

The Board of Directors has various duties for the *Bevak/Sicafi*. The Board of Directors:

- defines the strategy and policy of the company;
- approves all major investments, divestments and other significant transactions with the aim of achieving the goals of WDP;
- monitors the quality of the management, among other things based on a thorough check and detailed discussion of the annual financial statements, as well as by an annual assessment of its operations;
- ensures that the management is consistent with its strategy;
- handles the company's financial communications with the media and analysts;
- deals with such matters as:
  - approving the budget and the annual and interim financial statements;
  - proposing the dividend to the General Meeting of WDP
  - allocating authorised capital;
  - convening ordinary and extraordinary General Meetings.

1.2.2. Current constitution of the Board of Directors

As a *Vastgoedbevak/Sicafi*, WDP and its manager, De Pauw NV, are required to comply with the provisions of the Royal Decree of 7 December 2010 regarding *Vastgoedbevaks/Sicafis* (the *Vastgoedbevak/Sicafi* Royal Decree).

Pursuant to Article 9 of the *Vastgoedbevak/Sicafi* Royal Decree, the Articles of Association of the manager De Pauw NV stipulate that its Board of Directors is constituted such that WDP can be managed independently and exclusively in the interest of its shareholders. Additionally, the Articles of Association stipulate that the Board of Directors must include at least three independent members, within the meaning of Section 526ter of the Companies Code. Furthermore, the Articles of Association of the manager De Pauw NV stipulate that compliance with the criteria referred to in Section 526ter of the Companies Code is also assessed as though the relevant independent member of the Board of Directors of De Pauw NV were a director of WDP.

Only one representative of the reference shareholder currently has a seat on the Board of Directors.
The manager's Board of Directors currently comprises six directors, including three independent directors who each comply with the criteria of Section 526ter of the Companies Code and three executive directors.

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

- the Board of Directors is constituted by no fewer than four members – at least three of whom are independent – and no more than ten members;
- one or more directors, accounting for no more than half of the total number, can be executive directors. In other words they can exercise an operational function within WDP;
- the individual competencies and experience of the Board members must be complementary;

- the individual contribution of each directors guarantees that no individual or group of directors can influence the decision-making;
- directors should bear in mind the company's interests and forge an opinion and contribute to the decision-making process in an independent way;
- any independent director who ceases to comply with the independence requirements of Section 526ter of the Companies Code (supplemented by the Board of Directors as necessary) is obliged to inform the Board accordingly.

The directors of the manager De Pauw NV comply with Sections 38 and 39 of the Act of 3 August 2012 regarding specific forms of collective management of investment portfolios (a fit-and-proper test of the directors, advice of the FSMA for appointments and reappointments, and rules regarding disqualification from professional practice).

1.2.3. Functioning of the Board of Directors

The Board of Directors of the manager meets four times a year, on the invitation of the chairman. One of these meetings is devoted to the discussion of the company's strategy. The dates of the meetings are established in advance for the entire year, in order to prevent absences as much as possible.

Additional meetings must also be convened whenever so required in the interests of the *Bevak/Sicafi* or two directors so request it.

The chairman is responsible for chairing the Board meetings and ensuring they go smoothly, and sets the agenda of the meetings in consultation with the CEO.
This agenda contains a fixed list of items to be discussed, which are thoroughly prepared and documented, so that all directors have the same information in good time. All Board members receive these documents no later than the Friday prior to the week in which the Board meets, so that they can prepare thoroughly.

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

The Board of Directors appoints a company secretary. This person is responsible for monitoring and compliance with Board procedures and the relevant laws and regulations.

Only the members of the Board of Directors can take part in the deliberations and cast their votes. The Board's vote is only valid if the majority of its members are present or represented.

Resolutions of the Board are passed by a simple majority of votes. In the event of a tied vote, the resolution is not adopted.

On the chairman's invitation, members of the executive management who are not Board members or specialists in a particular field may attend Board meetings in order to inform or advise the Board.

The Board of Directors may also seek the advice of an independent expert at any time. For matters concerning financial information or accounting procedures, the Board can call upon the accounts department and/or statutory auditor directly.

1.2.4. Appointment and evaluation of the Board of Directors

Appointments
Directors are appointed by the General Meeting of shareholders of De Pauw NV, following a recommendation from the nomination committee of the Board of Directors, which assesses all the candidates. The selection of a new director is based on a professional, objective selection process. Care is taken with all appointments so that the complementarity of capacities and know-how within the Board of Directors are guaranteed.

A new director is appointed as soon as a director's seat becomes vacant or as soon as this is required.

The General Meeting of the manager De Pauw NV can dismiss directors at any time.

Whereas in the past, directors were appointed for a term of six years, effective 2011 they are appointed for a period of four years. Independent directors may not serve as non-executive directors on the Board of Directors for more than three successive terms or more than twelve years. The appointment of other, non-independent directors can be renewed indefinitely. The above rules apply subject to the age limit, which is set at sixty-five years of age, which is to say that director's loses his or her seat at the end of the annual meeting in the year in which he or she turns 65 years of age, unless the Board of Directors decides otherwise on the recommendation of the nomination committee.

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

The directors must respect agreements relating to discretion and mutual confidentiality. They must also strictly comply with all the legal and applicable principles relating to conflicts of interest, insider information, etc. When a transaction is considered where a director has a potential conflict of interest, the corresponding provisions of the Company Code and the *Vastgoedbevak/Sicafi* Royal Decree apply. With regard to WDP share transactions conducted by directors on their own behalf, WDP's rules of procedure must be observed (see also *5.1. Code of conduct regarding financial transactions* on page 90).

WDP aims to meet the quorum for female members of the Board of Directors no later than the final date required by law. In future, when a directorship ends WDP will make a selection based on clear, gender-neutral and unambiguous criteria and the understanding that the underrepresented gender should be given priority. This search will be accompanied by an analysis at the level of the Board of Directors to ensure that the constitution will, in the future, better reflect the international nature of its activities, for example in the Netherlands. The Board of Directors aims to maintain a good balance of knowledge and experience at all times, based on the requirements of efficient business conduct in our markets. The Board also strives to remain a flexible and practicable entity.

Evaluation

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

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

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

1.2.5. Current members of the Board of Directors

The Board comprises the following six members:

→ **Mark Duyck**
(Lindekensweg 73, B-1652 Alsemberg) has been a director since 1999, chairman of the Board of Directors since 2003 and executive chairman since 2006. He is an economist and holds an MBA. After holding various positions, including at European and American companies, he held various management positions during a 15-year period at Brussels Airport.

In the past five years, he has also been a director of SN Brussels Airlines* and Valck Group*, and managing director of Coconsult BVBA, companies where he is also a strategic adviser.

His directorship ends on 29 April 2015 (attendance rate in 2012: 100%).

→ MOST BVBA,
(Drielindenbaan 66, B-1785 Merchtem), permanently represented by **Frank Meysman**, has been an independent director since 2006. Mr. Meysman has in-depth knowledge and international experience in marketing and in this respect is able to reinforce WDP's customer focus. He has been a director at several international companies including Procter & Gamble, Douwe Egberts and Sara Lee.

In the past five years, he has also been a director of Picanol, Spadel, Palm Breweries*, MOST BVBA, Grontmy NV*, Betafence and Thomas Cook Plc. He is also chairman of the Board of Directors of JBC.

His directorship ends on 27 April 2016 (attendance rate in 2012: 91.66%).

→ **Alex Van Breedam**
(Duffelshoek 5, B-2550 Kontich) has been an independent director since 2003. He holds a PhD in applied economic sciences and several master's degrees. After gaining experience with KPMG, since 2000 he has coordinated the launch of the Flanders Institute of Logistics and is an independent expert in supply chain management, specialising in strategic support for logistics companies. Until 2008, he was the director general of the Flemish Institute of Logistics. He is currently a director at Tri-Vizor NV, an innovative new logistics company, a spin-off of the University of Antwerp. He is also a part-time lecturer and a guest professor at three Flemish universities. In the past five years he has also been a director of Advisart BVBA (managing director) and Business Development Logistics BVBA (partner).

His directorship ends on 29 April 2015 (attendance rate in 2012: 100%).

→ **Dirk Van den Broeck**
(Leo de Bethunelaan 79, B-9300 Aalst) has been an independent director since 2003. He was a partner of Petercam from 1988 to 2010 and a director from 1994 to 2010. He represented Petercam on several boards of directors of property companies involved in the issuing of real estate certificates and is now an independent consultant in property among other areas. Dirk Van den Broeck graduated in law and economic sciences.

In the past five years he has also been director at 3P (L) SARL*, 3P Air Freighters Ltd*, 3P Air Freighters Belgium SA*, ASL Aviation Group Ltd*, Amil Singapore, AMP Ltd*, Beaulieulaan NV*, Belgian European Properties SA*, Distri-Invest NV*, ALINSO NV*, Financière Sainte Gudule CVBA*, Immobilière de la Place Sainte Gudule SA*, Immo-Régence SA*, Meli NV, New Paragon Investments Ltd*, New Phoenix Investments Ltd*, Omega Preservation Fund Luxembourg, Park De Haan NV*, Petercam NV* and sub-

* These mandates have now expired.

sidiaries*, Promotus BVBA, Reconstruction Capital II Ltd, Serviceflats Invest NV, Urselia NV*, Wilma Project Development NV*, Terra Capital plc and Patrimmonia Fund Europe NV and subsidiaries.

His directorship ends on 29 April 2015 (attendance rate in 2012: 100%). In view of the statutory rule that independent directors may not have served three successive terms as non-executive director in the Board of Directors or more than 12 years, Mr. Van den Broeck will no longer be regarded as an independent director from 25 February 2015, i.e. prior to the expiry of his duties as director. In view of the statutory rule that a *Vastgoedbevak/Sicafi* (or its manager) must have three independent directors at all times, the manager will be required to appoint a new independent director in a timely manner.

→ **Tony De Pauw**
(Ganzenbos 5, B-1730 Asse), executive director and CEO since 1999, represents the large group of shareholders, i.e. the De Pauw family. In the past five years, he has also been a director of Ensemble Leporello VZW and Concert Olympique.

His directorship ends on 29 April 2015 (attendance rate in 2012: 100%).

→ **Joost Uwents**
(Hillarestraat 4 A, B-9160 Lokeren), director since 2002 and executive director and CEO since 2010, forms the WDP executive management team together with Tony De Pauw. He is a commercial engineer and holds an MBA.

His directorship ends on 30 April 2014 (attendance rate in 2012: 100%).

The directors Alex Van Breedam, Dirk Van den Broeck and MOST BVBA (permanently represented by Frank Meysman) meet the independence criteria as stated in Section 526ter of the Companies Code.

* These directorship have now expired.

OVERVIEW OF THE TERMS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE PROPOSED REAPPOINTMENTS (FOR A PERIOD OF 4 YEARS)

DIRECTORS	START OF MANDATE	RENEWAL	END OF MANDATE
MOST BVBA, permanently represented by Frank Meysman	2006	2012	27 April 2016
Alex Van Breedam	2003	2009	29 April 2015
Dirk Van den Broeck	2003 (after co-optation)	2011	29 April 2015
Tony De Pauw	1999	2011	29 April 2015
Joost Uwents	2002	2008	30 April 2014
Mark Duyck	1999	2011	29 April 2015

1.2.6. Declarations concerning directors and executive management

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

- at least in the past five years neither it, nor its directors or, if companies act as a director, their permanent representatives or members of the executive management:
  - have been convicted of fraud;
  - have been the object of officially and publicly expressed accusations and/or sanctions imposed by legal or regulatory authorities (including recognised professional organisations), or have ever been declared unfit to act as a member of the administrative or regulatory bodies of a company or to act in the capacity of a director or performing a company's activities;
  - have held a managerial position as a senior manager or member of a company's administrative, managerial or supervisory bodies at the time of its bankruptcy, curatorship or liquidation.
- at present, there are no ongoing employment contracts or service contracts with the directors, with the *Vastgoedbevak/Sicafi* or with the statutory manager that provide for special payments upon termination of employment;
- the employment contracts or service contracts concluded between the statutory manager and the members of the executive management provide for no special payments upon termination of employment.

1.2.7. Conflicts of interest

Conflicts of interest involving directors

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

- a director has a direct or indirect property interest, i.e. an interest with financial implications;
- it must be a conflicting interest.

NUMBER OF SHARES HELD AT 31 DECEMBER 2012

NON-EXECUTIVE DIRECTORS	NUMBER OF SHARES	% SHARES
MOST BVBA	2,071	0.01
Alex Van Breedam	0	0.00
Dirk Van den Broeck	33,411	0.22
EXECUTIVE DIRECTORS	**NUMBER OF SHARES**	**% SHARES**
Tony De Pauw	0 *	0 *
Joost Uwents	15,000	0.09
EXECUTIVE CHAIRMAN OF BOARD OF DIRECTORS	**NUMBER OF SHARES**	**% SHARES**
Mark Duyck	6,400	0.04

* On 26 October 2012 the majority shareholder, the Jos De Pauw family, transferred all of its shares (4,331,560 or 28.73% of the total number of shares of WDP with voting rights) in joint ownership, which were held by mutual agreement, to the family company structure RTKA, in which the existing mutual agreement was institutionalised.

The holders of voting rights are the members of the management body of RTKA, being Robert, Tony, Kathleen and Anne De Pauw, to the exclusion of any other holder of rights to the holding. The members of this management body act by mutual agreement with De Pauw NV, holder of 1,569 shares of WDP. De Pauw NV is wholly controlled by the members of the management body of RTKA.

Any conflict relates to the company's interest in the proposed decision or action and the interest of the director concerned.

In accordance with this regulation, directors are obliged to point out any potential conflicting interests regarding proprietary rights to the Board of Directors before the decision is taken.

They should leave the meeting during the discussion of the relevant agenda item and cannot take part in the debate or the decision taken on this agenda item.

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

Tony De Pauw did not participate in agenda items 6 and 7 in the Board of Directors of 2 October 2012, bearing in mind a potential conflicting proprietary interest. This potential conflicting interest was related to the agreements between the De Pauw family and WDP (1) with regard to the placement of shares by the De Pauw family on the request of WDP and the commitment to acquire the new shares that would be issued as a result of the contribution in kind within the framework of the *Lake Side bis* transaction and (2) with regard to the charging by WDP of the commissions and costs related to the authorisation given to ING Belgium NV for the placement of the shares of the De Pauw family. The Board of Directors approved the aforementioned agreements given that the placement occurred on the request of WDP and given that the placement enables the transaction as a whole in the interest of WDP and its shareholders. The sale of the shares of the De Pauw family and the payment of the corresponding placement commission were conducted at normal market conditions and the agreements made in this context with the De Pauw family were in the interest of WDP, given that WDP in that way was able to acquire logistics sites of superior quality, whereby its capital structure and debt ratio were strengthened and managed.

Conflicts of interest involving transactions with affiliates

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

Functional conflicts of interest

WDP is subject to the provisions of articles 18 and 19 of the *Vastgoedbevak/Sicafi* Royal Decree. Article 18 contains a provision regarding functional conflicts of interest due to which *Vastgoedbevaks/Sicafis* must inform the FSMA if and when certain persons affiliated with the *Vastgoedbevak/Sicafi* (an exhaustive list of which is set out in the same Article, including the manager and its directors, the individuals responsible for supervising, affiliated with or holding a stake in the *Vastgoedbevak/Sicafi*, the promoter and the other shareholders of all the subsidiaries of the *Vastgoedbevak/Sicafi*) that act directly or indirectly as a counterparty in, or gain any financial benefit from, a transaction with the public *Vastgoedbevak/Sicafi* or any of its subsidiaries. In its statement to the FSMA, WDP must demonstrate its interest in the planned transaction and the fact that the transaction concerned is within the scope of the investment policy of the *Vastgoedbevak/Sicafi*.

Transactions that involve a functional conflict of interest must be completed at normal market conditions.

If such a transaction concerns property, the valuation of the property expert is binding as a minimum price (in the event of a sale by the *Vastgoedbevak/Sicafi*) or a maximum price (in the event of acquisition by the *Vastgoedbevak/Sicafi*).

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

In addition to these provisions of the Companies Code and the *Vastgoedbevak/Sicafi* Royal Decree, WDP also requires that each director avoid the creation of conflicts of interest as much as possible.

If a conflict of interest nevertheless arises (that is not subject to the statutory regulations for conflicts of interest), with regard to an issue that is not within the competence of the Board of Directors and on which it must make a decision, the director concerned will notify the other directors of this. They will then decide whether or not their colleague can take part in the vote on the matter to which the conflict of interest relates and whether that colleague can be present during the debate on this issue.

There is a *conflict of interest involving a member of the Board of Directors* if:

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

1.3. Specialised committees established by the Board of Directors

With a view to the implementation of the Corporate Governance Code, WDP's Board of Directors set up four specialist committees in autumn 2004: a strategic committee, an audit committee, a nomination committee and a remuneration committee. The composition of these committees is in accordance with the Companies Code and the Corporate Governance Code, with the exception of the departures stated at the beginning of this section (see page 70).

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

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

1.3.1. The strategic committee

The strategic committee deals with subjects that could potentially affect the company's strategy. Given the limited number of directors and the importance of strategic discussions, this is undertaken permanently by the entire Board of Directors. The strategic committee is chaired by the chairman of the Board of Directors. The strategic committee met twelve times in 2012.

THE STRATEGIC COMMITTEE

NAME	CAPACITY	ATTENDANCE RATE
Mark Duyck	Executive chairman and chairman of the strategic committee	100%
MOST BVBA	Independent director	91.6%
Alex Van Breedam	Independent director	100%
Dirk Van den Broeck	Independent director	100%
Tony De Pauw	Executive director and CEO	100%
Joost Uwents	Executive director and CEO	100%

1.3.2 The audit committee

The Board of Directors has appointed an audit committee from among its members. This committee is composed of the non-executive directors of the Board of Directors. Dirk Van den Broeck is the chairman of the audit committee.

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

The audit committee is chaired by an independent director, who organises the proceedings of the audit committee and can invite members of the executive management, the chairman or the statutory auditor to take part in the meetings.

The audit committee met four times in 2012.

The audit committee performs the following duties:

- monitoring the financial reporting process;
- monitoring the efficiency of the systems for WDP's internal control and risk management;
- monitoring the internal audit and its effective operation;
- monitoring the statutory audit of the financial statements and the consolidated financial statements, including following up questions and recommendations made by the auditor;
- assessing and monitoring the auditor's independence, in particular in relation to additional services provided to the company.

The audit committee reports to the Board of Directors on a regular basis on the performance of its duties, and in any case when the Board of Directors prepares the financial statements, the consolidated financial statements and the abridged financial overviews intended for publication.

Prior to each half-yearly meeting of the Board of Directors, an interim report is drawn up that is presented to the audit committee by the statutory auditor.

THE AUDIT COMMITTEE

NAME	CAPACITY	ATTENDANCE RATE
Dirk Van den Broeck	Independent director and chairman of the audit committee	100%
MOST BVBA	Independent director	75%
Alex Van Breedam	Independent director	100%

1.3.3. The nomination committee

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

Given the limited size of the Board of Directors, the nomination committee is composed of the entire Board of Directors and is chaired by the chairman of the Board. The nomination committee consequently consists of six members, half of whom - i.e. not the majority (as recommended by the Corporate Governance Code) - are independent directors. The chairman of the Board (who has certain executive duties) chairs the nomination committee, although the Corporate Governance Code recommends that this be done by a non-executive director. Since the chairman of the Board of Directors, despite having certain executive duties, is not the CEO, the Board of Directors believes that one of the specific, typical duties of the chairman, such as chairing the nomination committee, can be assigned to the chairman of the Board of Directors. However, the chairman is not authorised to chair the nomination committee when his/her successor is to be selected or where it concerns his reappointment.

The nomination committee meets at least twice a year. It also meets at other times if circumstances so require. The nomination committee met on two occasions in 2012.

THE NOMINATION COMMITTEE

NAME	CAPACITY	ATTENDANCE RATE
Mark Duyck	Executive chairman and chairman of the nomination committee	100%
MOST BVBA	Independent director	100%
Alex Van Breedam	Independent director	100%
Dirk Van den Broeck	Independent director	100%
Tony De Pauw	Executive director and CEO	100%
Joost Uwents	Executive director and CEO	100%

1.3.4. The remuneration committee

The remuneration committee is comprised of the non-executive members of the Board of Directors. It includes a majority of independent directors within the meaning of Section 526ter of the Companies Code, and possesses the necessary expertise on remuneration policies. The chairman of the Board of Directors (if the latter is a non-executive director) or another non-executive director chairs the committee.

The remuneration committee performs the following duties:

- → It submits proposals to the Board of Directors regarding the remuneration policy of directors and the members of the executive management, as well as, where applicable, any resulting proposals that the Board of Directors must submit to the shareholders;
- → It submits proposals to the Board of Directors regarding the individual remuneration of the directors and the members of the executive management, including variable remuneration and long-term performance bonuses, linked to shares or otherwise, in the form of share options or other financial instruments, and of severance payments and, where applicable, the resulting proposals that must be submitted to the shareholders by the Board of Directors;
- → It prepares the remuneration report that the Board of Directors subsequently incorporates into the corporate governance report contained in the annual financial report;
- → It clarifies the remuneration report at the ordinary General Meeting of shareholders.

The remuneration committee meets at least twice a year (which was also the case in 2012) and whenever it deems this necessary in order to properly perform its duties. The remuneration committee regularly reports on the performance of its duties to the Board of Directors.

THE REMUNERATION COMMITTEE

NAME	CAPACITY	ATTENDANCE RATE
MOST BVBA	Independent director and chairman of the remuneration committee	100%
Dirk Van den Broeck	Independent director	100%
Alex Van Breedam	Independent director	100%

MOST BVBA, permanently represented by Frank Meysman, is the chairman of the remuneration committee. The chairman of the Board of Directors is invited to all the meetings of the remuneration committee, which he may attend without being a member of this committee and without having voting rights. However, if the remuneration committee is discussing the remuneration of the chairman of the Board, the latter is not invited to that particular meeting.

2. The executive management

The *Vastgoedbevak/Sicafi* WDP Comm. VA is a self-managed fund. That means it does not delegate the management of its property assets to a third party, but manages them itself in consultation with the manager. The management is therefore not involved in any other property activity, but works exclusively for WDP's stakeholders.

2.1. Executive management duties

WDP's executive management is responsible for:

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

2.2. Current constitution and partition of duties of the executive management

Duties are split among the executive management as follows:

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

- general management (i.e. day-to-day management of the WDP team);
- investment policy (i.e. finding, studying and negotiating potential new acquisitions in the regions where WDP is active);
- management of the property portfolio, specifically, defining the policy for the management of existing properties (maintenance, renovation and improvement work) in consultation with the facility managers;
- project management, i.e. supervising current new build sites in conjunction with the project managers.

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

- financial policy and internal reporting. This includes cash management, receivables and payables, management of loans and interest charges, and reporting to the various levels in consultation with the CFO Mickaël Van den Hauwe;
- marketing, particularly preparing commercial campaigns aimed at current and potential clients, in conjunction with the marketing director;
- commercial policy, i.e. devising a strategy to increase long-term occupancy rates, focusing on both current and potential clients. Mr Uwents works in conjunction with the various commercial directors;
- investor relations, i.e. liaising with private and institutional investors through communications with financial analysts and journalists, as well as directly with the investors through road shows and other initiatives, together with the CFO.
- the management team can also count on the support and professional experience of the chairman of the Board of Directors, who works on a part-time basis (three days a week) in his capacity as executive chairman.

29%
JOS DE PAUW FAMILY
71%
PUBLIC

100%
JOS DE PAUW FAMILY

INDEPENDENT EXPERTS/ REGULATORS
FSMA
PROPERTY EXPERTS
STATUTORY AUDITOR

WDP

WDP COMM. VA

MANAGER
DE PAUW NV
BOARD OF DIRECTORS

EXECUTIVE MANAGEMENT TEAM

JOOST UWENTS

TONY DE PAUW

INVESTMENTS
COMMERCIAL POLICY
FINANCE AND ADMINISTRATION
INVESTOR RELATIONS
TECHNICAL MANAGEMENT

2.3. Procedures of the executive management

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

External representation of the company is conducted in accordance with the provisions of the Companies Code and the *Vastgoedbevak/Sicafi* Royal Decree and as set out in the Articles of Association.

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

2.4. Accountability to the Board of Directors

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

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

2.5. Day-to-day management

At least two members of the Board of Directors - each of them natural persons or single-director private limited BVBAs (a type of private company limited by shares) represented by their sole partner and managing director - supervise the day-to-day management of the *Bevak/Sicafi*.
In the past financial year, these duties were performed by Tony De Pauw and Joost Uwents. Their duties in relation to the actual management of the *Bevak/Sicafi* are explained above (see 2.2. *Current constitution and partition of duties*, on page 82).

2.6. Appointments and evaluation

Appointments
The CEO (or both CEOs, if two CEOs are nominated) is selected and nominated by the Board of Directors, which also acts as a nomination committee.

The CEO (or both CEOs, if two CEOs are nominated) and the chairman of the Board of Directors jointly submit the selection and nomination of the executive management for approval to the Board of Directors, which also acts as a nomination committee.

Evaluation
The executive management is assessed by the Board of Directors on the basis of objectives and performance.

The executive management will be assessed by the remuneration committee and the Board of Directors.

The objectives on which the evaluation is based are defined by the Board of Directors on the recommendation of the remuneration committee.

2.7. Conflicts of interest involving the executive management

The provisions regarding functional conflicts of interest set out in sections 18 and 19 of the *Vastgoedbevak/Sicafi* Royal Decree also apply to the members of the executive management (see *1.2.7. Conflicts of interest – Functional conflicts of interest* on page 78). In addition to these provisions of the *Vastgoedbevak/Sicafi* Royal Decree, WDP also requires that each member of the executive management avoid the creation of conflicts of interest as much as possible.

If a conflict of interest nevertheless arises (that is not subject to the statutory regulations for conflicts of interest), with regard to an issue that is not within the competence of the executive management and on which it must make a decision, the director concerned will notify the other directors of this. They will then decide whether or not their colleague can take part in the vote on the matter to which the conflict of interest relates and whether that colleague can be present during the debate on this issue.

There is a *conflict of interest for a member of the executive management* if:

- the member or one of his or her close relatives has an proprietary interest that conflicts with a company decision or transaction;
- another company that does not belong to the group and in which the member or one of their close relatives holds a directorship or management position has a proprietary interest that conflicts with a company decision or transaction.

Tony De Pauw did not participate in agenda items 6 and 7 [1] in the Board of Directors of 2 October 2012, bearing in mind a potential conflicting proprietary interest. This potential conflicting interest was related to the agreements between the De Pauw family and WDP (1) with regard to the placement of shares by the De Pauw family on the request of WDP and the commitment to acquire the new shares that would be issued as a result of the contribution in kind within the framework of the *Lake Side bis* transaction and (2) with regard to the charging by WDP of the commissions and costs related to the authorisation given to ING Belgium NV for the placement of the shares of the De Pauw family. The Board of Directors approved the aforementioned agreements given that the placement occurred on the request of WDP and given that the placement enables the transaction as a whole in the interest of WDP and its shareholders. The sale of the shares of the De Pauw family and the payment of the corresponding placement commission were conducted at normal market conditions and the agreements made in this context with the De Pauw family were in the interest of WDP, given that WDP in that way was able to acquire logistics sites of superior quality, whereby its capital structure and debt ratio were strengthened and managed.

3. Remuneration report

This remuneration report complies with the provisions of the 2009 Corporate Governance Code and is pursuant to Section 96, §3 (2) of the Companies Code, as implemented by the Act of 6 April 2010 and contains information on the following:

1 The complete minutes of the Board of Directors of 2 October 2012 are available at the registered office of the company.

- procedures followed during the 2012 financial year to (a) develop a remuneration policy on behalf of the directors and the executive management and to (b) set the remuneration of individual directors and of individual members of executive management;
- a statement on the remuneration policy applied during the 2012 financial year by the directors and the executive management containing the following details:
  - the principles on which the remuneration was based, specifying the relationship between remuneration and performance;
  - the relative significance of the various components of the remuneration;
  - characteristics of performance bonuses in shares, options or other rights to acquire shares;
  - Information on the remuneration policy for the next two financial years;
- the remuneration and any other benefits received by non-executive directors on an individual basis from the company or from WDP;
- if the executive directors or members of the executive management are eligible for compensation based on WDP's performance, the criteria for evaluating performance against the targets, specification of the evaluation period, and a description of the methods used to determine whether these performance criteria were complied with;
- the amount of the remuneration and other benefits WDP awarded to the executive management. This information must be broken down into the following components:
  - basic salary;
  - variable remuneration: any additional compensation linked to the performance criteria, specifying the form in which this variable remuneration was paid;
  - pension: the amounts paid during the 2012 financial year or the costs of the services provided during the 2012 financial year depending on the type of pension scheme, including details on the applicable pension scheme;
  - the other components of the remuneration, e.g. the costs or value of the insurance policies and other benefits in kind, including details on the particulars of the main components;
- the overall amount of the remuneration, broken down by category, of the executive directors and the members of executive management;
- the potential or actual severance pay of the members of the executive management.

Internal procedures

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

In addition, the remuneration committee annually analyses the remuneration policy to which the executive directors are subject and determines whether any adjustments are necessary in order to retain and motivate them, and whether this policy is reasonable based on the company's size. Overall remuneration levels, the spread of the various components of the remuneration and the conditions for obtaining the remuneration are all analysed. The remuneration committee also determines whether the process of setting the targets that specify the level of the variable remuneration in the short term is in line with the company's risk appetite.

The Board of Directors, on the proposal of the remuneration committee, does not intend to make any substantial changes to the remuneration policy applicable to directors and executive management for the 2013 and 2014 financial years.

In 2012, the manager received remuneration of EUR 1,000,000. This amount corresponds to the total cost for the Board of Directors in 2012, including the bonus scheme for the executive management and the management of *Bevak/Sicafi*.

The total remuneration for the non-executive directors and the executive chairman during the 2012 financial year was EUR 254,250 (100% fixed). The non-executive directors do not receive any performance-related pay.

The total remuneration received by the executive management during the 2012 financial year was EUR 700,000 (including 40% in variable pay).

The criteria and targets on which basis the variable remuneration is allocated to the executive management are expressly set at the beginning of the financial year by the Board of Directors on the proposal of the remuneration committee. For the 2012 financial year the following criteria were used (in descending order of importance): the operating result of the group and the occupancy rate, for the one-year targets and the implementation of the solar energy project and the control of the gearing ratio for the multi-year targets. The extent to which the financial criteria were achieved will be assessed after the close of the financial year, based on accounting and financial data to be analysed by the audit committee. These and other criteria are subsequently further assessed by the remuneration committee. Based on the company's profit or loss, the Board of Directors then awards the variable remuneration to the executive directors Tony De Pauw and Joost Uwents. Under the *Vastgoedbevak/Sicafi* Royal Decree, these criteria for awarding the variable pay or the portion of the variable pay that is based on performance relate exclusively to WDP's consolidated net result, excluding any fluctuations in fair value and hedging instruments, and no compensation may be awarded based on a specific act or transaction on the part of WDP or any of its subsidiaries.

THE TABLE BELOW SHOWS THE INDIVIDUAL REMUNERATION FOR THE 2012 FINANCIAL YEAR

NON-EXECUTIVE DIRECTORS	FIXED [1] (IN EUR)	VARIABLE (IN EUR)
MOST BVBA	21,750	-
Alex Van Breedam	21,750	-
Dirk Van den Broeck	21,750	-
EXECUTIVE DIRECTORS	[2]	[4]
Tony De Pauw	210,000	140,000
Joost Uwents	210,000	140,000
EXECUTIVE CHAIRMAN OF THE BOARD OF DIRECTORS [3]		
Mark Duyck	189,000	

1 Fixed remuneration consists of basic remuneration, including an insurance allowance, pension contributions, and an annual expense allowance of EUR 3,500.

2 The basic remuneration is established on the basis of the individual responsibilities and skills of each member of the executive management, is independent of any result, and is not indexed.

3 The Board of Directors has decided to award additional remuneration to the chairman for additional performance, including, in this case, duties performed on a part-time basis.

4 Remuneration relating to achieving all the targets, payable at 50% over a period of two or three years.

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

Executive directors and the chairman may use their basic compensation to finance their group insurance in accordance with the *caf*eteria princip*le*.

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

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

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

4. Foreign structures

In order to manage its foreign property assets as effectively as possible, WDP Comm. VA has created subsidiaries in various European countries (these subsidiaries do not have the status of *institutionele Vastgoedbevak/Sicafis institutionnelles*).

The group's companies share the following characteristics:

- The company structure is the local equivalent of a private limited liability company (BVBA), with the exception of WDP Nederland, which has held the status of Naamloze Vennootschap (a type of public company limited by shares) since 29 October 2010, and with the exception of WDP Development NL which is also a Naamloze Vennootschap.

- WDP has a 100% stake in all the subsidiaries outside Belgium, except WDP Development RO (51%).

- Subsidiaries' results are subject to local corporation tax, except WDP Nederland, which has FBI status (Fiscale Beleggingsinstelling), and WDP France, which has SIIC status (Société d'Investissement Immobilier Cotée) providing tax transparency. More information on FBI status and SIIC status is given in *General information regarding the Vastgoedbevak/ Sicafi and the tax regimes* on page 251 of this annual report.

WDP BELGIUM'S HOLDING IN FOREIGN SUBSIDIARIES

FRANCE

WDP France SARL
rue Cantrelle 28
36000 Châteauroux

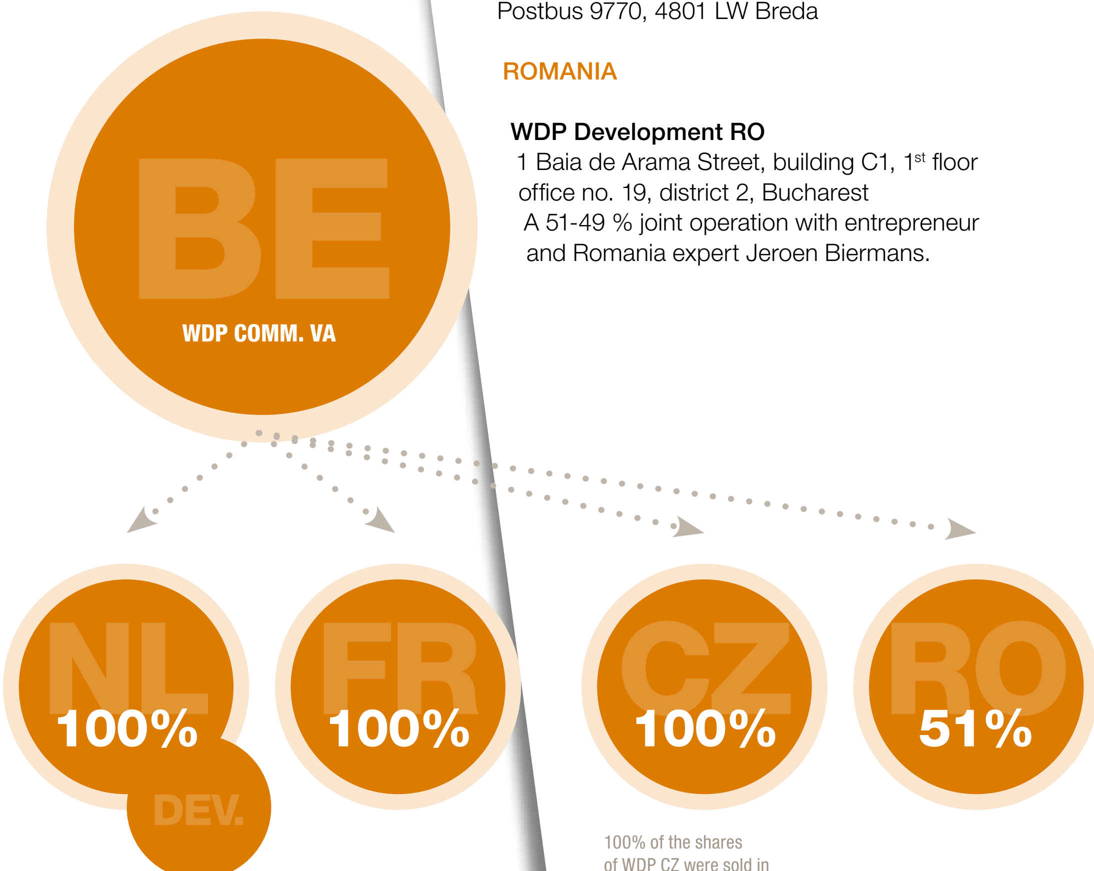
NETHERLANDS

WDP Nederland NV
Princenhagelaan 1-A2
Herenkantoor B, 4813 DA Breda
Postbus 9770, 4801 LW Breda

WDP Development NL NV
Princenhagenlaan 1-A2
Herenkantoor B, 4813 DA Breda
Postbus 9770, 4801 LW Breda

ROMANIA

WDP Development RO
1 Baia de Arama Street, building C1, 1st floor
office no. 19, district 2, Bucharest
A 51-49 % joint operation with entrepreneur and Romania expert Jeroen Biermans.



100% of the shares of WDP CZ were sold in the fall of 2012. The deal is scheduled to be closed by 30 June 2013.

- Net profits can be distributed to WDP, with the withholding tax or exemption from withholding tax based on the parent-subsidiary guideline and the relevant double taxation treaties between Belgium and the various countries in which WDP is active. The results of the foreign subsidiaries are included in the consolidation, after elimination of the depreciation on the property and with settlement of deferred taxes on capital gains.

In the choice of financing methods (group loans versus bank loans), account is always taken of the effect of this financing on the consolidated gearing of WDP (the maximal gearing that is to be respected at the consolidated level is 65%, in accordance with Article 53, §1 of the *Vastgoedbevak/Sicafi* Royal Decree. Effective 7 January 2011, this same maximum gearing also applies at the separate level for *Vastgoedbevaks/Sicafis*). At the consolidated level, the deferred group loans do not affect the group's gearing, although bank loans do.

In applying this financing strategy (in addition to the gearing), two important tax principles that vary from country to country must be taken into account:

- the rules regarding companies' thin capitalisation obligation;
- the withholding tax percentage to be deducted from interest on outstanding group loans paid out in the country of origin.

In France, WDP Comm. VA is represented by its permanent establishment (établissement stable) at rue Cantrelle 28, F-36000, Châteauroux. WDP Nederland NV maintains another wholly owned subsidiary: WDP Development NL NV, Princenhagelaan 1-A2 Herenkantoor B, NL-4813 DA Breda / Postbus 9770, NL-4801 LBreda.

5. Other corporate governance provisions, as published in the Corporate Governance Charter

5.1. Code of conduct regarding financial transactions

5.1.1. Compliance Officer

The Compliance Officer is responsible for monitoring compliance with the code of conduct for financial transactions included in the Corporate Governance Charter (see also *Dealing Code*).

He or she should have a sufficient number of years' experience within the company. Legal Counsel Ilse Fruytier is the Compliance Officer at WDP.

5.1.2. Rules regarding transactions involving the company's shares

The following rules apply to all the members of the Board of Directors, members of the executive management and all the members of staff of WDP Comm. VA and De Pauw NV, as well as the staff of the independent property experts who have access to information of which they are aware, or should be aware, that it constitutes insider information. Insider information means any information not publicly disclosed that is accurate and directly or indirectly relates to one or more issuers of financial instruments or one or more financial instruments and that, if it were publicly disclosed, could significantly affect the price of those financial instruments (or financial instruments derived from them).

The statutory auditor is subject to the legal provisions and code of ethics of the Instituut van de Bedrijfsrevisoren (IBR).
These rules also apply to transactions completed under the company's programmes to acquire its own shares.

Duty of disclosure
For both the manager and the directors of the manager WDP applies the provisions of Section 25bis §2 of the Act of 2 August 2002 concerning the supervision of the financial sector and financial services (the *Act of 2 August 2002*), relating to the reporting of the transactions instructed by these persons. This means that persons with management responsibilities at WDP Comm. VA (the manager and its permanent representative), along with the persons who are closely affiliated with them (within the meaning of Section 2, 23° of said Act of 2 August 2002) and the directors of De Pauw NV are required to report each transaction to purchase shares issued by WDP Comm. VA on their own behalf to the compliance officer (stating all information required to enable the compliance officer to report to the FSMA as is legally required) in the course of the working day following the working day when the transaction was made.

The compliance officer must report each notification to the FSMA as soon as possible but no later than five working days after the transaction is completed. However, the compliance officer can postpone such notifications until 31 January of the following calendar year at the latest if the total amount of transactions made by the same person during the current calendar year remains below the EUR 5,000 limit. Should this limit be exceeded, the compliance officer shall report all transactions made by the same person up to that moment within five working days of completion of the last transaction of said person.

This system, in which the compliance officer reports on behalf of the person concerned, does not alter the fact that, from a legal perspective, the duty of disclosure exclusively exists for the individual persons obliged to make a disclosure, namely the persons with management responsibilities and those closely related to them, and that they remain responsible for this.

Disclosure of insider information
The Board of Directors is required to report any insider information (or postpone the notification of such information) in accordance with the statutory provisions. All of the members of the Board of Directors, the executive management and staff who obtain potentially price-sensitive information regarding WDP are obliged to inform the compliance officer accordingly.

The directors undertake to preserve the confidential nature of inside information and to not disclose it in any form whatsoever, nor enable anyone to gain access to it without the prior consent of the chairman of the Board of Directors and in compliance with the relevant statutory provisions.

Prohibition on insider trading
In this respect, WDP complies with Section 25, §1, (1) of the Act of 2 August 2002.

Prohibition on market manipulation
WDP complies with the provisions of Section 25, §1, (2) of the Act of 2 August 2002.

Blackout periods
As from the sixteenth working day after the end of each quarter until the date of publication of the results for the past quarter (blackout periods), it is forbidden to sell or purchase the company's shares or other financial instruments. The partial sale of shares with a view to financing the exercise price of options or any capital gains tax payable is also forbidden during these periods.

However, the compliance officer can authorise departures to this principle in exceptional cases. The compliance officer is also entitled to impose occasional blackout periods on the basis of significant insider information known to the Board of Directors and the executive management, but the disclosure of which is postponed under Section 10 of the Act of 2 August 2002.

These occasional blackout periods begin at the moment when the information becomes known to the Board of Directors and the executive management. They last until the moment when the information is released to the public.

The fixed and occasional blackout periods apply to the members WDP's Board of Directors, executive management and all members of staff.

Transactions prohibited at all times
Short-term speculative transactions are always prohibited. This means that short-term option transactions, known as *short selling*, and the hedging of options granted under share option schemes are not allowed.

The following transactions are always authorised, including during closed periods:

- Purchases and sales are possible even during blackout periods on condition that these were ordered outside these periods (and, obviously, at a time when the person concerned did not possess any insider information). Restricted purchase and sale orders must not be altered during blackout periods.

- The exercise of options granted under a share option scheme, provided that this transaction was ordered outside the blackout period (and, obviously, at a time when the person concerned did not possess any inside knowledge). The sale of shares acquired through this exercise during a blackout period is nevertheless prohibited.

- The acquisition of shares as part of dividend distribution (and, obviously, at a time when the person concerned did not possess any insider information).

- Transactions undertaken in the context of discretionary asset management outsourced to third parties, where the party concerned does not exercise control over the management and the choice of the financial instruments by the asset management company, with the latter preferably not consulting the parties concerned on this issue.

5.2. Shareholder relations and the General Meeting

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

In accordance with the conditions and terms stipulated in sections 6 to 13 of the Act of 2 May 2007, any natural person or legal entity that, either directly or indirectly, purchases shares carrying voting rights of the company, is obliged to inform the company and the FSMA of the number of shares they hold if the voting rights associated with these shares is equal to or greater than 3% of the total of the existing voting rights. This threshold is incorporated into the Articles of Association in accordance with Section 18 of the Act of 2 May 2007, along with the legal thresholds referred to in the following paragraph.

This notification is also obligatory in the event that additional shares are acquired, either directly or indirectly, if as a result of this acquisition the number of voting rights associated with the acquired shares is equal to or greater than 5%, 10%, 15%, 20%, or any following increment of 5 percentage points, of the total number of voting rights. This notification is also obligatory in the event that the shares with voting rights are sold, either directly or indirectly, if such disposal results in the voting rights falling below one of the aforementioned thresholds.

No special control rights are granted to any specific categories of shareholders. WDP currently has only one majority shareholder, which has one representative on the Board of Directors (see *1.2.5. Current members of the Board of Directors* on page 75).

The notice convening a General Meeting should include the agenda and the proposals for resolutions.

Pursuant to the implementation on 1 January 2012 of the Act of 20 December 2010 regarding the exercise of specific rights of shareholders in listed companies, the *Act on Shareholder Rights*, the notice will also include the following information:

- The location, date and time of the General Meeting; a clear and detailed description of the formalities that shareholders must complete in order to be admitted to the General Meeting and exercise their right to vote during this meeting, particularly the term within which shareholders must communicate their intention to attend the meeting, along with information regarding the formalities related to attendance of the General Meeting and exercising the right to vote; the deadline for registration for attendance; the procedures used for proxy voting; and any options of participation and voting from a distance, to the extent that the Articles of Association provide for this option;

- The registration date and the announcement that only individuals who are shareholders on the date of the meeting are authorised to participate and vote in the General Meeting;

- The location where, and the manner in which, documents prescribed by the Companies Code can be consulted;

- The website at which the following information is made available: notice and agenda of the General Meeting; the total number of shares on the date of the notice; the documents to be submitted to the General Meeting; a proposal for resolution for each item on the agenda of the General Meeting, or, if the item to be addressed does not require a resolution, notes from the Board of Directors; the forms to be used for proxy voting, unless these forms are sent directly to each shareholder. If these forms cannot be made available on the website for technical reasons, the company will include information on its website on how a hardcopy of these forms can be obtained.

Also pursuant to the implementation of the Act on Shareholder Rights, the notices for the General Meeting will be made through an announcement published at least thirty days prior to the meeting in (a) the Belgian Official Gazette, (b) in media of which it can reasonably be assumed that they can ensure efficient distribution of the information among the public in the European Economic Area and that is accessible quickly and without restriction of access (to this end, WDP will include the notice on its website) and (c) in a nationally distributed newspaper. For ordinary General Meetings being held in the city or town and at the venue, date and time specified in the memorandum of association and with an agenda limited to the discussion of the financial statements, the annual report and the statutory auditors' report, the vote on the discharge to be granted to the directors and the statutory auditors, along with the vote on the items listed in Section 554 of the Companies Code (paragraphs 4 and 5), the company has been relieved of the obligation to publish the notice in a nationally distributed periodical. However, publication under (a) and (b) remain compulsory. If a second notice is necessary because the required quorum was not met at the first meeting, the date of the second meeting was listed in the first notice, and no new item was included on the agenda, then the notice for the second meeting must be made at least seventeen days prior to the registration date.

The notices to the holders of registered shares are sent by post thirty days or seventeen days (for second notices), respectively, prior to the meeting, unless they have expressly agreed in writing that the notice will be made through a different channel.

The chairman presides over the Annual General Meeting. He sets aside sufficient time to answer all questions that the shareholders wish to ask about the annual financial report or items on the agenda, within the statutory parameters.

Shareholders who wish to have certain items included on the agenda of a General Meeting must submit them to the Board of Directors at least two months in advance. This period of notice is required so that the company's interests can be taken into account, legal deadlines are met for convening the Annual General Meeting and to give the Board of Directors reasonable time to examine the proposals. The Board of Directors is not obliged to accept these proposals. This does not affect the right of the shareholders representing 20% of the capital and that have requested the Board of Directors to convene the General Meeting in compliance with Section 532 of the Companies Code, in order to include items to be discussed on the agenda for this General Meeting.

Pursuant to the Shareholder Rights Act, one or more shareholders that collectively possess at least 3% of the authorised capital will be authorised to place items to be discussed on the agenda for the General Meeting up to the twenty-first day prior to the General Meeting and to submit proposals for resolution regarding items included or to be included on the agenda. This does not apply if a General Meeting is convened because the quorum required for the first notice was not met.

Shareholders representing over one-fifth of the authorised capital can request that an Extraordinary General Meeting be convened.

Pursuant to the Shareholders' Rights Act, the following provisions also apply:

- → Shareholders can only participate in Annual General Meetings and exercise their right to vote in these meetings based on the registration of the shareholder's registered shares in the accounts, on the registration date, by registration in the share register in the company's name, or by registration in the accounts of a recognised shareholder or a clearing institution, or by submitting the bearer shares to a financial intermediary, irrespective of the number of shares the shareholder holds at the General Meeting. The registration date will be deemed to be the fourteenth day prior to the General Meeting, ending at midnight (CET).
- → No later than on the sixth day prior to the date of the General Meeting, shareholders must indicate to the company their intention to attend the General Meeting.
- → The manager will maintain a register for each shareholder that has communicated the wish to attend the General Meeting, stating the shareholder's name and address or registered office, the number of shares they held on the registration date and through which they have communicated their intention to attend the General Meeting, along with a description of the documents demonstrating that they held the shares on the registration date. Without prejudice to Section 549, §1 (1) of the Companies Act (concerning a public request to grant proxies), a proxy may be granted for one or more specific meetings or for the meetings held during a specific period. The proxy granted for a specific meeting applies to the successive meetings convened through the same agenda. The proxy holder possesses the same rights as the shareholder represented in this manner, specifically the right to speak, ask questions during the General Meeting and exercise their right to vote at this meeting.

→ The shareholder of the company whose shares have been approved for trading in one of the markets specified in Section 4 of the Companies Code (*listed company*) is only entitled to designate one person as a proxy holder for a specific General Meeting. Contrary to this:
  - the shareholder will be entitled to appoint a separate proxy holder for every type of shares held, as well as for each of its securities accounts if shares of a company are held in more than one securities account;
  - an individual qualified as a shareholder who, nevertheless, acts in a professional capacity on behalf of other natural persons or legal entities, is entitled to grant a proxy to each of these other natural persons or legal entities or to a third party they have designated.

→ A person acting as a proxy holder is entitled to hold a proxy from more than one shareholder. Proxy holders who have received proxies from multiple shareholders can vote differently on behalf of different shareholders.

→ The designation of a proxy holder by a shareholder in a listed company must be made in writing or by means of an electronic form, and must be signed by the shareholder, where applicable by means of an advanced electronic signature within the meaning of Section 4, §4 of the Act of 9 July 2001 establishing specific rules relating to the legal framework for electronic signatures and certification services, or by means of an electronic signature that satisfies the conditions of Article 1322 of the Belgian Civil Code.

→ The announcement of the proxy to the company must be made in writing. This announcement can also be made electronically to the address stated in the notice.

→ The company must be in receipt of the proxy no later than six days prior to the date of the meeting.

→ In order to determine the rules regarding quorum and majority, the only proxies considered will be those submitted by the shareholders that have completed the formalities specified in Section 536 §2 of the Companies Act that must be complied with in order to be admitted to the meeting.

→ Without prejudice to the option to depart from the instructions under specific circumstances, pursuant to Section 549, §2 of the Companies Code, the proxy holder will cast the vote in accordance with any instructions provided by the shareholder of a listed company that has designated that proxy holder. The proxy holder must maintain a register of voting instructions for at least one year, and, at the request of the shareholder, must confirm that he or she has complied with the voting instructions.

→ In the event of a potential conflict of interest between the shareholder and the proxy holder designated by the shareholder, as provided under Section 547bis §4 of the Companies Code the proxy holder must disclose the exact facts that are relevant to the shareholder in order to assess whether there is a risk that the proxy holder has any interest other than that of the shareholder. Furthermore, the proxy holder will only be entitled to vote on behalf of the shareholder if specific voting instructions have been received for each item on the agenda.

5.3. Abuse of company property and bribery

WDP directors, executive management and staff are prohibited from using WDP's property or credit facilities for private purposes, either direct or indirect. They can only do so if they have been duly authorised for this purpose. They also undertake not to accept any benefits in the form of gifts or entertainment from customers or suppliers, except where this is compatible with customary, admissible commercial practices. In the event of a breach of this rule, the Criminal Code will be applied.

If a director, executive manager or member of staff is unsure whether or not a specific act constitutes *abuse of company property* or *bribery*, they must request prior authorisation from the chairman of the Board of Directors. Such authorisation, however, can clearly not exempt them from any potential criminal liability.

5.4. Internal control and risk management systems

Control environment

Company organisation
WDP's internal organisation has expanded significantly in recent years through the growth of WDP. The number of employees has increased significantly, as has the internal division of duties in order to ensure a clearer separation of functions.

For example, WDP is organised into various support departments. The various roles are held by the following departments: Commercial Management & Business Development, Finance, Legal, Human Resources, Facility Management and Project Management.

Notwithstanding this further professionalisation, the size of the team remains limited, as an excessively heavy structure and bureaucracy would have an undermining effect on the company. A certain flexibility, where some employees must sometimes serve as a backup for colleagues, remains vital. However, the responsibilities are clearly defined and daily meetings are held to discuss and follow up on current business.

Organisation of internal control
With regard to the organisation of internal control, the audit committee has a specific responsibility as regards WDP's internal control and risk management. The composition and activities of the audit committee are described elsewhere in this annual report (see *1.3.2. The audit committee*, on page 80).

Risk analysis and audits

Risk analysis is described in *1. Risk factors* on page 3 This section also describes the measures WDP is implementing and the strategy it pursues in order to limit and control the potential impact of these risks if they occur.

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

Financial information and communications

The process of preparing financial information is structured on the basis of predefined responsibilities and the time schedules to be adhered to.

WDP uses a checklist containing all the tasks to be performed as part of the annual, biannual and quarterly closing of the WDP accounts (at both the separate and consolidated levels). A person responsible within the financial department and a deadline are linked to each task. Based on this checklist, all employees in the financial department know exactly what tasks are to be performed, along with the deadline for completion.

Once all accounting tasks have been completed, the person responsible in the financial department verifies the figures. This verification consists mainly of the following steps:

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

Once these checks have been completed, the figures are submitted to WDP's executive management and documented by agreement with the person responsible in the financial department.

Parties involved in the assessment of internal control

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

- the statutory auditor as part of the audit of the biannual and annual figures, on the one hand, and as part of the annual check of the underlying processes and procedures, on the other. In the course of 2012, the process related to the invoicing, acquisition, VAT declaration and administrative follow-up of the solar panels and the management of the financial instruments was thoroughly checked and audited based on spot checks. Based on the recommendations of the statutory auditor, the process was adjusted where necessary.
- as stated above, the audit committee has a special responsibility when it comes to WDP's internal control and risk management (see *1. Risk factors* on page 3).

The Board of Directors of the manager is responsible for ensuring that the duties of the audit committee are performed, including through reports submitted by the audit committee to the Board of Directors.

6. Statutory provisions relating to the manager and amendments to the Articles of Association

6.1. The statutory manager

Commanditaire Vennootschap op Aandelen are characterised by the fact that they are managed by a manager who must act in the capacity of sleeping partner, is practically irremovable and has the veto right against all major resolutions of the General Meeting.

The manager is appointed by an Extraordinary General Meeting with due regard for the requirements for amendment of the Articles of Association. The manager is free to resign at any time. However, its mandate can only be withdrawn by a decision of the court called upon for this purpose by the General Meeting of shareholders, based on valid reasons. The manager cannot take part in this vote on the General Meeting resolution.

The General Meeting can only deliberate and take decisions when the manager is present. The manager must approve any amendment to the Articles of Association and the resolutions of the General Meeting with regard to actions concerning the company's interests vis-à-vis third parties, such as the distribution of dividends and any resolution that has an impact on the company's capital.

For the Board of Directors of the manager, see *1.2. The Board of Directors of the manager De Pauw NV* on page 72.

The company is represented for each act of disposition of its property within the meaning of the legislation applicable to *Vastgoedbevaks/Sicafis* by its manager, De Pauw NV, represented by its permanent representative, acting in conjunction with at least one director. The manager may grant a special power of attorney provided that it exercises effective control over the deeds or documents signed by the holder(s) of a special power of attorney and the applicable internal procedures are complied with; these procedures relate both to the nature and frequency of the controls. A power of attorney may be granted only for a specific transaction or a clearly defined series of transactions, and is valid only for the time necessary to complete the transaction. Finally, the relevant limits must be specified in the power of attorney itself. The manager takes advantage of this option, which is provided for in the articles of association for the granting of a special power of attorney exclusively for the signing per individual authentic or private document and, once the document has been approved by its Legal department.

The manager De Pauw NV was appointed for an indefinite period. On 1 September 2002, Tony De Pauw was appointed as permanent representative of De Pauw NV as part of its mandate as statutory manager, without, however, infringing on Article 9, §2 of the *Vastgoedbevak/Sicafi* Royal Decree.

WDP's manager, De Pauw NV, complies with Section 40 of the Act of 3 August 2012 concerning specific forms of group management of investment portfolios (i.e. appropriate policy structure, appropriate administrative, accounting, financial and technical organisation, appropriate internal control and an appropriate integrity policy and risk management method).

6.2. Amendments of the Articles of Association

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

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

An amendment to the Articles of Association will only be adopted if it has been approved by the FSMA and three-quarters of the votes associated with the absent or represented shares are in favour of the amendment and the present or represented manager agrees.

7. The statutory auditor

Deloitte Bedrijfsrevisoren, a Burgerlijke Vennootschap, a type of private limited liability partnership in the form CVBA, a type of limited liability cooperative, and a member of the Instituut der Bedrijfsrevisoren, and having its registered office at Berkenlaan 8b, 1831 Diegem, represented by Mr. Rik Neckebroeck, was appointed statutory auditor of WDP Comm. VA on 25 April 2007. The statutory auditor was reappointed on 28 April 2010 until the Annual Meeting of 2013.

The statutory auditor's is responsible for auditing the consolidated financial statements of the WDP group and the separate financial statements of WDP Comm. VA.

In France, Deloitte & Associes, represented by Mr. Edouard Lhomme, and having its registered office at 67, Rue de Luxembourg, 59777 Euralille, was appointed statutory auditor for the subsidiary WDP France SARL.

In the Czech Republic, Deloitte Audit SRO, represented by Ms Diana Rogerova, and having its registered office at Karolinska 654/2, 186 00 Prague 8, was appointed statutory auditor of the subsidiary WDP CZ SRO.

In the Netherlands, Deloitte Accountants BV, represented by Mr. Jef Holland, and having its registered office at Orlyplein 1, NL-1040 HC Amsterdam, was appointed statutory auditor of the subsidiaries WDP Nederland NV and WDP Development NL NV.

The remuneration of the statutory auditor is determined on the basis of market rates and independently of the company in accordance with the code and the standards of the Instituut van de Bedrijfsrevisoren and the applicable stipulations with regard to the independence of the statutory auditor described in the Companies Code.

The fees for the duties of the statutory auditor of WDP Comm. VA and its subsidiaries with regard to the financial year 2012 were EUR 98,391 (ex. VAT). During the financial year 2012, total fees were paid for other statutory audits and other consultancy work (including due diligence) of EUR 72,788 ((excluding VAT).

8. The property expert

Under the applicable regulations pertaining to *Vastgoedbevaks/Sicafis*, the expert appraises all the buildings operated by the *Vastgoedbevak* and its subsidiaries at the end of every financial year. The book value of the buildings listed on the balance sheet is adjusted to these values.

Furthermore, at the end of each of the first three quarters of the financial year, the expert updates the total valuation prepared at the end of the previous year based on market trends and the specific features of the property in question. The expert also appraises the property of the *Vastgoedbevak/Sicafi* and its subsidiaries if the *Vastgoedbevak/Sicafi* wishes perform a transaction such as the issue of shares or a merger.

Each property to be acquired or to be transferred by the *Vastgoedbevak/Sicafi* or any of its subsidiaries is appraised by the expert prior to the transaction. The expert's appraisal will serve as a minimum price (in the event of disposal) or a maximum price (in the event of acquisition) for the *Bevak/Sicafi* if the other party is a person closely involved in the *Bevak* (as provided for by the applicable regulations for *Vastgoedbevaks/Sicafis*) or if the proposed transaction would benefit such persons in any way.

Appraising a site involves determining its value on a specific date, i.e. the price at which the site is likely to be sold between buyers and sellers who are well informed and who wish to complete such a transaction, without taking into account any special agreement between the parties. This value represents the *investment value* if it matches the total price to be paid by the buyer, plus any registration fees or VAT if the acquisition is subject to VAT. The fair value within the meaning of the IAS/IFRS reference schedule can be calculated by deducting an adjusted percentage of the registration fees and/or deducting VAT.

The new *Vastgoedbevak/Sicafi* Royal Decree of 7 December 2010 contains recommendations regarding the method to be used by property experts to guarantee their necessary impartiality when appraising the property. There is stronger emphasis on the impartiality requirement for experts, and the Decree specifies that the expert's remuneration may not be based on the property appraised. In addition, *Vastgoedbevaks/Sicafis* are required to ensure the rotation of the experts they appoint based on a double rotation requirement. For instance, the *Vastgoedbevak/Sicafi* may appoint the expert only for a renewable term of three years. Furthermore, the expert may be contracted to appraise a given property for no more than three years, followed by a compulsory cooling-off period of three years. This means that experts who have already completed a 3-year period can only be appointed for an additional 3-year period if, during this period, they appraise a different portion of the assets of the *Vastgoedbevak/Sicafi* or its subsidiaries. Separate rules apply if the expert is a legal entity.

On account of the above, the existing contracts with property experts Stadim and Cushman & Wakefield were terminated prior to year-end 2011 and WDP decided to start working with different appraisers in each country in the future. New contracts were signed for the appraisal of the property assets, and the following appraisers were appointed in each country: Stadim and Cushman & Wakefield for the Belgian portfolio; DTZ Zadelhoff for the Dutch portfolio; BNP Paribas Real Estate for the French portfolio; and Cushman & Wakefield for the Czech and Romanian portfolios [1].

Fees paid to property experts are not based on the value of the property but rather represent fixed fees for each property to be appraised and/or variable remuneration based on the surface area to be appraised. The new contracts comply with the new regulations and the appointment of the property experts was approved by the FSMA.

The remuneration of the property appraisers was EUR 231,343 in 2012 (excluding VAT).

1 New experts/natural persons were listed when the contract was renewed, replacing the experts/legal entities that were previously responsible for appraising a portion of the WDP portfolio. This demonstrated that their relationship is marked by the appropriate impartiality and that the terms and conditions of the new *Vastgoedbevak/Sicafi* Royal Decree were therefore complied with.

9. Other information pursuant to Article 34 of the Royal Decree of 14 November 2007 regarding the obligations of issuers of financial instruments that are authorised to trade in a Belgian regulated market

9.1. Capital structure

As of the date of this annual financial report, the authorised capital of WDP Comm. VA was EUR 109,380,548.04 divided into 15,081,692 ordinary shares, each representing 1/15,081,692nd part of the capital. None of these shares entitles the holder to any special voting right or other right.

9.2. Employee share plan

WDP currently has an employee share plan. See point *9.4. Authorisations of the management body to issue or purchase shares* below.

9.3. Shareholders' agreements that could lead to transfer limitations or limitations on the exercise of voting rights

Pursuant to Section 74, §6 of the Act of 1 April 2007 relating to public takeover bids, the Jos De Pauw family group has confirmed in writing that a verbal agreement exists between them so that they can act by mutual agreement at the General Meetings to exercise a block vote at these General Meetings. In their declaration, they also confirm the terms of this mutual agreement.

9.4. Authorisations of the management body to issue or purchase shares

The manager is authorised, for the duration of three years as from the publication of the minutes of the Extraordinary General Meeting of 27 April 2011 (published in the Belgian Official Gazette of 4 May 2011), to account, dispose of or accept as security its own shares on behalf of the company, without any prior resolution by the General Meeting, if such acquisition or disposal is necessary in order to protect the company from any serious or imminent loss.

The manager is also authorised, for the period of five years after the Extraordinary General Meeting of 27 April 2011, to acquire at the company's expense, accept as security and dispose of (even outside the stock exchange) the company's own shares at a share price that may not be lower than EUR 0.01 per share (acquisition and acceptance as security) or 75% of the closing price on the trading day preceding the date of the transaction (disposal) and that may not exceed EUR 70.00 per share (acquisition and accept as security), or 125% of the closing price on the trading day preceding the date of the transaction (disposal) without the company being authorised to hold over 20% of the total amount of shares issued.

On 3 July 2009, WDP's manager, De Pauw NV, took advantage of this statutory authorisation and purchased 1,490 of the company's shares on NYSE Euronext. These shares were transferred on 6 July 2009 to employees of WDP as part of an incentive programme. These shares were purchased for EUR 28.106 per share. See also *1.2.6. Declarations concerning directors and executive management* on page 77.

At 31 December 2012 WDP Comm. VA did not hold any shares of the company. The manager of De Pauw NV possessed 1,569 shares. The book value of these shares is EUR 52,668.65. These 1,569 shares are not part of the incentive programme.

10. Insurance cover

WDP and its subsidiaries are required to underwrite appropriate insurance for all their immovable properties. This insurance must comply with the usual market conditions. WDP has currently insured 100% of its buildings at their newly-built value.

The premiums paid in 2012 totalled EUR 841,000 (EUR 449,000 for Belgium, EUR 227,000 for the Netherlands, EUR 75,000 for France, EUR 25,000 for the Czech Republic, EUR 6,000 for Romania, and EUR 59,000 for the solar panels in Belgium).

The insured value of the property portfolio (including solar panels) is EUR 913 million (EUR 479 million for Belgium, EUR 291 million for the Netherlands, EUR 63 million for France, EUR 29 million for the Czech Republic, EUR 8 million for Romania, and EUR 43 million for the solar panels).

The newly-built value of the property portfolio (including the solar panels) is therefore covered by the insurance.

5

WDP share

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WDP SHARE

Share price

In the first few months of 2012 the WDP share price rose from EUR 37 at 31 December 2011 to EUR 42 in April – the month before the ex-coupon date when prices traditionally peak in anticipation of the dividend distribution. The usual slight price fall followed the distribution of the optional dividend.

After the volatility characterising stock markets in the first half of 2012 as a consequence of the tough macro-economic context and the European debt crisis, the market began to recover in the second half of the year, as investor confidence picked up somewhat.

Within this context, WDP was again able to build on its reputation and traditional advantages. First and foremost, it is important that potential investors and shareholders appreciate the added value that WDP offers. This concerns amongst other things the position as market leader in logistics and semi-industrial property in the Benelux and the transparent tax regime under which the company operates in Belgium, France and the Netherlands. Furthermore, WDP is a *self-managed fund*, so it is completely at the service of its shareholders. In addition, the property portfolio instantly provides investors with key economies of scale in specific areas. Last but not least, the company pays a stable dividend.

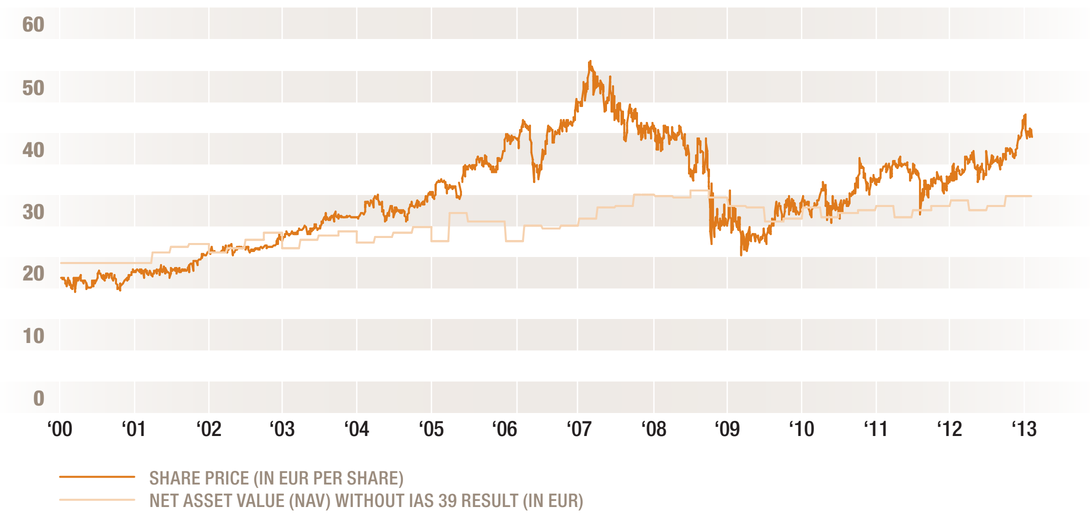
This strong interest of investors and their confidence in the 2011-13 strategic growth plan was confirmed during the successful capital increases in 2012, which created room for new investments. The development of the share price was also characterised by a strong end-of-year rally, with a closing price of EUR 47.24 at 31 December 2012. This rally was primarily driven by large institutional funds looking for shares with a high dividend yield and a moderate risk profile.

Velocity and liquidity

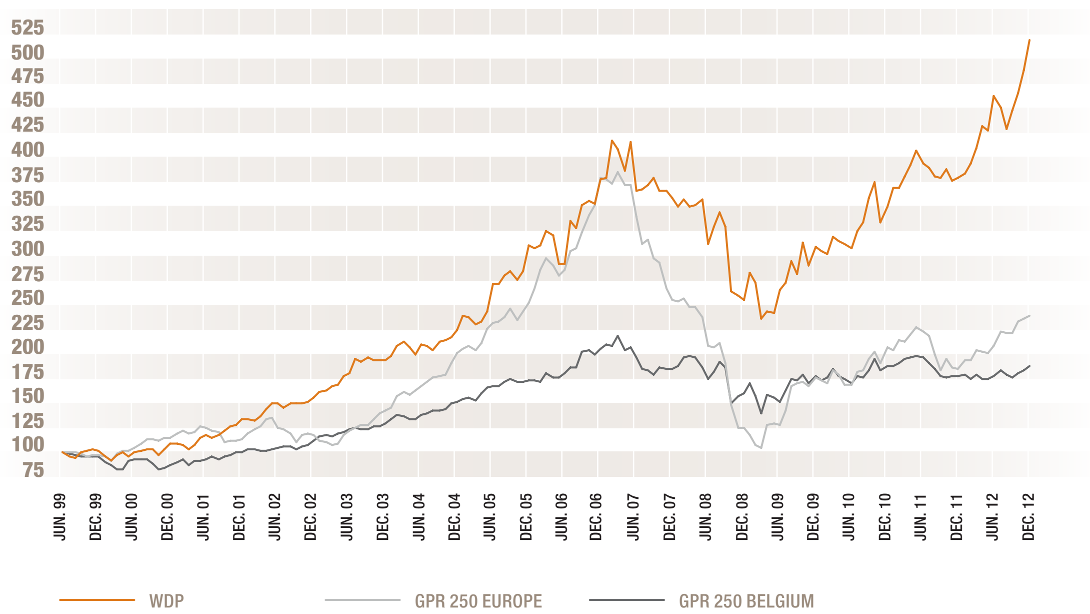
As a consequence of the capital increases due to the optional dividend, the partial demerger of Immo Weversstraat and the (indirect) contribution in kind of three sites through the *Lake Side bis* transaction, as well as the share's strong return during 2012, market capitalisation rose to around EUR 700 million.

The liquidity of WDP shares continued to rise too. In 2012 the average daily volume was EUR 506,943 (in 2011: EUR 474,468). Velocity – the number of shares traded per year divided by the total number of shares at year end – therefore stood at 21.2%. WDP continues to make efforts to regularly participate in road shows and events for both institutional and private investors so that it is able to keep investors permanently informed in a transparent way and continue to broaden the investor base.

COMPARISON BETWEEN SHARE PRICE AND NET ASSET VALUE



COMPARISON OF RETURN ON WDP SHARES WITH GPR 250 BELGIUM AND GPR 250 EUROPE



Return

Total return[1] on the WDP share in 2012 was 37.0%. According to the *GPR 250 EUROPE* index published by Global Property Research average return over the past year on listed property in Europe was 29.5% at the end of December. WDP also significantly outperformed the index of Belgian property shares. The *GPR 250 BELGIUM* index was down 5.6% in 2012. The gross return on the Bel20 index was 18.8% at 31 December 2012. See also the monthly update at www.wdp.be.

Data provided by Global Property Research shows that, over the past twelve years – since the IPO in late June 1999 – the company still significantly outperforms European property (6.67%) and Belgian property (4.72%) and the Bel20 index (-1.72%) with a return of 13.30%.

In other words, WDP again offered a good return in 2012 in a general climate of low interest rates. WDP is performing well despite the tough economic situation.

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 in a given period is equal to the gross return. This gross return is the sum of the following components:
- the difference between the share price at the end of the period and the beginning of the period;
- gross dividend (before deduction of withholding tax);
- gross return on the dividend received when reinvested in the same share.

FIGURES PER SHARE	31 DEC. 12	31 DEC. 11	31 DEC. 10
Number of shares in circulation on closing date	15,081,692	13,638,521	12,533,938
Free float	71%	69%	69%
Market capitalisation (in EUR)	712,459,130	505,443,588	459,368,828
Traded volume in shares per year	3,198,319	3,249,196	3,302,753
Average daily volume (in EUR)	506,943	474,468	445,031
Velocity [1]	21.21%	23.82%	26.35%
Stock exchange price			
- highest	47.25	41.95	40.92
- lowest	37.02	31.51	30.10
- closing	47.24	37.06	36.65
Net asset value after profit distribution [2] (in EUR)	29.85	29.43	29.62
Net asset value after profit distribution [2] (excluding IAS 39 result) (in EUR)	34.52	33.24	32.58
Dividend payout ratio	90%	90%	95%
Net result / share [3] (in EUR)	3.45	3.25	3.11
Net result / share [4] (in EUR)	3.67	3.42	3.11
Gross dividend / share (in EUR)	3.10	2.94	2.94
Net dividend / share (in EUR)	2.33	2.32	2.50

1 The number of shares traded per year divided by the total number of shares at the end of the year.
2 Net asset value = equity before profit distribution of the current financial year.
3 Net result per share is calculated on the basis of the number of shares entitled to dividend.
4 Net result per share is calculated on the basis of the pro-rata-temporis basis for the weighted average number of shares.

WDP's shareholding structure at year-end closing (situation based on transparency reports received by the end of 31 December 2012) [1]

On 26 October 2012 the majority shareholder, the Jos De Pauw family, transferred all of its shares (4,331,560 or 28.73% of the total number of shares in WDP with voting rights) in joint ownership, which were held by mutual agreement, to the family company structure RTKA, in which the existing mutual agreement was institutionalised.

The holders of voting rights are the members of the management body of RTKA, being Robert, Tony, Kathleen and Anne De Pauw, to the exclusion of any other holder of rights to the holding.

The members of this management body act by mutual agreement with De Pauw NV, holder of 1,569 shares of WDP. De Pauw NV is wholly controlled by the members of the management body of RTKA.

At 31 December 2012 the stake of the Federal Holding and Investment Company was still more than 3% [2].

1 Any changes announced can also be consulted at www.wdp.be.

2 Registration the Federal Holding and Investment Company (26 October 2011) is the parent of Belfius NV, which in turn is the parent of Dexia Insurance Belgium (364,273 shares). Dexia Insurance Belgium is the parent of DELP Invest (12,000 shares) and Dexia Life & Pensions (40,907 shares).

Financial calendar

10|04|2013	Final date for registering shares for participation in the General Meeting of 24 April 2013.
18|04|2013	Final date for confirming participation in the General Meeting of 24 April 2013 (bank certificate / proxy)
24|04|2013	General Meeting
29|04|2013	Ex-dividend date 2012
03|05|2013	Dividend record date 2012
08|05|2013	Publication of Q1 2013 results
21|08|2013	Publication of 2013 interim results and publication of 2013 Interim financial report
06|11|2013	Publication of Q3 2013 results
Week 7|2014	Publication of 2013 annual results

* Dates for registration period, Payment Date and date of listing of new shares are determined during the Board of Directors meeting on 24 April 2013.

For any changes, please see the financial calendar at www.wdp.be.

NYSE Euronext
IPO: 28|06|1999
listing: continuous
ISIN-code: BE0003763779
liquidity provider: ING België NV en Kempen & Co

5 WDP SHARE

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PROPERTY REPORT

6

Property report

1. Review of the consolidated property portfolio

1. Description of the portfolio at 31 December 2012

The independent appraisers Stadim, Cushman & Wakefield, DTZ Zadelhoff and BNP Paribas Real Estate have estimated the fair value of the WDP property portfolio (including assets held for sale and excluding solar panels) in accordance with IAS 40 at EUR 1,095.2 million as at 31 December 2012.

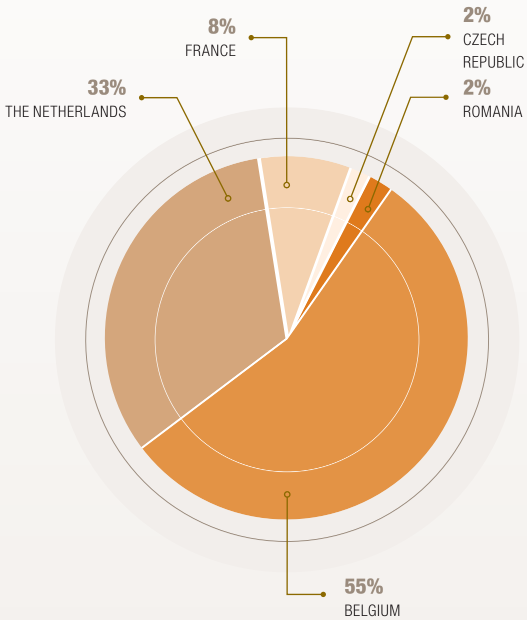
The comparable value at year-end 2011 was EUR 922.4 million.

The portfolio breaks down as follows:

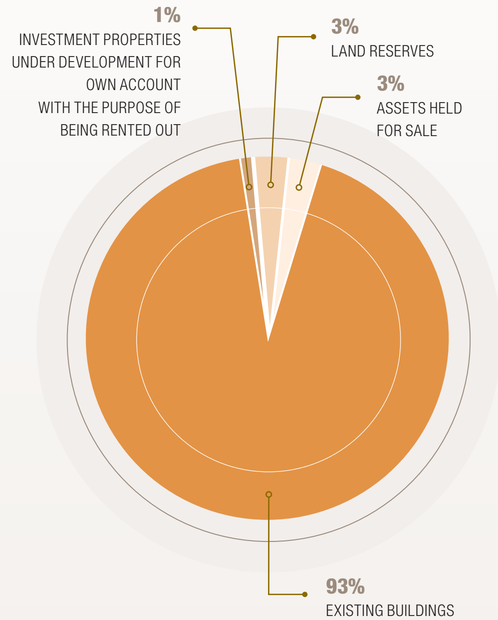
FAIR VALUE (IN EUR X 1,000)	BELGIUM	NETHER-LANDS	FRANCE	CZECH REPUBLIC	ROMANIA	TOTAL
Existing buildings	572.3	361.6	77.6	0.0	4.1	**1,015.6**
Investment properties under development for own account with the purpose of being rented out	5.0	2.2	0.0	0.0	0.0	**7.2**
Land reserves	13.7	0.0	3.0	0.0	21.1	**37.8**
Assets held for sale	9.7	0.0	0.0	24.9	0.0	**34.6**
TOTAL	**600.7**	**363.8**	**80.6**	**24.9**	**25.2**	**1,095.2**

1 Impact on the fair value of estimated transfer duties and transfer fees based on the hypothetical sale of investment property (-): this refers to the transfer fees that must be paid for the hypothetical sale of the investment property. The fair value at which the investment property is valued consists of the investment value less transaction fees. The average theoretical local registration duties deducted from the investment value by country are as follows: Belgium: 2.5%, Netherlands: 5.8%, France: 3.2%, Czech Republic: 2.0% and Romania: 3.0%.

FAIR VALUE OF THE PORTFOLIO BY GEOGRAPHY



FAIR VALUE OF THE PORTFOLIO BY USE



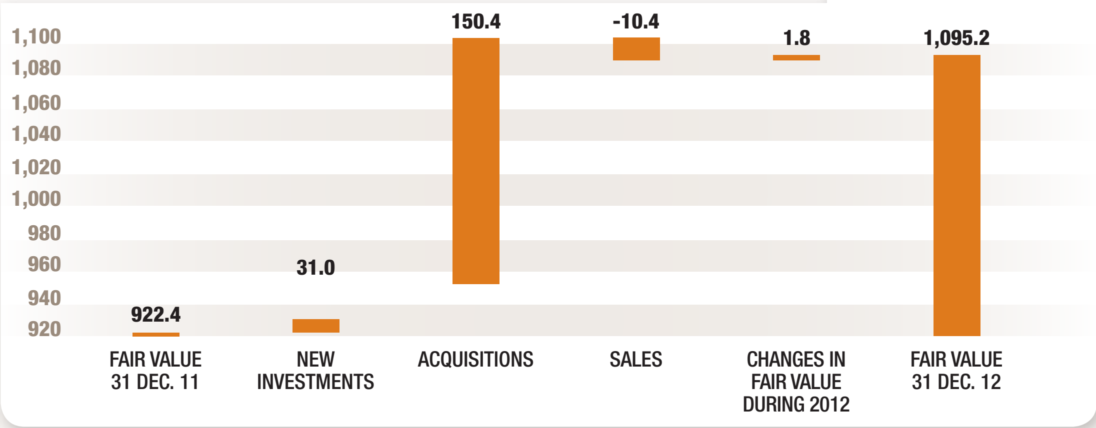
PORTFOLIO STATISTICS BY COUNTRY	BELGIUM	NETHER-LANDS	FRANCE	CZECH REPUBLIC	ROMANIA	TOTAL
Number of lettable sites (#)	62	27	8	5	1	**103**
Gross lettable area (in m²)	1,159,577	662,225	150,113	39,356	6,879	**2,018,150**
Land (in m²)	2,417,414	1,007,977	376,174	131,224	860,977	**4,793,766**
Fair value (in EUR million)	600.7	363.7	80.6	24.9	25.2	**1,095**
% of total fair value	55%	33%	8%	2%	2%	**100%**
% change in fair value over 2012	0.7%	0.0%	-2.6%	-1.5%	-0.6%	**0.2%**
Vacancy rate (EPRA) [1, 2]	3.5%	1.3%	8.4%	0.0%	0.0%	**2.9%**
Average lease length till first break (in y) [2]	5.2	8.9	3.0	2.9	8.9	**6.4**
WDP gross initial yield [3]	7.7%	8.7%	8.8%	10.5%	9.3%	**8.2%**
Effect of vacancies	-0.3%	-0.1%	-0.7%	0.0%	0.0%	**-0.2%**
Adjustment gross to net rental income (EPRA)	-0.3%	-0.2%	-0.2%	-0.7%	0.0%	**-0.3%**
Adjustments for transfer taxes	-0.2%	-0.5%	-0.3%	-0.2%	-0.3%	**-0.3%**
EPRA net initial yield [1]	7.0%	7.9%	7.6%	9.7%	9.0%	**7.4%**

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

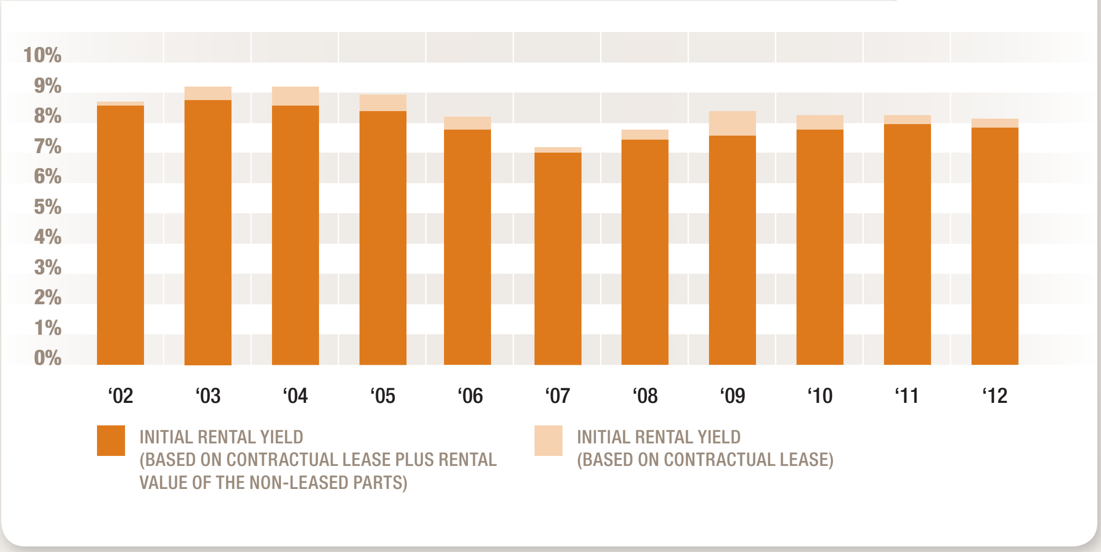
2 Excluding solar panels.

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

CHANGES IN THE PROPERTY PORTFOLIO DURING 2012
(IN EUR MILLION)



HISTORICAL GROSS RENTAL YIELD OF THE WDP PORTFOLIO



2. Changes in fair value during 2012

In 2012, WDP invested a total amount of EUR 150,4 million in new acquisitions. EUR 31.0 was also invested in the finishing of pre-let projects, while a select number of smaller non-strategic sites were sold for a net amount of EUR 10.4 million.

The EUR 1.8 million difference in the valuation of the investment property is due to changes in rental income, among other things as a result of indexation and higher occupancy. The gross rental yield on the basis of contractual rents after the addition of the estimated market rental value for the non-leased parts remained stable at 8.2% at 31 December 2012, versus 8.3% at year-end 2011.

3. Value and composition of the rental portfolio

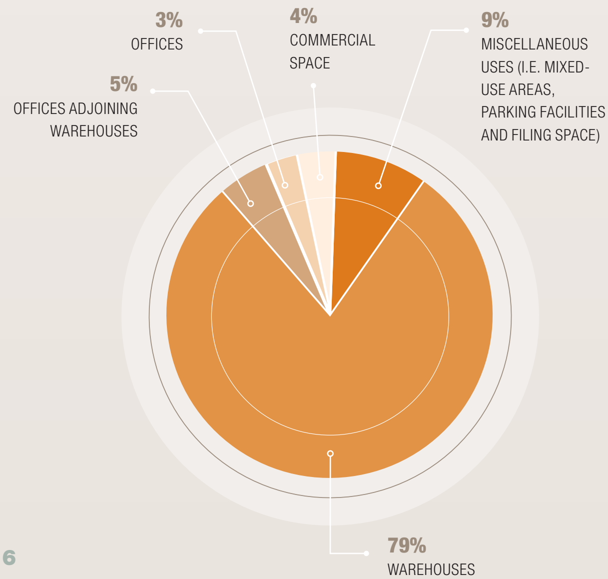
Total surface area comprises 479.4 hectares, including 28.6 hectares granted in concession. The 450.8 hectares have an estimated sale value of EUR 409.4 million or 36% of the total fair value. This produces an average land value of EUR 87.7/ m² excluding transaction fees. This surface area also includes the land reserves, predominantly in Belgium and Romania.

The total leasable surface of the buildings is 2.0 million m², with a total estimated rental value of EUR 83.6 million. Warehouses account for the bulk (76.3%) of this volume, with 1,588,800 m² and a total rental value of EUR 63.7 million. This brings their average rental value per square metre to EUR 40.1/m².

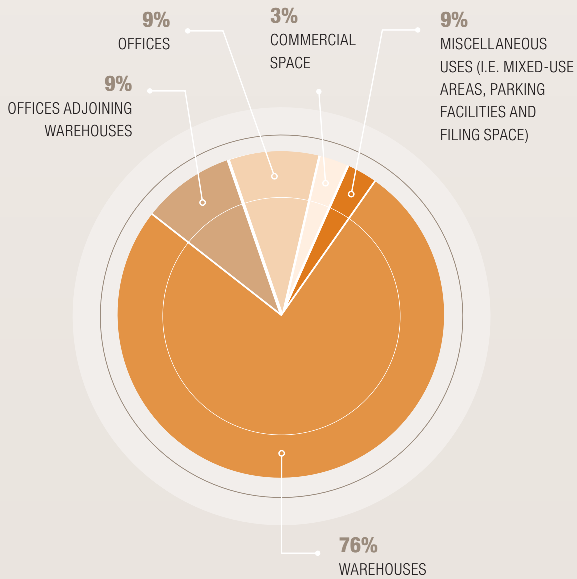
DESIGNATED USE AT 31 DEC. 12	BUILT SURFACE (IN M²)	ESTIMATED RENTAL VALUE (IN EUR MILLION)	ESTIMATED AVERAGE RENTAL VALUE PER M² (IN EUR MILLION)	% OF TOTAL RENTAL VALUE
Warehouses	1,588,800	63.7	40.1	**76.2%**
Offices adjoining warehouses	94,522	7.5	79.7	**9.0%**
Offices	66,439	7.4	111.1	**8.8%**
Commercial space	90,389	2.7	29.7	**3.2%**
Various uses (mixed-use areas, parking facilities and filing space)	178,000	2.3	12.7	**2.7%**
TOTAL	**2,018,150**	**83.6**	**41.4**	**100.0%**

The offices, some of which are separate and some of which are adjacent to warehouses, account for a rental value of 160,961 m², equivalent to a rental value of EUR 14.9 million. Average rental value per square metre is EUR 92.6. Commercial space accounts for 90,389 m² and represents EUR 2.7 million in rent, with an average price per square metre of EUR 29.7. Miscellaneous uses account for 178,000 m² (EUR 2.3 million), with an average rent of EUR 12.7/m².

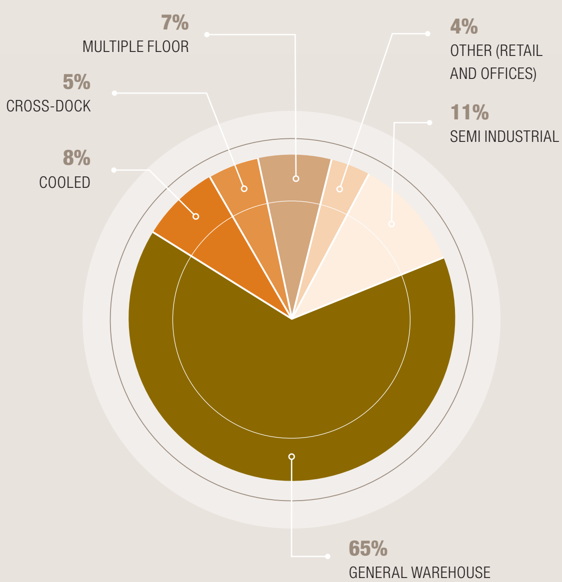
TOTAL BUILT AREA BY DESIGNATED USE



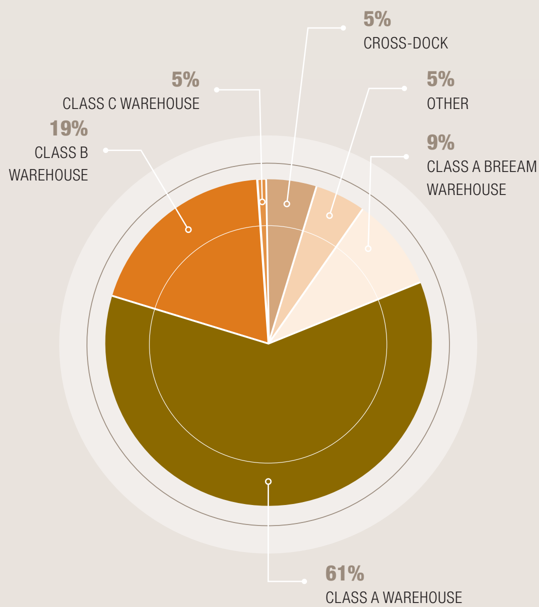
TOTAL RENTAL VALUE BY DESIGNATED USE



DIVERSIFICATION OF PROPERTY PORTFOLIO (BASED ON RENTAL INCOME) BY PROPERTY TYPE



DIVERSIFICATION OF PROPERTY PORTFOLIO (BASED ON RENTAL INCOME) BY PROPERTY QUALITY CLASSIFICATION



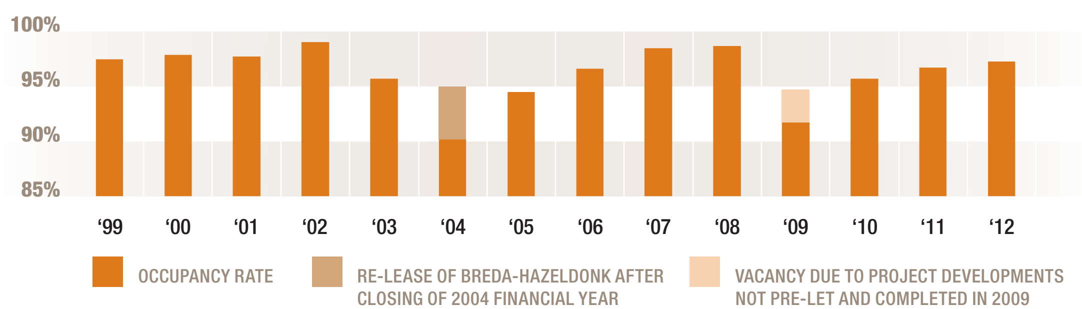
4. Rental situation of the available buildings

The occupancy rate of the WDP portfolio at year-end 2012 was 97.3% (including solar panels) [1]. This represents an implementation of WDP's commercial strategy, which is aimed at building long-term relationships with clients and supports the company's performance through a high operating margin.

WDP's practice of building partnerships together with its clients is also reflected by the fact that the average remaining term until the expiry date of the leases is 8.3 years. Taking into account the first option to cancel, the average remaining term is 6.4 years.

1 Excluding solar panels the accupancy rate is 97.1%.

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



MAIN TENANTS	% RENTAL INCOME *
DHL	10.1%
Univeg-group	10.0%
Income from solar panels	7.7%
Kuehne + Nagel	6.4%
Philips Lighting	4.2%
Distri-Log	2.5%
Lidl	2.2%
V&D	2.1%
Descamps	1.8%
Terumo	1.7%
TOP 10	**48.7%**

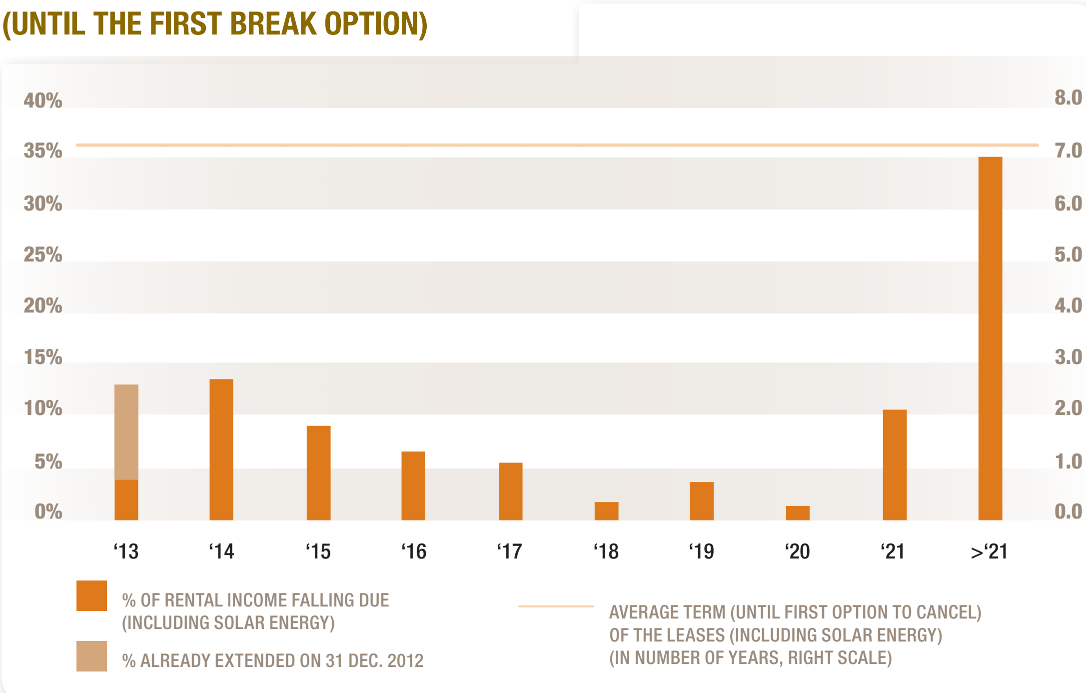
* Including revenue from solar energy.

If income from solar panels is included, the average remaining term of the solar panels until the expiry date is 9.0 years. Taking into account the first option to cancel, the average remaining term is 7.2 years.

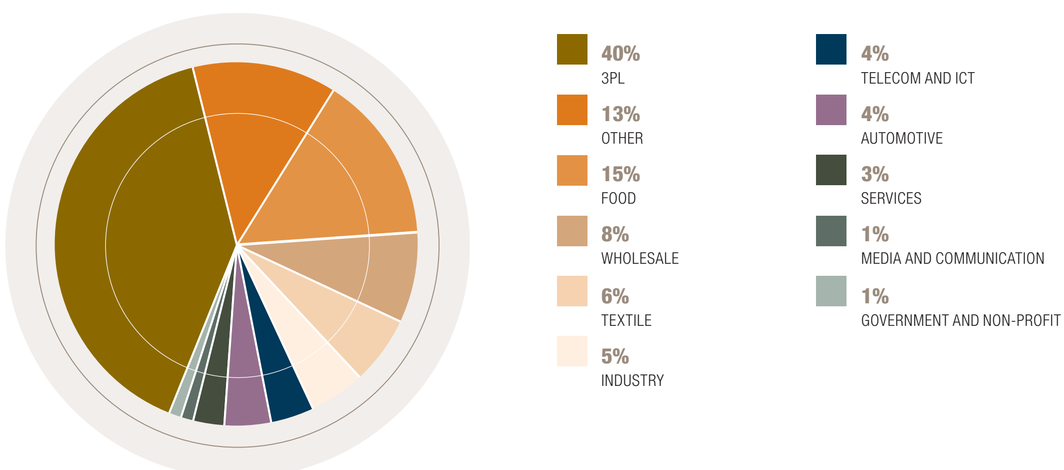
The main tenants are: DHL (share of rental income 10.1%, Univeg Group (10.0%), income from solar energy (7.7%), Kuehne + Nagel (6.4%), Philips Lighting (4.2%), Distri-Log (2.5%), Lidl (2.2%), V&D (2.1%), Descamps (1.8%), and Terumo (1.7%).

The share of the ten biggest tenants combined is 48.7%. The *top-20* accounts for 62.4% and the *top-50* for 79.2%.

LEASE EXPIRY DATES (UNTIL THE FIRST BREAK OPTION)



RENTAL INCOME FOR 2012 BY TENANTS' INDUSTRIES



6 PROPERTY REPORT

5. Overview of investment properties under development for own account with the purpose of being rented out [1]

(IN EUR X 1,000)	COUNTRY	LETTABLE AREA (IN M²)	EXPECTED COMPLETION	TENANT
PROPERTIES UNDER DEVELOPMENT (PRE-LET)				
Nijvel - Buisson aux Loups 8-10	Belgium	4,000	Fourth quarter 2013	GLS (100%)
Zwijndrecht - Vitshoekstraat 12	Belgium	20,000	Fourth quarter 2013	Van Moer Group (100%)
Aalst - Tragel 47	Belgium	3,000	Fourth quarter 2013	Tech Data (100%)
Londerzeel - Nijverheidsstraat / Weversstraat	Belgium	N/R	First quarter 2014 / First quarter 2015	Various (100% let)
SUBTOTAL		**27,000**		
Total		**27,000**		

The foreseen out-of-pocket cost for the realisation of these projects is estimated at EUR 30 million. WDP expects to realise a return of 8% on the total investment.

1 See also *4.3. Transactions and realisations* on page 38

6. Key data of properties

Independent property appraisers Stadim, Cushman & Wakefield, DTZ Zadelhoff and BNP Paribas Real Estate inspected all sites in this table in the fourth quarter of 2012.

		ESTIMATED RENTAL VALUE (ERV) *	RENTAL INCOME 2012	OCCUPATION RATE 31 DEC. 12
BELGIUM		**44,252,473**	**41,296,822,40**	**96.5%**
Aalst, Denderstraat 54-56 – Tragel	7,518 m² of land on an industrial estate close to Aalst-Nord train station The building with an industrial hall of 1,932 m² (+ 1,032 m² of porches) and 576 m² of offices was renovated in 2006.	200,764	220,865	100.0%
Aalst, Tragel 5 – Gheeraerdtstraat 15-16	16,546 m² of land on an industrial estate. An older commercial complex with 12,543 m² of warehouses.	302,017	309,341	91.1%
Aalst, Tragel 47	44.163 m² of land on an industrial estate. A new build from 1998-1999 with 4,202 m² of offices, 1,222 m² of workshops and 16,718 m² of warehouses. Equipped with solar panels.	943,116	996,993	100.0%
Aalst, Wijngaardveld 3-5 – Dijkstraat 7	39,822 m² of land on the Wijngaardveld industrial estate. Two warehouses with a total surface area of 17,319 m², from 1992. 4,583 m² of warehouses with office possibilities, from 2005. Equipped with solar panels.	669,780	664,708	100.0%
Aarschot, Nieuwlandlaan B19 	17,184 m² of land on the Nieuwland industrial estate. A new build from 2009 with 8,264 m² of warehouses spread over two units and 168 m² of built-in offices. Equipped with solar panels.	376,279	384,407	100.0%
Anderlecht, Frans Van Kalkenlaan 9, Biestebroeckkaai 300 – Walcourstraat	26,236 m² of fully owned land and 2,240 m² of co-owned land on the Anderlecht-Vorst industrial estate. A structure from 1969, comprising 16,666 m² of warehouses and 3,679 m² of offices. On the latter, WDP owns floors 3-7 of the Asar Tower (1,680 m² of offices and 359 m² of filing space).	922,425	932,291	100.0%

* Estimated rental value is the rental value determined by independent property experts. See *6.3 Property Report – Conclusions of the property experts* on page 135 for the report of the independent property experts and the appraisal methodology.

		ESTIMATED RENTAL VALUE (ERV)	RENTAL INCOME 2012	OCCUPATION RATE 31 DEC. 12
Asse (Mollem), Zone 5 nr. 200	*Full LED* cooled storage of 3,200 m².	297,489	283,263	100.0%
Asse (Mollem), Assesteenweg 25	±47,800 m² of land at the Mollem SME park. The existing buildings from 1967, 1988 and 1996 have been completely renovated and enlarged, and comprise 15,508 m² of warehouses, 2,111 m² of offices and 905 m² of workshops and communal spaces. An adjacent new build of 7,175 m² of warehouses, 660 m² of offices and 330 m² of other space. Equipped with solar panels.	1,321,189	1,457,194	100.0%
Asse (Mollem), Terheidenboslaan 10	5,993 m² warehouse serving as a product hall along with 654 m² of offices on a total site of 10,000 m².	236,276	258,898	100.0%
Beersel (Lot), Heideveld 3-4	22,459 m² of land on Heideveld industrial estate. Building from 2001 with 6,703 m² of warehouses and 456 m² of offices and communal spaces. Equipped with solar panels.	401,830	396,383	100.0%
Beringen (Paal), Industrieweg 135 – Rijsselstraat	21,438 m² on the industrial estate between Beringen-Paal and Tessenderlo. Five buildings (three recently renovated, two renovated in 2008) with 9,056 m² of warehouses and 1,483 m² of offices. Equipped with solar panels.	448,654	468,168	100.0%
Boom, Langelei 114-120 – Industrieweg 1	71,412 m² of land by the A12 on the Krekelenberg industrial estate. New build from 2000-2001 with 34,222 m² of warehouses and 2,982 m² of offices. Equipped with solar panels.	1,734,018	1,453,604	91.4%
Boortmeerbeek, Industrieweg 16	40,151 m² of land split over four plots on a small SME estate. The complex from the early 1990s comprises 3,120 m² of offices, 14,335 m² of warehouses and 130 m² of built-in offices. One of the other three plots is used as outside storage area; there are future building plans for the other two.	613,110	440,758	77.1%
Bornem, Rijksweg 17	31,000 m² of land at outstanding location and with excellent access by the N16. A complex from 1996, with 1,616 m² of offices and 323 m² of filing space, and 9,973 m² of warehouses.	578,700	670,705	100.0%
Bornem, Rijksweg 19	38,000 m² of land at outstanding location and with excellent access by the N16. Part renovated and converted buildings, part new build from 2004. A total of 19,948 m² of warehouses and loading bays and 2,463 m² of offices, service areas and technical spaces.	1,038,975	994,237	98.7%
Courcelles, rue de Liège 6	106,735 m² of land on the industrial estate. A business cluster developed in three phases between 2007 and 2009 with 29,382 m² of warehouses and 1,400 m² of offices.	1,233,966	1,228,794	100.0%

		ESTIMATED RENTAL VALUE (ERV)	RENTAL INCOME 2012	OCCUPATION RATE 31 DEC. 12
Genk, Brikkenovenstraat 48	62,905 m² of land on the Hermes industrial estate. Logistics platform with 16,619 m² of storage space (built in 2008), adjacent to 16,700 m² of storage space and offices (built in 2010). Equipped with solar panels.	1,328,789	1,391,305	100.0%
Genk, Brikkenovenstraat 50	36,000 m² site with 19,000 m² building on Hermespark industrial estate in Genk. There is 18,774 m² of warehouse space and 410 m² of office space.	740,539	728,387	100.0%
Grimbergen, Eppegemsesteenweg 31 	Half share in 117,984 m² of land held in concession from the Port of Brussels. 5,096 m² of offices and communal spaces from 1978 and 48,017 m² of warehouses from 1996. Equipped with solar panels.	1,189,608	1,012,135	100.0%
Grimbergen, Industrieweg 16	27,724 m² of land. A 14,760 m² distribution centre from 2008 with 298 m² of office space. Equipped with solar panels.	718,020	716,173	100.0%
Jumet, Zoning Industriel – 2ième rue	9,941 m² of land on an industrial estate. Two industrial buildings that were completely renovated and enlarged in 2005 to comprise 5,648 m² of warehouses and 634 m² of offices.	290,256	283,778	100.0%
Kontich, Satenrozen 11-13 – Elsbos	160,743 m² of land on an SME estate. Production buildings, part consisting of high-rise and office building from 1985. A small office building from 1996. In total, 51,561 m² of warehouses and 6,000 m² of offices. Equipped with solar panels.	2,421,399	2,628,558	100.0%
Kortenberg, A. De Conincklaan 2-4	10,663 m² of land. An 820 m² office building and two 2,344 m² storage halls with 1,061 m² of mezzanine. Equipped with solar panels.	332,919	247,010	100.0%
Leuven (Wilsele), Kolonel Begaultlaan 9, 17-21, hoek Lefèvrelaan	13,526 m² along Leuvense Vaart. Former industrial complex of 20,758 m² converted and modernised in the 1980s.	666,217	694,763	97.1%
Leuven, Vaart 25-35	3,170 m² of land with excellent location for advertising. Former *Molens Hungaria* building renovated in 2000 into a 15,305 m² complex.	1,225,404	728,708	74.7%
Londerzeel, Weversstraat 2	Industrial site with built surface area of approx. 10,000 m² on approx. 30,000 m² of gravel. The old buildings will be demolished and the whole site remediated and prepared for redevelopment.	309,702	312,678	100.0%
Londerzeel, Nijverheidstraat 13-15	42,115 m² of land on an industrial estate by the A12. Two industrial buildings from 1989-1991. Since renovation in 2005 they comprise 25,770 m² of warehouses and 1,698 m² of offices and communal spaces.	1,015,584	819,096	87.8%

		ESTIMATED RENTAL VALUE (ERV)	RENTAL INCOME 2012	OCCUPATION RATE 31 DEC. 12
Luik (Flémalle), rue de l'Arbre Saint-Michel 99	Cross-docking centre with 5,137 m² of warehouse and 464 m² of offices on 25,549 m² of land.	254,697	263,929	100.0%
Machelen, Rittwegerlaan 91-93 – Nieuwburgstraat 	12,360 m² of land in Haren-Buda. A 14,300 m² industrial complex, which was completely renovated and converted into an internet hotel. A two-story 1,564 m² warehouse was added in 2006 at the request of the tenant.	1,288,208	1,275,000	100.0%
Mechelen, Zandvoortstraat 3	42,012 m² of land. A recent logistics complex consisting of 29,330 m² of warehouses and 3,247 m² of office space.	1,179,777	1,136,133	100.0%
Meer, Seoelstraat 1	28,901 m² of land with logistics complex from the late 1990s, comprising 18,196 m² of warehouses and 810 m² of office space.	526,105	496,517	100.0%
Merchtem, Wolvertemse Steenweg 1 – Bleukenweg 5	13,241 m² of land. Former industrial building renovated and converted into a 4,448 m² commercial space.	325,870	217,947	100.0%
Nijvel, chaussée de Namur 66	21,250 m² of land. Renovated semi-industrial building with 10,000 m² of warehouses and 185 m² of office space.	468,948	390,808	100.0%
Nijvel, rue de l'Industrie 30	60,959 m² on the *Nivelles-Sud* industrial estate. Structure from 1990 and new build from 2004, with combined 23,906 m² of warehouses and 3,093 m² of offices.	1,287,324	1,259,200	92.5%
Nijvel, rue du Bosquet 12	19,429 m² on the *Nivelles-Sud* industrial estate. Industrial building from 2007 that can be divided into three units of 3,901 m², 3,551 m² and 2,096 m², with 382 m², 364 m² and 363 m² respectively of built-in offices.	657,363	500,273	66.4%
Nijvel, rue Buisson-aux-Loups	A site with a surface area of 51,000 m², which WDP will redevelop in due course.	N/R	0	N/R
Puurs (Breendonk), Koning Leopoldlaan 9	5,579 m² of land. Recent industrial building with 1,282 m² of offices and 1,015 m² of warehouses.	158,518	214,374	100.0%
Puurs, Lichterstraat 31	24,134 m² of land with a 12,836 m² warehouse and 2,035 m² of offices from the 1970s.	544,213	346,874	77.1%
Rumst (Terhagen), Polder	47,435 m² of land on the *Molleveld* industrial estate. 21,189 m² complex, with 20,020 m² of warehouses and workshops.	599,150	392,587	74.7%

6

PROPERTY REPORT

		ESTIMATED RENTAL VALUE (ERV)	RENTAL INCOME 2012	OCCUPATION RATE 31 DEC. 12
Sint-Katelijne-Waver, Drevendaal 1 – Strijbroek 4	52,411 m² of land divided over two plots, one wholly owned and one on long lease. The first industrial building from 1991 with 15,405 m² of warehouses and 1,653 m² of offices. The second building from 1991, renovated in 2007, with 4,785 m² of warehouses and 767 m² of offices.	854,797	959,039	100.0%
Sint-Katelijne-Waver, Drevendaal 3	46,941 m² in the industrial park in Sint-Katelijne-Waver; 39,614 m² on long lease, the rest wholly owned. Industrial complex from 1996 with extensions in 1997 and 1998, with 20,892 m² of warehouses and 1,683 m² of offices. Equipped with solar panels.	1,233,846	1,350,563	100.0%
Sint-Katelijne-Waver, Fortsesteenweg 19-27	39,783 m² of land divided over two plots in an SME park. Industrial building with 2,685 m² of warehouses and 565 m² of offices.	289,125	297,063	100.0%
Sint-Katelijne-Waver, Strijbroek 10	4,797 m² of land on the Sint-Katelijne-Waver industrial estate on a long lease. A building from 2007 with 2,103 m² of offices.	292,915	330,756	100.0%
Sint-Niklaas, Prins Boudewijnlaan	27,835 m² industrial site in the regional *Europark Zuid II* business park.	N/R	0	N/R
Ternat, Industrielaan 24	28,274 m² of land on an SME estate. Offices and warehouse from 1977-1978 and 1985, renovated in 2000-2001 and new build from 2000. The site was partially redeveloped to order in 2012. 13,717 m² of warehouses and 3,512 m² of offices and service spaces in total.	770,422	392,528	89.1%
Vilvoorde, Havendoklaan 12	27,992 m² of land on the *Cargovil* industrial estate. The buildings from 1994 have been renovated and extended. In the first phase, 4,133 m² of warehouses, 42 m² of archive space and 1,003 m² of offices. In the second phase, 7,878 m² of warehouses and 850 m² of offices. Equipped with solar panels.	791,435	858,161	100.0%
Vilvoorde, Havendoklaan 13	18,066 m² of land in the *Cargovil* business park. 845 m² office building renovated in 2006 and a 3,150 m² storage hall. 1,774 m² new build from 2006 adjacent. Equipped with solar panels.	379,815	487,048	100.0%
Vilvoorde, Havendoklaan 19	19,189 m² of land in the *Cargovil* business park. 10,677 m² of warehouses and two separate office buildings totalling 879 m² built in 2002-2003. Equipped with solar panels.	586,381	506,741	100.0%

6 PROPERTY REPORT

		ESTIMATED RENTAL VALUE (ERV)	RENTAL INCOME 2012	OCCUPATION RATE 31 DEC. 12
Vilvoorde, Jan Frans Willemsstraat 95	13,853 m² of land on an industrial estate. 6,010 m² of warehouses and 371 m² of offices in a new build from 2004 and an older industrial complex that was largely renovated and altered in 2007.	311,525	340,288	100.0%
Vilvoorde, Willem Elsschotstraat 5	47,203 m² of land. 1,990 m² of offices and 18,843 m² of warehouses in buildings fully renovated in 1996-1997, with an extension added in 2005. Equipped with solar panels.	906,496	639,045	97.7%
Willebroek, Koningin Astridlaan 14	58,207 m² of land by the A12. 20,505 m² of offices, workshops and warehouses from the late 1970s and 1999. The warehouse at the back will be replaced by a 15,000 m² new build. Modern logistics site at an excellent strategic location, made even more attractive by neighbouring No. 16.	1,177,853	420,275	100.0%
Willebroek, Koningin Astridlaan 16 	63,902 m² of industrial land. 23,600 m² of warehouses and 1,050 m² of built-in offices in a new build from 2008. Equipped with solar panels. Modern logistics site at an excellent strategic location, made even more attractive by neighbouring No. 14.	1,141,061	1,245,894	100.0%
Willebroek, Victor Dumonlaan 4	52,051 m² of land in concession with storage complex comprising 32,700 m² of warehouses and 896 m² of offices. Equipped with solar panels.	1,229,350	1,226,234	100.0%
Zaventem, Fabriekstraat 13	14,051 m² of land. 701 m² office space from 1984. 6,811 m² of warehouses from 1980, 1987 and in part 1993.	385,862	393,867	100.0%
Zele, Lindestraat 7 – Baaikensstraat	71,415 m² of land on an industrial site. 1,812 m² of offices, 37,911 m² of warehouses and 1,533 m² of mezzanines, partly new build from 2008 and partly renovated in 2003, 2005 and 2007. Equipped with solar panels.	1,590,219	1,439,962	100.0%
Zwevegem, Deerlijkstraat 58A	43,650 m² warehouse including 732 m² of offices and related space for outdoor storage of 73,000 m² on a total surface area of 120,643 m².	1,255,140	1,263,860	100.0%
Zwijndrecht, Vitshoekstraat 12	20,000 m² logistical building in the Port of Antwerp at Zwijndrecht between Kennedytunnel and Liefkenshoektunnel.	920,617	262,303	100.0 %

6

PROPERTY REPORT

		ESTIMATED RENTAL VALUE (ERV)	RENTAL INCOME 2012	OCCUPATION RATE 31 DEC. 12
Properties with a fair value of less then EUR 2,5 EUR million	Twelve properties subject to rent collection, with a fair value of less than EUR 2.5 million. These properties are Beersel, Stationsstraat 230 – Boom, Groene Hofstraat 13 – Aalst, Dendermondsesteenweg 75 – Lebbeke, Kapittelstraat 31 – Antwerp, Lefebvredok Grevendilf Vrieskaai – Sint-Jans-Molenbeek, Delaunoystraat 35-36 + 58-60 – Willebroek, Breendonkstraat – Boortmeerbeek, Leuvensesteenweg 238 – Anderlecht, Frans Van Kalkenlaan 9 (Asar tower) – Mouscron, rue du Pont Bleu 21 – Sint-Katelijne-Waver, Fortsesteenweg 44 and Tournai (Marquain), rue de Terre à Briques 14. The combined occupancy rate of these buildings is 95.7%	1,581,331	1,666,353	95.7%
THE NETHERLANDS		**30,118,490**	**25,123,303**	**98.7%**
Alkmaar, Berenkoog 48	7,173 m² logistics business space with 555 m² of office space on the *Berenkoog* industrial estate. The total surface area is 24,345 m².	493,343	385,163	100.0%
Alphen aan den Rijn, J. Keplerweg 2 	21,235 m² of land in the *Molenwetering* business park with a distribution centre comprising 16,142 m² of warehouse space and 1,656 m² of offices.	847,340	874,440	100.0%
Alphen aan den Rijn, Eikenlaan 32-34	30,170 m² site with distribution centre comprising factory warehouses, office space and house of 14,532 m² in total	725,073	625,929	100.0%
Amersfoort, Basicweg 1-3	25,345 m² of land on De Brand business site with new build distribution complex comprising a 10,245 m² distribution hall and almost 1,300 m² of office space.	619,240	713,114	100.0%
Amsterdam, Hornweg 64	A 12,519 m² logistics business space with approx. 918 m² of office space. The complex is located on 29,000 m² of land.	781,414	736,111	100.0%
Barneveld, Nijverheidsweg 50-52	50,315 m² of land accommodating a distribution centre – part of which is currently being built – (34,188 m²), comprising a 28,417 m² warehouse, 4,369 m² of office space and 1,402 m² of commercial space and other.	1,828,735	137,261	100.0%
Breda - Hazeldonk 6462 and 6464	49,487 m² of land on the *Hazeldonk* industrial estate near Breda and the Belgian border. The complex built in the 1990s comprises 35,977 m² of storage and logistics spaces and 1,100 m² of offices.	1,203,375	1,061,691	100.0%
Haarlemmermeer, Incheonweg 7	A 15,512 m² site with a 10,813 m² warehouse and 1,596 m² of offices south of Schiphol airport in the *Schiphol Logistics Park*.	1,153,499	430,313	100.0%

		ESTIMATED RENTAL VALUE (ERV)	RENTAL INCOME 2012	OCCUPATION RATE 31 DEC. 12
Helmond, Sojadijk 2	Building completed in 2011 comprising a 12,320 m² warehouse and 950 m² of office space.	644,650	487,890	100.0%
Maastricht-Aachen (Beek), Engelandlaan 30	Premises from 2012 on a 38,200 m² site, comprising a 24,405 m² of warehouse and 327 m² of offices. Cross-dock DC on the *Aviation Valley* business site close to *Maastricht Aachen Airport*.	1,127,655	78,966	100.0%
Nijmegen, Bijsterhuizen 2404	A 25,137 m² site located on the *Bijsterhuizen* industrial estate, with 13,000 m² of warehouses and 1,050 m² of office space completed in 2010.	860,520	1,376,732	100.0%
Nieuwegein, Inundatiedok 14	A 40,950 m² new build warehouse with 2,537 m² of office space, located right next to the A27 on the *Het Klooster* business site.	2,290,017	1,712,718	100.0%
Oss, Menhirweg 15	Recent logistics premises comprising a 9,042 m² warehouse and 1,583 m² of office space on the *A50/A59* business site.	548,575	533,115	100.0%
Oss, Keltenweg 70	Premises from 2012 located on the *A50/A59* business site, comprising a 14,560 m² warehouse and 2,581 m² of office space.	1,017,659	616,287	100.0%
Raamsdonksveer, Zalmweg 27	15,333 m² of land on the *Dombosch II* industrial estate. A building with 1,060 m² of office space and 3,975 m² of industrial space, with an additional 1,950 m² of covered industrial space outside. An expansion of 2,760 m² was completed in 2009.	458,050	440,393	100.0%
Ridderkerk, Handelsweg 20	43,237 m² site at a top logistics location. Premises with 16,495 m² of storage and logistics space and 3,747 m² of office space. A new warehouse was completed in autumn 2009 with an additional 12,437 m² of storage and logistics space and 3,501 m² of office space. There is also a 5,040 m² industrial site planned to house a multi-storey car pack.	3,055,200	5,251,472	100.0%
Roosendaal, Aanwas 9	32,000 m² of land with a 6,965 m² warehouse and 847 m² of office space taken into use in 2012.	801,300	244,684	100.0%
Roosendaal, Borchwerf 23	Office building with industrial complex with a total area of 15,834 m² on the *Borchwerf* industrial estate. Surface area 3 ha 88 a.	711,843	722,398	100.0%
Tilburg, Siriusstraat 7-9 	27,897 m² of land in the *Loven* industrial park. The old site has been remediated for the development of a 17,761 m² new build project.	934,040	1,126,336	100.0%

6

PROPERTY REPORT

		ESTIMATED RENTAL VALUE (ERV)	RENTAL INCOME 2012	OCCUPATION RATE 31 DEC. 12
Utrecht, Rutherfordweg 1	12,600 m² distribution building including 850 m² of office space, located in the *Lageweide* industrial park. Total surface area 31,270 m².	768,450	715,673	100.0%
Veghel, Doornhoek 3765	10,000 m² of land with a 9,007 m² warehouse and 813 m² of office space.	496,675	548,847	100.0%
Veghel, Kennedylaan 19	21,020 m² distribution centre with office space completed in 2002. Part of the *De Dubbelen* business site.	876,400	177,352	100.0%
Veghel, Marshallweg 1	148,279 m² of land between Den Bosch and Eindhoven. The complex comprises nine buildings, with 75,955 m² of industrial space and 2,208 m² of office space in total.	3,130,168	2,772,682	100.0%
Venlo, Ampèrestraat 7-9 	50,400 m² of land on the *Venlo Trade Port* industrial estate close to the German border. In 2009 the first distribution building was completed, comprising a 14,680 m² warehouse and 290 m² of office space. The second distribution building with a 17,260 m² of warehouse and 290 m² of office space was completed in 2012.	1,453,595	566,325	85.3%
Venlo, Edisonstraat 9	70,000 m² of land on the *Venlo Trade Port* industrial estate close to the German border. *Sale and rent back* of buildings with a total surface area of 24,344 m² of storage space and 4,849 m² of office space.	1,010,125	501,816	100.0%
Voorhout, Loosterweg 33	63,159 m² of land located between Amsterdam and The Hague The building complex from 1988 comprises 25,425 m² of storage space, 11,752 m² of greenhouses and 1,396 m² of office space.	1,073,540	1,082,746	100.0%
Zwolle, Lippestraat 15	35,826 m² of land with 19.765 m² of warehouse and office space en on the *Hessenpoort* business site.	1,208,010	1,202,849	100.0%
FRANCE		**6,330,162**	**6,193,257**	**91.6%**
Aix-en-Provence, rue Gustave Eiffel 205	31,179 m² of land on the *Les Milles* industrial estate. A building from 2000 with 8,259 m² of storage space and 1,012 m² of office space, with additional outside storage space.	804,175	804,461	100.0%
Lille - Libercourt, Zone Industrielle – Le Parc à stock 	138,003 m² of land for a new build project, of which 29,900 m² of warehousing space and 438 m² of office space have already been completed and a further 30,250 m² is under construction.	1,522,584	1,380,628	100.0%

		ESTIMATED RENTAL VALUE (ERV)	RENTAL INCOME 2012	OCCUPATION RATE 31 DEC. 12
Lille - Roncq, avenue de l'Europe 17	27,948 m² of land north of Lille in the *Centre International de Transport* business park. A building from 2003 enlarged in 2006, with 12,234 m² of warehouses and 858 m² of office space.	383,532	172,378	0.0%
Lille - Seclin, rue Marcel Dassault 16B	28,157 m² of land on an industrial estate south of Lille. The building comprises 12,397 m² of warehouses and 709 m² of office space.	555,280	663,926	100.0%
Lille - Templemars, route de l'Epinoy 16B	11,718 m² of land with an office building consisting of 2,935 m² of warehouses and 1,412 m² of office space.	250,795	269,645	100.0%
Lille - Templemars, route d'Ennetières 40	44,071 m² of land located three kilometres from Lille airport. Excellently maintained building from 1989 enlarged in 2007, with 17,391 m² of warehouses and 1,790 m² of office space.	782,524	784,410	100.0%
Neuville-en-Ferrain, rue de Reckem 33	24,200 m² of land north of Lille, close to the Belgian border on the *Tourcoing-Nord* industrial estate. A building from 2007 with 13,065 m² of warehouses and 248 m² of office space.	533,003	622,799	100.0%
Vendin-le-Vieil, rue Calmette / rue des Frères Lumière	An 82.200 m² site in an industrial zone close to Lens. A building from 2004 with 26,788 m² of warehouses and 2.353 m² of office space. The land has expansion possibilities.	1,498,269	1,495,010	100.0%
ROMANIA		**687,597**	**414,171**	**100.0%**
Aricestii Rahtivani	250,000 m² site			
Codlea	227,500 m² site			
Corbii Mari	222,207 m² site			
Oarja 	A 5,000 m² semi-industrial complex has been built on a 224,225 m² site. A neighbouring 7,000 m² complex has been subsequently completed.	687,597	414,171	100.0%
Properties with a fair value of less than EUR 2.5 million	These are the six remaining sites, totalling 765,168 m².			
CZECH REPUBLIC		**2,202,095**	**2,579,394**	**100.0%**
The decision was taken to sell 100% of the shares in WDP's Czech subsidiary WDP CZ in the autumn of 2012. This transaction fits in with WDP's strategy of strengthening its position in its core markets in Western Europe, supplemented by the growing logistical market of Romania. See also the press release of 13 November 2012.				
TOTAL		**83,591,817**	**75,606,948**	**97.1%**

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

1. Belgium

Overview

The Belgian economy remains weak. The upturn in financial markets in the second half of 2012 was not yet enough to improve business confidence. As a result, fewer projects got underway and the lack of supply forces entrepreneurs in need of ready-to-use spaces to look to other markets. Nevertheless, the Belgian semi-industrial and logistics property market generally held up well in 2012, driven by small and medium-sized businesses. Many companies continue to find it tough to find credit, so sales and leases are down. Logistics companies are primarily looking for small-scale spaces, although there is still a substantial demand for large premises at prime locations.

Demand

The take-up in semi-industrial properties in 2012 was 615,000 m^2 in total. The biggest rise was in Flanders, but Brussels and Wallonia also experienced growth. The logistics take-up was 697,000 m^2, another high figure bearing in mind the limited supply of available properties. Especially Brussels and Wallonia performed strongly here. Haulers and logistics companies were very active, including such names as 2XL, Kuehne + Nagel and Norbert Dentressangle. They signed the five biggest deals in Q4 2012.

A shift in demand was perceptible in 2012. More efficient logistics processes mean that goods are often stored for shorter periods. This resulted in a rising demand for small storage spaces between 3,500 m^2 and 4,500 m^2. At the same time, consolidation in the distribution industry created demand in large distribution centres with excellent connections to the transport infrastructure. Supply is very limited, however. Take-up in these high-grade properties is still largely concentrated on the Brussels-Antwerp axis. These properties accounted for most of the transactions over 10,000 m^2 in 2012 (70%).

Supply

Rents for high-grade logistics properties remained stable throughout the year in Brussels (EUR 46/m^2/year), Ghent (EUR 36/m^2/year) and Hasselt-Genk (EUR 35/m^2/year). They rose in Antwerp (EUR 43/m^2/year, + 2.4%) and Liege (EUR 35/m^2/year, + 2.9%).

The supply of new spaces remains limited, because developers continue to feel the economy is too unpredictable to build properties that are not pre-let. The persistent low rents reinforce this wait-and-see attitude. The biggest shortage is in large-scale modern logistics properties.

Investments

Investments remained at a very low level throughout most of 2012, although there was a slight upswing in the final quarter. Most investments were by small and medium-sized businesses buying properties for their own use.

Yields remained stable throughout the year as a result of the stagnating market. They were 7.5% in Brussels and Antwerp. In Ghent, Hasselt-Genk and Liège they were 8%.

Outlook

It is impossible to predict when confidence will start to grow among large companies and developers. Until then, growth will again mainly come from small and medium-sized businesses in 2013. The semi-industrial property market is expected to perform at the same level as 2012, going by the performance at the end of 2012, when total take-up was 185,000 m^2.

The year ended well in the logistics property market, with take-up of 203,000 m^2 recorded in the final quarter.

Some sources expect rents in Europe to rise by 1.4% in average in 2013-17. That is an improvement on the average annual fall of 1.8% recorded in 2008-12.

In the near future the European property market will feel the impact of the Motorways of the Sea project launched by the European Commission as early as 2001. The aim of the project is to relieve pressure on congested road intersections in the long run by encouraging water transport and improving connections between the various transport systems. This will enable logistics companies to broaden their location strategy. This offers prospects for established ports like Antwerp.

Bearing in mind the rent growth prospects, however limited, the return will mainly be generated by rental income in the foreseeable future.

2. Netherlands

Overview

The Dutch logistics property market was stable in 2012, which attracted interest from relatively new investors. In this market specific knowledge of the user is a decisive factor, which is to the advantage of specialised players like WDP. They know what drives uses of storage and distribution centres. They also respond to the changing demands that retailers in particular place on distribution premises as a consequence of their e-commerce activities.

Demand

Total business space take-up in 2012 fell by 6.5% versus the previous year to 2.8 million m^2. This take-up rate remains in step with average take-up in 2005-12, however. The demand for logistics service providers is especially focused on modern new build distribution centres at logistics hotspots. The year's biggest transactions all related to new build projects and properties built within the past ten years. The two biggest purchases were made by WDP: the Lake Side Portfolio and the new Pon Onroerend Goed distribution centre in Barneveld. Generally speaking, the centre of gravity in Q4 was Tilburg and Venlo/Venray. Take-up was especially strong in Tilburg, rising to around 165,000 m^2, up 45% on the 2011 figure.

Supply

Supply dropped off in 2012 by 3.3% versus the previous year to 9.3 million m². The weak economy in recent years has meant that few logistics properties have been put on the market. Virtually all new projects were pre-let and built to the wishes of clients. The advantage of this is the arrival of a new generation of distribution centres, characterised by sustainable, energy-efficient sytems. They are located at major distribution hubs, such as the Port of Rotterdam and Schiphol or major roads in Brabant and Limburg towards Germany and France. Less happily, part of the existing stock of logistics properties has quickly become out of date, leading to vacancy. These properties are leased only if a logistics provider has an urgent need of space or if a short-term contract can be negotiated at a low price.

Rents remained stable in 2012, only to fall in Q4 throughout the country by some 3-4%. The fall was 4.2% in Amsterdam and Eindhoven to EUR 57.5 per m²/year and 4% in Venlo and Tilburg to EUR 48 per m²/year. Rents also fell by 3.3% in Rotterdam to EUR 58 per m²/year. Nijmegen was unchanged at EUR 50 per m²/year, whereas the prime rents at Schiphol rose by 2.9% to EUR 87.50 per m²/year.

The average vacancy rate across the Netherlands was limited to around 7% and did not exceed 10% in any region.

Investments

Investments finally rose in the final quarter of 2012, exceeding EUR 130 million, compared with EUR 93 million in the same period of 2011. However, total invested volume of EUR 330 million was no less than 44% below the 2011 figure. The prime yields remained virtually the same everywhere: 7.60% (Schiphol), 7.75% (Eindhoven, Venlo, Tilburg and Nijmegen) and 7.80% (Amsterdam, Rotterdam). Investors are primarily interested in state-of-the-art properties at prime locations with long-term leases.

Developers may be stimulated to launch new projects precisely because these are so rare.

Outlook

The stock of old logistics spaces increases in step with the pressure of investors to sell this type of property. The difference in initial yields between old and new property will accordingly increase further.

The port cities of Rotterdam and Amsterdam may also feel the benefit of the European Commission's Motorways of the Sea project (see *1. Belgium* above) in terms of rent. Rents are expected to remain stable there over the next five years.

Rents and yields at all prime Dutch locations are also expected to remain the same in 2013. They will come under pressure at secondary locations. The supply of new builds will continue to be very limited and the vacancy rate in second-rate properties will increase.

3. France

Overview

After growing in 2011, the French semi-industrial property market experienced a downturn in 2012 due to the weak domestic and international economy.

The results of the 2012 elections did not strengthen the confidence of users and developers either. A great many French logistics companies are seeing business drop off, too. In consequence, all players are adopting a wait-and-see attitude.

Demand

Total take-up of storage space in 2012 was over 1.6 million m², a 36% fall compared with an outstanding 2011. The main reason for this is that tenants prefer to renegotiate rents rather than relocate. At the same time, there is a growing trend among logistics companies of site streamlining to drive down supply chain costs. This resulted in a small number of deals that somewhat stimulated an otherwise sluggish market in 2012. However, retailers did buy a number of large spaces, such as Intermarché in Vert-Saint-Denis (94,000 m²). Amazon played a leading role, purchasing a 100,000 m² turnkey project in Lauwin-Planque and leasing 41,000 m² of storage space close to Dijon. E-business accounted for 20% of the total take-up of high-grade properties in 2012.

Lille, Paris, Lyon and Marseille are the regions that continue to dominate in the market. All told, they accounted for 73% of take-up in 2012, although there were some major differences between them. Take-up actually fell by 60% in Paris to 507,000 m². This means Paris accounts for just 31% of the total take-up in France, compared with 50% in 2011. Lyon had a very good year, with transactions covering a surface area of 378,000 m². In Lille take-up was in line with the long-term average, thanks among others to Transfreight, which took up 42,000 m² in the trimodal Delta 3 terminal. Marseille experienced a slight downturn, but eight big deals were nevertheless signed.

Supply

Property availability remained stable throughout the year at 3 million m². A large number of high-grade second-hand properties are coming on the market, but there has been a dearth of projects that are not pre-let over the past three years, which means the new build stock of 350,000 m² is lower than it has been in a decade. Second-hand properties actually accounted for 40% of total take-up in 2012.

The strong demand for high-grade spaces that keep operating costs down led to the stock of modern well-appointed second-hand properties becoming virtually exhausted. There are no speculative projects and take-up of the very limited new build stock is immediate. The few projects that are in the pipeline will not prevent this shortage of high-grade spaces from growing in the future.

The highest rents for high-grade logistics premises are unchanged across the board: EUR 52 per m²/year (Paris), EUR 47 per m²/year (Lyon and Strasbourg) and EUR 42 per m²/year (Bordeaux, Lille, Marseille and Toulouse).

Investments

Investments hit almost EUR 380 million in the final quarter, a good level, albeit lower than in Q3. Total transactions in 2012 exceeded EUR 1.3 billion, which is a significant rise compared with 2011.

Yields remain largely the same. In Paris they rose on an annual basis by 7% in 2011 to 7.25%, in Lyon and Lille from 7.25% to 7.50% and in Marseille from 7.50% to 7.75%. In Bordeaux, Strasbourg and Toulouse they were unchanged at 8%.

Outlook

The economic downturn is expected to continue in 2013, which will result in only very slight growth in the semi-industrial and logistics property market. Lower exports as a consequence of the crisis in the euro zone will result in less business, which will intensify the need for greater efficiency and cost cutting. That being said, a few deals initiated in 2012 will add some dynamism to the market.

4. Romania

Overview

The crisis in the euro zone – home to Romania's biggest trade partners – also has an impact on the industrial and logistical sector in this southeast European country. Take-up was very limited, although rental business held up in logistics and production. There was little difference in terms of investment either, resulting in unchanged yields.

Demand

Economic growth was gradually eroded to less than 1% in the course of 2012, but there was little activity on the semi-industrial and logistics property market. That did not prevent a small number of big transactions in the final quarter – all outside the capital Bucharest. Logistics was the most active industry. One of the big deals was Immofinanz's lease of a 15,000 m^2 project in Ploiesti to Profi. Major deals were also made in Timisoara and Brasov.

Supply

Supply fell in Q4 to less than 110,000 m^2, which resulted in a vacancy rate of 11.1% in Bucharest. The trickle of new build projects has virtually dried up. Developers take a risk on projects that are not pre-let only in exceptional circumstances. Moreover, 20,000 m^2 was handed over to DSV in Q4, while FM Logistics enlarged its logistics base in the Timis region by 8,000 m^2.

The highest rents for the best spaces remained the same in Bucharest, Brasov, Constanta and Timisoara at EUR 43.20 per m^2/year.

Investments

No investments of any significance were made in 2012. The sluggish economy means that investors prefer to wait. Any potential projects remained on the drawing board due to a lack of credit.

Based on the scarce available data, yields are estimated to have remained at 9.50% in Bucharest and 10.50% in Brasov, Constanta and Timisoara.

Outlook

A slight improvement in the lease business in 2013 cannot be excluded. Take-up will remain limited because there is no real demand in the market. New projects will almost exclusively be initiated by users that wish to rationalise their current spaces. The weak economy is keeping investors away. Virtually all specialised funds have pulled out of the country and the only activity on the market in 2013 is expected to be share transactions.

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

3. Conclusions of the property experts

Dear Sirs,

We are pleased to present to you our estimate of the value of the property portfolio of WDP Comm. VA at 31 December 2012.

WDP has appointed us as independent property experts to determine the investment value and fair value of its property portfolio. The estimates made take into account both the observations and definitions stated in the reports and the International Valuation Standards issued by IVSC.

Fair value is defined in IAS 40 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. IVSC considers these conditions to have been met if the definition of market value set out above is complied with. In addition, market value must reflect current rental agreements, the current gross margin of self-financing (or cash flow), the reasonable assumptions in respect of potential rental income and expected costs.

The administration costs must be adjusted in this context to the actual situation in the market. Following analysis of a large number of transactions the independent property experts acting on the request of listed property companies concluded in a working party that, since tax engineering takes place on a large scale in various forms (completely within the law), the impact of the transaction costs on large investment property in the Belgian market with a value of more than EUR 2.5 million is limited to 2.5%. The value with additional costs borne by the seller therefore corresponds to the fair value plus 2.5% administration costs. Fair value is consequently calculated by dividing the value with additional costs borne by the seller by 1.025. Properties below the threshold of EUR 2.5 million and foreign properties are subject to the usual registration regime and their fair value therefore equals the *value with costs borne by the buyer.*

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

The estimates of the properties take account of both current rental agreements and all rights and obligations arising from those agreements. Each property was estimated separately.
The estimates do not take account of potential additional value that could be realised by offering the portfolio as a whole in the market. Our estimates also do not take account of marketing costs specific to a transaction, such as estate agents' fees or advertising costs. Our estimates are based on an annual inspection of the properties concerned and also take account of the information provided by WDP regarding the rental situation, surface areas, drafts or plans, rental costs and taxes relating to the property concerned, conformity and environmental pollution. The information provided was assessed to be accurate and complete. Our estimates are based on the assumption that any components not included do not affect the value of the property.

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

On the basis of the statements in the preceding paragraphs, we can confirm that the fair value of WDP's real estate property (excluding solar panels) at 31 December 2012 was EUR 1,060,587,499 (one billion sixty million five hundred and eighty seven thousand four hundred and ninety nine euros).

Yours faithfully,

KOEN NEVENS
CEO | Cushman & Wakefield

PHILIPPE JANSSENS
Managing Director | Stadim

LEOPOLD WILLEMS
Associate director of the International department appraisals | DTZ Zadelhoff

JEAN-CLAUDE DUBOIS
President | BNP Paribas Real Estate


KUEHNE+
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EHNE+NAGEL

7

Corporate social responsibility

1. Sustainability, a strategic cornerstone for long term financial performance

As a leading logistics real estate partner, WDP is continuously working on creating sustainable value for its clients and shareholders through environmental responsibility. The long term approach is a key element in WDP's sustainable development strategy.

A sound evaluation of each contemplated investment is performed to assess the impact on all our stakeholders. Some clients require basic warehouse facilities while others need high-tech logistics facilities. WDP offers a wide range of warehouse facilities in a tailored way but they all benefit from a common approach: environmental responsibility through renewable energy and energy efficiency. This common approach enables responsible and efficient business performance which increases the competitiveness of our clients by lowering their energy cost and impact on the environment, our climate and society.

WDP's successful BREEAM achievements are promising. These certifications are the reflection of our intention to combine value and environmental responsibility. A carbon footprint study has also been executed to evaluate the climate impact of our property portfolio. Actions have been identified and a roll-out is planned. The efforts are not limited to WDP's portfolio as we also calculated the carbon footprint of our headquarters. Efforts are being made to reduce our own footprint by the use of i.e. more efficient vehicles, public transport, teleconferencing…

WDP aims to gradually evolve towards CO_2-neutrality in the medium-term through the progressive implementation of the Trias Energetica: avoid energy consumption, maximise renewable energy sourcing (solar energy, wind, biomass, …) and use the remaining fossil fuel energy efficiently (relighting, heating optimisations, heat and cold storage, …).

Today's challenges and opportunities also lay in the added value we want to create as a long-term logistics real estate partner that creates synergies between its clients, regions, cities, ports, authorities in order to stimulate intelligent logistics (tri-modality, bundling, ...), ease transport and reduce traffic pressure on cities and society. This is corporate social responsibility as well.

With this sustainability report we hope to give you more transparency about WDP's sustainable development approach and the efforts made to achieve a long-lasting and responsible value creation.

As always, warehouses with brains.

JOOST UWENTS
CEO | WDP

1.1. Vision and strategy

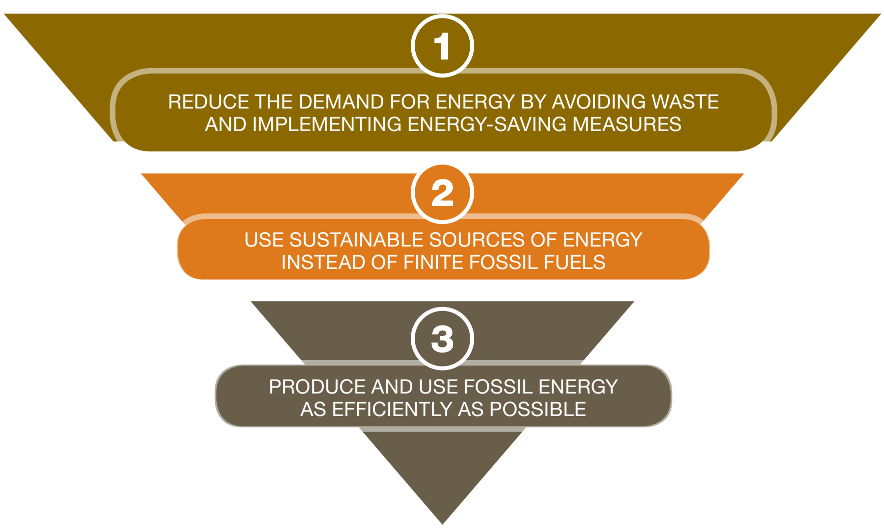
As previously mentioned, WDP aims to achieve CO_2-neutrality for its property portfolio in the medium-term. *'CO_2-neutral means that – through a transparent process of calculating emissions, reducing those emissions and offsetting residual emissions – net carbon emissions equal zero'* according to the Department of Energy and Climate Change (DECC, UK). The best practice for organizations and individuals seeking carbon neutral status entails avoiding and reducing carbon emissions first so that only unavoidable emissions are offset. CO_2-neutrality status is commonly achieved in two ways:

→ Balancing carbon dioxide released into the atmosphere from burning fossil fuels, with renewable energy that creates a similar amount of useful energy, so that the CO_2 emissions are compensated, or alternatively using only renewable energies that don't produce any carbon dioxide (also called a post-carbon economy).

→ CO_2 offsetting by paying others to remove 100% of the carbon dioxide emitted from the atmosphere – for example by funding *climate projects* that should lead to the prevention of future greenhouse gas emissions, or by buying carbon credits to remove (or *retire*) them through carbon trading.

The whole avoiding, reducing and offsetting approach reduces our fossil fuel dependency while stimulating the renewable energy share. It is a global approach that creates value through the reduction of energy costs and leads to a lower impact on climate and society.

The Trias Energetica* concept:
the most sustainable energy is saved energy.



* Source: SenterNovem.

The CO_2*-neutral* objective of creating sustainable value through environmental responsibility requires a well-structered and economically viable approach. The Trias Energetica is a proven approach we are applying to reduce our energy consumptions and use energy in a more sustainable way.

After a carbon footprint of our headquarters and our warehouse porfolio we have a better overview of the current situation, opportunities and challenges ahead. The carbon footprint calculation made by CO2logic was based on the energy consumption of 21 monitored sites and the energy consumption of the headquarters in Belgium. Based on these calculations WDP knows where to focus and where to invest in order to create efficient business performance.

1.1.1. Reduce

In recent years WDP has invested in an energy monitoring system in order to follow-up closely a large share of its property portfolio's energy (electricity and gas) consumption. This allows WDP to have a better idea of the current energy consumptions and quickly act on them when anomalies are identified. Good monitoring is the basis of a good reduction strategy. Based on the monitoring system WDP will continuously benckmark the performance of its warehouses and target least performing warehouses for renovation, relighting, …

Setting the BREEAM ladder at *Very Good* for WDP's new big warehouses requires stringent quality and performance levels. This will ensure our property portfolio's performance and value over the coming years.

To further reduce its property portfolio's energy consumption, with a focus on electricity, WDP invests in relighting (LED, …), insulation and more efficient heating/cooling solutions like geothermia and phase change materials (PCM).

Phase change materials (PCM) are used for hot and cold storage. These materials can absorb heat within a certain temperature range without undergoing a significant change in temperature. Instead, the absorption or release of the heat is accompanied by a change in the aggregate state of the material. Some materials are able to store huge amounts of heat while melting. This energy is released again during the crystallisation process. The temperature of the material stays almost constant during the melting and crystallisation processes. Therefore this kind of heat storage is called latent heat storage. By using materials with high melting enthalpies it is possible to store huge amounts of heat in comparable small temperature ranges.

1.1.2. Offset

WDP has an installed capacity of 16 megawatt peak (MWp) of green energy until now through its investments in solar panel projects on its rooftops in the Belgian portfolio (15 MWp) and Romania (1 MWp).

WDP is currently exploring further investments in solar, wind, geothermal and biomass energy provided that these investments are based on a low-risk assessment and provide a return pattern that is similar to its existing logistics real estate portfolio.

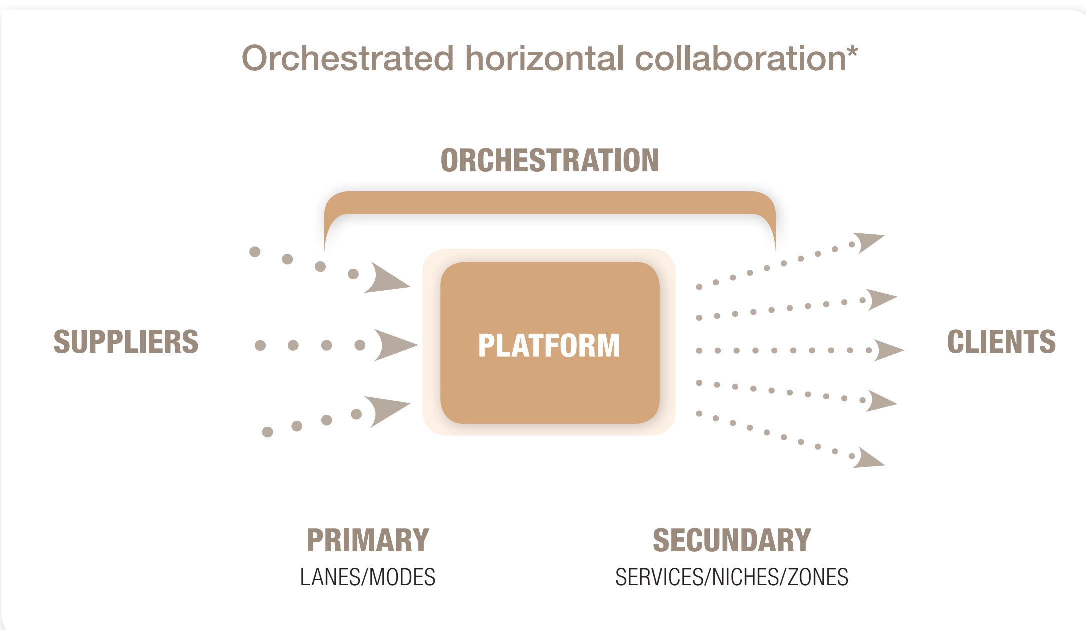
1.1.3. Win

Our approach towards sustainability benefits our clients, WDP, WDP's shareholders and external stakeholders. Our vision and strategy for WDP's property portfolio will reduce the total cost of ownership through minimising the energy costs per square meter and the carbon footprint of WDP and its clients. It will reduce our fossil fuel dependency and the risk of potential price variations inherent to turbulant markets. It will reduce our impact and the impact of our clients on their surrounding and society in general. On the other hand this should increase the value of our property and services.

But WDP's influence and support does not stay within the walls of warehouses. By creating synergies between clients, regions, cities, ports, authorities in order to stimulate intelligent logistics (tri-modality, bundling, ...), our clients will be less impacted by transport restrictions (CO_2-tax, …) and we will stimulate efficiency while reducing traffic pressure on cities and society.

WDP is currently closely examining multimodal transport and bundling with and for its clients as it is convinced that this will improve the total cost, service level and sustainability of the supply chain.

Multimodal transport and bundling
Multimodal transport means that the transport decision maker is able to choose the most appropriate transport mode given his product flow characteristics and logistics requirements. In some cases this might be uni-modal road or rail or waterway transport; in other cases the most appropriate transport mode is intermodal transport, combining different transport modes in one journey, i.e. in sequence (e.g. inland navigation with pre- and/or post haulage by truck). In this context one is often using the term *co-modality*, stressing on combining the strengths of various transport modes. The term *synchromodality* refers to a transport offering different transport modes in parallel. This means



* Source: Tri-Vizor.

that for a specific transport order the shipper (or his transport partner) has a modal choice.

Urban transport

One of the options to assure sustainable urban transport is the set-up of a viable and sustainable urban distribution platform, using *orchestrated horizontal collaboration*. This concept of orchestration has proven to significantly improve the efficiency of the transportation of goods, thus reducing the consumption of fuel, the emission of greenhouse gas emissions and other nuisances of transport.

Orchestrated horizontal collaboration is a collaboration among all partners involved in transporting goods (suppliers, shippers, receivers, multimodal platforms, public authorities…) and an *orchestrator*. The objective of the collaboration is to improve the efficiency of the transport chain and save costs. This is achieved by pro-actively combining shipments to increase truck loads and by economies of scale. The orchestrator is a small independent, neutral partner acting as manager, trustee and referee of the community.

The scheme on page 143 makes clear one has to integrate both inbound and outbound flows in the city distribution platform.

2. Sustainable property management

It is inherent to any industrial activity – including the property industry – that it can affect its environment – both the natural environment in all its facets and the people who live and work in and around the buildings. As a sustainable and responsible company, WDP aims to further develop its portfolio while at the same time consistently reducing its impact on the environment and natural resources as much as possible. By focusing on land usage and water consumption, waste streams, transport, sustainable materials and renewable energy, the company aims to reduce its environmental footprint each year.

2.1. Soil investigation

Before acquiring an existing building or plot of land, WDP always conducts a detailed investigation into any environmental risks or irregularities that might arise from previous, high-risk uses. As soon as there are suspicions of contamination, a study is conducted into the quality of the soil and the groundwater. If the soil does turn out to be contaminated, WDP ensures all that is necessary to control and eliminate this risk. For example, WDP is currently executing the soil remediation works of the recently acquired site in Heppignies. Potentially high-risk systems continue to be inspected regularly after a building is in use, in compliance with all the statutory standards and regulations. WDP also complies at all times with all national and regional regulations regarding soil certificates and other obligations relating to clean soil.

2.2. Environmental and town-planning permits

For all buildings and systems, WDP is in possession of the required official environmental and town-planning permits, in compliance with the statutory regulations in the countries concerned. If it is the tenant's responsibility to obtain specific permits – including a required environmental permit – WDP will urge the tenant to make the necessary arrangements as soon as possible. Local laws and regulations relating to buildings or systems are closely monitored and implemented. In the event of any changes in legislation – or to the technical systems – permits are updated immediately.

2.3. Inspection of technical and security systems

All the technical and security systems installed in the buildings that are included in WDP's portfolio are inspected on a regular basis, either at WDP's instigation or on the initiative of the tenant as obliged by WDP. In the latter case, WDP also closely monitors the quality of the inspection. As part of the monitoring process, we rely on independent and/or in-house specialists.

2.4. Reduction in greenhouse gas emissions from refrigerants

WDP fully supports the policy of deterrence pursued by European governments with regard to the use of synthetic refrigerants. In order to reduce greenhouse gas emissions (chlorofluorocarbons/CFCs) as much as possible, WDP therefore installs modern airconditioning systems in the buildings where possible, based on natural, ozone-friendly refrigerants such as ammoniac and carbon dioxide. This includes the recently completed building in Mollem, Belgium, for dairy company Lactalis and the BREEAM-certified building in Wijchen, the Netherlands. All air-conditioning systems are also inspected on a regular basis. This is important, as a well-maintained machine remains highly efficient and keeps energy consumption at a low level, which, in turn, benefits the environment.

2.5. Asbestos removal

Although asbestos removal is effectively the operator's rather than the owner's responsibility, whenever an existing property is to be acquired, the building is always inspected by experts for the presence of asbestos. If there is a potential threat to the health of those using the building, the asbestos is removed in accordance with standard procedures and in compliance with all statutory standards and requirements. If the experts conclude that the asbestos, due to the type of usage, does not present any danger in the current situation, this is considered a latent risk, and, as such, it is assessed on a regular basis. As soon as the risk increases – for example due to the building's obsolescence or regulatory changes – the asbestos is removed immediately. Maintenance or repair work is performed to facilitate these types of cleaning operations.

2.6. Waste recycling

WDP encourages its employees to segregate waste: at all our sites, we sort items such as paper, organic waste, glass and residual waste in accordance with the rules of the local waste collection service. In addition, tenants of the various properties are also incited to sort – and reduce – waste. For the buildings constructed in accordance with the BREEAM guidelines (see below), the waste on the sites is separated into four to six streams, which are processed by certified waste-processing companies.

The company has opted for prefab structures that further reduce waste volumes on the construction sites. Besides arranging for a certified processing company to collect the waste, WDP also attempts to reuse its waste on the building site itself. For example, rubble from demolition works was reused for the foundation of the new development project in Willebroek.

2.7. Energy-efficiency and EPB regulations

WDP is committed to reducing energy consumption in the buildings included in its portfolio as much as possible. It does this by fully insulating walls and roofs (using a heat resistance value of at least 2.5 m^2K/W and 3.2 m^2K/W, respectively). In addition, we always opt for the most cost-effective and energy-efficient alternatives for heating, ventilation and airconditioning systems. WDP is pursuing a sustainable warehouse policy. The sustainable projects relating to areas such as electric power, heating and insulation are designed to reduce carbon emissions in the storage facilities within the portfolio, while at the same time substantially reducing tenants' energy bills. This focus on sustainability does not only apply to new projects; older sites in the portfolio, too, are upgraded to become state-of-the-art, efficient and sustainable buildings.

Since 1 January 2006, under a European Directive new development projects and renovation projects for which a town-planning permit is required in the European Union must comply with the Energy Performance of Buildings Regulations (known as the EPB Regulations). These regulations set the standards for energy performance and indoor climate (EPB standards). The EPB standards provide for such issues as the degree of thermal insulation and ventilation to be achieved. For new development projects, the technical systems are considered as well, which requires the calculation of the total energy performance level (E level). For existing buildings, too, the European Directive provides for the introduction of an EPB certificate specifying the building's energy performance.

All projects completed by WDP in 2012 comply with the standards set. WDP aims to achieve an E level lower than the level required by law, as it has done for the new building constructed in Mollem. The E level at this site is 72, while the minimum required by law was 100 – an improvement of around 30%.

2.8. BREEAM

BREEAM (Building Research Establishment Environmental Assessment Method) is a sustainability certificate for the performance of buildings during their entire lifecycle.
BREEAM, the leading and most widely used sustainability standard for buildings in Europe, differs from other standards in that it is based on a multi-criteria approach. During the certification process, a building's energy consumption is considered, along with land usage, environmental aspects, the construction process, water consumption, waste, pollution, transport, equipment and materials, health, and comfort. As a total score, buildings receive a rating of *Acceptable*[1], *Pass*, *Good*, *Very Good*, *Excellent* or *Outstanding*.

Today 9% of the WDP portfolio (on the basis of contractual rental income) is BREEAM certified and 3 new buildings have already been certified with an average score of *Very Good*.

WDP intends to go far beyond the mere energy and environmental performance of the buildings. With the properties in Nijmegen – Industrial zone Bijsterhuizen and Tilburg – Industrial zone Loven, WDP became the first property company in the Netherlands in 2010 to receive the global BREEAM sustainability certificate.

1 This score is only applicable at *BREEAM In-Use*.

BREEAM WITHIN THE WDP-PORTFOLIO

SITE	BREEAM SCORE	
Haarlemmermeer (NL), Incheonweg 7	★★★★☆☆	
Nijmegen (NL), Bijsterhuizen	★★★★☆☆	
Tilburg (NL), Siriusstraat 7-9	★★★☆☆☆	
Helmond (NL), Sojadijk 2	★★★☆☆☆	(design phase)
Nieuwegein (NL), Inundatiedok 14	★★★☆☆☆	(design phase)
Willebroek (B), Koningin Astridlaan 16	★★★★☆☆	(in certification process)
Willebroek (B), Koningin Astridlaan 14	★★★☆☆☆	

→ UNCLASSIFIED	
→ ACCEPTABLE*	★☆☆☆☆☆
→ PASS	★★☆☆☆☆
→ GOOD	★★★☆☆☆
→ VERY GOOD	★★★★☆☆
→ EXCELLENT	★★★★★☆
→ OUTSTANDING	★★★★★★

* This score is only applicable at *BREEAM In-Use*.

The two buildings in the Lake Side Portfolio – notably in Nieuwegein and Helmond – have received the BREEAM certificate as well. In Belgium, WDP sites were also the first in the country to receive the BREEAM certificate, namely Willebroek – Koningin Astridlaan 14 and Willebroek – Koningin Astridlaan 16.

Because WDP is also convinced that existing assets possess great potential – after all, a more sustainable building and management mean lower costs and higher margins – the first definitive BREEAM In-Use certificate is expected in 2013 (WDP Willebroek Koningin Astridlaan 14).

The methodology enables the evaluation of the assets' total sustainability, their benchmarking, as well as the achievement of its targets.

Because the design of a new building generates a carbon footprint for the next ten or more years, WDP will impose strict criteria for this.

Consequently, the intention is to aim for, at the very least, a *Very Good* BREEAM score for all new buildings with a surface exceeding 5000 m^2.

2.9. Solar energy

WDP launched a solar energy project in 2007, to support its ambition to achieve a CO_2-neutral property portfolio in the medium-term. At the end of 2012, the company has achieved an installed capacity of 16 megawatt peak (MWp) of green energy through solar panels installed at around 30 sites in Belgium (16 MWp) and Romania (1 MWp). Around 55% of the green electricity produced on these sites is being used by the tenants wheras the remainder is being sent to the grid.

Solar energy is also put to good use through solar boilers, which produce hot water, and the company has also invested in heat pumps, i.e. at the new development sites in Willebroek and Haarlemmermeer (Schiphol Logistics Parc (SLP) I).

2.10. Sustainable day-to-day operations at the properties

The European Commission has banned the manufacture of the wasteful standard TL8 lights effective since 2010, and as an alternative WDP is using the high-frequency TL5 ballasts, featuring battery voltage lamp ignition. In addition to being more energy-efficient, these bulbs also have a longer operating life and a higher light output. By connecting the bulbs to the motion detectors with a dimmer, their energy is used even more efficiently.

WDP is also investigating the large-scale applicability of LED lights in its warehouses. The recently completed new development project in Mollem has been fully equipped with LED lights: in the industrial building, in the offices, and for the outdoor lighting. Since the warehouse is air-conditioned, LED lighting – besides a longer operating life and energy efficiency – provides several other advantages over TL lighting, including the lack of startup problems and a lower heat emission.

To reduce water consumption, WDP has been using resources such as infrared motion detectors on cranes and for urinals. This facilitates the collection and reuse of rainwater as rinse water for the lavatories. In addition, leak detection systems have also been installed to prevent water loss.

By monitoring the consumption of electricity, gas and water in various areas, it is possible to establish where this consumption might be reduced.

Both BREEAM and the carbon footprint of the existing assets will facilitate the assessment and tracking of the building score and performance. Additional energy meters will eliminate current score uncertainties of the entire buildings park, ensuring that the score can be properly tracked.

2.11. Energy use benchmark

The recent benchmark of 21 monitored Belgian WDP sites showed that the monitored property portfolio is scoring better on energy use than the ISA (2011), the BIM (2009), the Agentschap NL (2008) and the Royal Commission on Environmental Pollution (2006) values.

Although this is a good performance WDP will keep on tracking opportunities through internal and external benchmarking. Buildings with the lowest/worst score will be submitted to a quick-scan energy audit in order to reach better performances.

2.12. New technologies

Testing projects

In previous years, WDP carried out several testing projects in order to gain experience in new technologies. For example, the site in Mollem (Lacalis) was entirely fitted with LED lighting, a heat pump and a sun boiler were used at the site in Schiphol, and a heat recovery system was installed on the chillers at the site in Wijchen.

The BREEAM-certified buildings in Nieuwegein and Helmond are also distinguished by the fact that they are the first properties in the WDP portfolio to have hot and cold storage, a technology to store heat or cold in the soil in order to heat and/or cool buildings throughout the seasons. Here, too, WDP is a pioneer in the logistics sector.

EXTERNAL BENCHMARK

SUSTAINABILITY PERFORMANCE MEASURE	UNITS OF MEASUREMENTS	ISA (2011)	BIM [1] (2009)	AGENTSCHAP NL (2008)	ROYAL COMMISSION ON ENVIRONMENT POLLUTION UK (2006) [3]	WDP (21 SITES) [4]
Building energy intensity	kWh/m²/year	117	145	104	145	**99**
Greenhouse gas intensity from building energy	kg CO_2e/m²/year	78	-	-	-	**14**

1 Wholesale and retail > 5,000 m². Electricity: 89 kWh/m², gas: 56 kWh/m²
2 Wholesale. Electricity: 65 kWh/m², gas: 42 kWh/m²
3 Electricity: 81 kWh/m², gas: 64 kWh/m²
4 These results are based on the twenty-one sites for which the energy consumption was measured.

3. Corporate sustainable development

Even tough the majority of our carbon footprint comes from our property portfolio we also want to reduce the carbon impact of our corporate activities and apply the same principles to our headquarters and day-to-day operational measures.

3.1. Sustainable day-to-day operations within the organisation

In its day-to-day operations, too, WDP has implemented measures to progressively reduce its environmental footprint, including our digital document management. By digitising all incoming documents and storing them electronically, paper volumes can be reduced dramatically. The use of the electronic Enterprise Resource Planning (ERP) system SAP Real Estate (see below) also helps reduce paper waste.

If paper consumption is necessary, we reduce it as much as possible through minor yet effective measures such as double-sided printing. An added benefit is that efficient, high-capacity printers and photocopiers generate less waste and reduce energy consumption. All paper used at the company is sourced from sustainably managed forests and is FSC certified.

WDP has implemented this same green philosophy in the company's fleet, opting for more efficient engine technologies. Those vehicles are fuel-efficient and emit less carbon dioxide, particulate matter and nitrogen oxide. The fleet now also includes hybrid vehicles, which combine the advantages of electric engines (for driving at low speeds), with that of a highly efficient diesel engine, as well as being fuel-efficient and reducing air pollution.

3.2. Sustainability and ERP

Sustainable business goes beyond the use of environmentally-friendly materials and technologies: it also involves optimising business processes, to ensure that maximum profitability can be achieved using a minimum of energy and equipment, thereby benefiting all the organisation's stakeholders. For this purpose, WDP uses the Enterprise Resource Planning (ERP) system SAP Real Estate, an application that also improves transparency in business processes and sustainable operations.

3.3. WDP's carbon footprint

WDP assigned sustainable development company CO2logic to calculate the carbon footprint of WDP's main corporate sites. The sites in Belgium, Romania and the Netherlands emitted 141.2 tonnes of CO_2e, 155 tonnes of CO_2e and 16 tonnes of CO_2e, respectively. Consequently, emissions per FTE were 6 tCO_2e, 8 tCO_2e and 31 tCO_2e, respectively (FY 2011).

The calculation of carbon emissions is based on a host of factors, ranging from emissions related to electricity and heating to transport and paper consumption. In technical terms, this is referred to as *scopes 1 to 3*. All internal emissions, included under scope 1 (i.e. heating, refrigerants and company vehicles) are included in the calculation. This also applies to emissions from scope 2 (electricity). Scope 3 involves an analysis of emissions generated by commuter traffic, business travel and paper, taking into account all greenhouse gases, including indirect emissions.

Much of these emissions are due to transport, particularly for Romania, where a number of flights are necessary. A total of 82% of the Romanian emissions are the result of transport; for Belgium and the Netherlands, this percentage is 54%. The buildings account for approximately 45% of emissions, while the remaining, negligible portion is the result of paper consumption.

As noted above, WDP has already implemented measures to reduce emissions. These measures were incorporated into the current study.
WDP will investigate what other measures might still be taken, and will draft a Carbon Reduction Action Plan together with CO2logic. In so doing, WDP aims to further reduce carbon emissions by 20% by the year 2015.

4. General reporting scoreboard

INVESTMENT PROPERTIES

SCOPE	OBJECTIVE	ACHIEVEMENTS	COMPLETION	PROGRESS
Investment properties	Testing projects	In previous years, WDP carried out several test projects: LED-lighting, heat and cold storage, dimming of lights, heat recuperation from chillers, etc. This has provided WDP with experience in new technologies which, following positive assessments, can then be applied to more buildings. WDP also pledges to carry out test projects in the future or to be involved in investigation projects concerning warehouses.	Ongoing	N/A
	Carbon footprint calculation (baseline)	In 2013, a carbon footprint calculation was done on WDP's investment properties for 2012. The scope of the study was limited to energy-related data (scope 1 and 2 of the GHG protocol). The calculation was based on data from 21 buildings monitored. Given the fact that this is the first time such a calculation was carried out, the results will serve as a baseline with which to compare the results of subsequent years.	2013	100%
	Updating of the carbon footprint	Carbon footprint calculations will be carried out yearly in subsequent years.	2014	0%
	Energy metering	Energy use of 21 sites has been digitally measured since 2008-12. Energy usage of other buildings is unknown to date. In order to have a correct understanding of the total energy usage of WDP's portfolio, WDP intends to systematically raise the number of monitored buildings in the future.	2018	65%

INVESTMENT PROPERTIES

SCOPE	OBJECTIVE	ACHIEVEMENTS	COMPLETION	PROGRESS
Investment properties	Renewable energy	At the end of 2012, the company has reached an installed capacity of 16 MegaWatt peak (MWp) of green energy through solar panels installed at around thirty sites in Belgium (15 MWp) and Romania (1 MWp). WDP is investigating the feasibility of installing more and different types of renewable energy, based on a low-risk assessment and a similar return pattern to real estate investments.	Ongoing	55%
Investment properties (existing buildings)	Reduction of energy use in existing buildings	The 2012 carbon footprint report computed early 2013 showed that the consumption at some sites were higher than the average energy use of the 21 investigated sites. WDP will carry out an *energy quick-scan* on the least performing sites. Priority will be given to the largest of these sites as they have the greatest reduction potential.	2013	0%
	Green electricity	At the moment, and apart from the locally generated green energy, current sites are using grey energy. WDP contemplates to opt for green energy when renewing energy contracts. This would considerably reduce WDP's carbon footprint.	2013-16	0%
	Better energy performance than required by regulations	The European Energy Performance of Buildings Directive has been urging its member states to implement energy regulations since 2006. WDP aims to comply with these regulations, and even to reach a lower E-level than prescribed by law.	Ongoing	0%
Investment properties (new buildings)	BREEAM certification	Since 2010, it is part of WDP's policy to have new buildings BREEAM certified and to include these criteria in the design process. WDP aims to have every new building with a surface exceeding 5,000 m² certified, with a minimum score of *Very Good*.	2012	100%

HEADQUARTERS

SCOPE	OBJECTIVE	ACHIEVEMENTS	COMPLETION	PROGRESS
Headquarters	Carbon footprint calculation (baseline)	A carbon footprint calculation of the Head Offices in Belgium, the Netherlands and Romania was carried out for FY2011. As this is the first time this calculation was done, its results will serve as a baseline with which to compare the results of subsequent years.	2012	100%
	Reduction of energy use	WDP intends to carry out an energy quick-scan for their Head Offices so as to be able to detect and implement quick-wins.	2013	0%
	Reduction of paper use	WDP is reducing the use of paper in its offices. To do so, WDP has changed the default settings of their printers to double-sided printing.	2013	0%

MOBILITY

SCOPE	OBJECTIVE	ACHIEVEMENTS	COMPLETION	PROGRESS
Headquarters	Reduction of CO_2 emissions from company's car fleet	WDP proposes to systematically reduce the carbon emissions of its car fleet. This will be achieved by renewing the car fleet, regularly checking tire pressure, and introducing eco-driving training for staff.	2013-16	15%
Investment properties	Reduction of CO_2 emissions from logistics	WDP aims to reduce its logistics carbon emissions by introducing new mobility concepts such as trimodality, bundling, etc...	2013-16	0%

RAISING AWARENESS

SCOPE	OBJECTIVE	ACHIEVEMENTS	COMPLETION	PROGRESS
Headquarters and Investment properties	Reducing the footprint of suppliers	Because the suppliers' sustainability has an impact on the sustainability of the entire supply chain, WDP plans to request its suppliers' carbon footprint and use the CO_2-performance ladder to evaluate suppliers.	2013	0%

COMMUNICATION

SCOPE	OBJECTIVE	ACHIEVEMENTS	COMPLETION	PROGRESS
Headquarters and investment Properties	Publishing of a sustainability report	From the 2012 financial year, WDP intends to report yearly on its sustainability policy.	2013	100%
	Sustainability website	WDP's policy should be easily accessible on its website.	2013	100%
	Annual report on CO_2 neutral paper	WDP will limit the amount of hard copies and will stimulate the online visualisation of annual/sustainability reports. The printed hard copies will be done FSC/PEFC-labelled paper.	2013	100%

We hope that this sustainability report is demontstrating our strong belief in creating value for clients and shareholders by reducing energy costs, fossil fuel dependency and climate impact. We will closely collaborate with clients to achieve this.

Our aim is to prioritise actions that will align benefits for people, planet and prosperity.
Our solid sustainability strategy is the best route to improving financial performance, strengthening stakeholder relationships, enhancing risk management, optimising business opportunities, and creating value.

8

Declarations by the statutory manager

WDP's statutory manager declares that no government interventions, lawsuits or arbitrations exist that could influence - or in the recent past influenced - WDP's financial position or its yield. 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 annual accounts, drawn up in accordance with the applicable standards for annual accounts, give a true and fair view of the group's equity, financial position and of the results of the issuer and of the companies taken up into the consolidation;
- the annual financial report gives a true and fair view of the development and results of the company and of the issuer's position and of the companies taken up into the consolidation, along with a description of the main risks and uncertainties they face.

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

This annual financial report contains statements referring to the future. Such statements involve unknown risks, insecurities 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 give any guarantees.

WDP's statutory manager is responsible for the information provided in this annual financial report.

The statutory manager has made all reasonable efforts to verify this information. It declares that, to its knowledge, the data in this annual financial report are a fair presentation of reality, and that no information has been omitted which would, if reported, alter the effect of this annual report.

WDP's statutory manager also reports that the statutory auditor and the property experts have approved the inclusion of the content of their respective report 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.

The statutory manager of WDP declares that there have been no significant changes in the financial or commercial position of the group after 31 December 2012.


HORMANN
3

9

Annual financial statements

9

ANNUAL FINANCIAL STATEMENTS

Contents

// 1.
2012
Annual consolidated financial statements

Profit and loss account

IN EUR (X 1,000)		NOTE	31 DEC. 12	31 DEC. 11
I.	**RENTAL INCOME**		**75,897**	**63,752**
	Rents	IX	75,607	63,539
	Indemnification for early termination of lease		290	213
III.	**RENTAL CHARGES**		**-513**	**-649**
	Rent to be paid for leased premises		-470	-341
	Valuation allowances for trade receivables and reversals		-548	-575
	Reversals of valuation decreases for trade receivables		505	267
	NET RENTAL RESULT		**75,384**	**63,103**
V.	**RECOVERY OF RENTAL CHARGES NORMALLY PAID BY THE TENANT ON LET PROPERTIES**		**6,033**	**5,159**
	Re-invoicing rental charges paid out by the owner		2,548	1,846
	Re-invoicing advance property levy and taxes on let buildings		3,485	3,313
VII.	**RENTAL CHARGES AND TAXES NORMALLY PAID BY THE TENANT ON LET PROPERTIES**		**-7,267**	**-5,946**
	Rental charges paid out by the owner		-2,732	-2,011
	Advance levies and taxes on let properties		-4,535	-3,935
VIII.	**OTHER INCOME AND CHARGES RELATED TO LEASES**		**7,185**	**6,778**
	Property management fees		910	569
	Income from solar energy		6,275	6,209
	PROPERTY RESULT		**81,335**	**69,094**
IX.	**TECHNICAL COSTS**		**-1,396**	**-1,278**
	Recurrent technical costs		-1,291	-1,335
	Repairs		-868	-1,047
	Insurance premiums		-423	-288
	Non-recurrent technical costs		-105	57
	Accidents		-173	-177
	Claims paid by insurers		68	234
X.	**COMMERCIAL COSTS**		**-579**	**-271**
	Agency commissions		-70	-68
	Advertising		-198	-104
	Lawyers’ fees and legal charges		-311	-99
XII.	**PROPERTY MANAGEMENT COSTS**		**-174**	**146**
	External management fees		-36	-36
	(Internal) property management costs		-138	182
	PROPERTY CHARGES		**-2,149**	**-1,403**
	PROPERTY OPERATING RESULTS		**79,186**	**67,691**
XIV.	**GENERAL COMPANY EXPENSES**		**-4,914**	**-4,362**
	OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		**74,272**	**63,329**

IN EUR (X 1,000)		NOTE	31 DEC. 12	31 DEC. 11
XVI.	**RESULT ON DISPOSALS OF INVESTMENT PROPERTY**	X	**101**	**17**
	Net property sales (sales price – transaction costs)		10,386	2,893
	Book value of properties sold		-10,285	-2,876
XVIII.	**VARIATIONS IN THE FAIR VALUE OF INVESTMENT PROPERTY***	XI	**1,757**	**3,399**
	Positive variations in the fair value of investment property		17,245	24,777
	Negative variations in the fair value of investment property		-19,028	-19,432
	Impairment of assets under construction (recognised and reversed)		3,540	-1,946
	OPERATING RESULT		**76,130**	**66,745**
XX.	**FINANCIAL REVENUES**		**794**	**1,365**
	Interests and dividends received		629	640
	Income from financial leases and similar		0	12
	Other financial revenues		165	713
XXI.	**NET INTEREST CHARGES**		**-21,991**	**-20,066**
	Nominal interest on loans		-8,096	-10,856
	Interest capitalised during construction		871	1,586
	Cost of permitted hedging instruments		-14,650	-12,337
	Revenue from permitted hedging instruments		26	1,768
	Other interest charges		-142	-227
XXII.	**OTHER FINANCIAL CHARGES**		**-115**	**-216**
	Bank charges and other commissions		-49	-60
	Other financial charges		-66	-156
XXIII.	**MOVEMENTS IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**		**-18,488**	**-17,272**
	FINANCIAL RESULT	XII	**-39,800**	**-36,189**
	PRE-TAX RESULT		**36,330**	**30,556**
XXV.	**CORPORATION TAX**		**-1,004**	**-156**
	Corporate tax		-534	-87
	Deferred taxes on market fluctuations		-24	-183
	Positive deferred taxes on market fluctuations		71	317
	Latent tax on reversal of amortisation		-162	-146
	Future tax saving on recoverable losses		-355	-57
XXVI.	**EXIT TAX**		**0**	**-696**
	TAXES	XIII	**-1,004**	**-852**
	NET RESULT		**35,326**	**29,704**
	Attributable to:			
	Shareholders of the parent company		35,326	29,704

* This relates only to the movements in the fair value of investment property. The revaluation surpluses of solar panels are booked directly in the equity capital, under the section *Revaluation reserve* in accordance with IAS 16. See also note *III. Accounting rules* on page 180.

Statement of overall result

IN EUR (X 1,000)	NOTE	31 DEC. 12	31 DEC. 11
I. NET RESULT		35,326	29,704
II. OTHER ELEMENTS OF OVERALL RESULT		-1,691	-1,480
H. Other elements of the overall result after tax		-1,691	-1,480
Movements in the fair value of solar panels		-1,691	-1,302
Currency exchange differences		0	-178
OVERALL RESULT		33,635	28,224
Attributable to:			
Shareholders of the parent company		33,635	28,224

Components of net result

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
Net current result	52,072	44,268
Result on the portfolio *	1,742	2,708
IAS 39 result	-18,488	-17,272
NET RESULT	35,326	29,704

IN EUR (PER SHARE) **	31 DEC. 12	31 DEC. 11
Net current result	3.67	3.42
Result on the portfolio	0.12	0.21
IAS 39 result	-1.30	-1.33
NET RESULT / SHARE	2.49	2.29

* Including deferred taxes on portfolio result.

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

Balance sheet – Assets

IN EUR (X 1,000)		NOTE	31 DEC. 12	31 DEC. 11
	FIXED ASSETS		**1,146,822**	**992,410**
B.	**INTANGIBLE ASSETS**	XIV	**213**	**310**
C.	**INVESTMENT PROPERTY**	XV	**1,060,615**	**908,089**
	Property available for leasing		1,015,602	835,557
	Property developments		7,207	28,092
	Other: land reserves		37,806	44,440
D.	**OTHER TANGIBLE FIXED ASSETS**	XVI	**69,018**	**68,185**
	Tangible fixed assets for own use		1,108	1,185
	Other: solar panels		67,910	67,000
E.	**FINANCIAL FIXED ASSETS**	XVII, XVIII	**11,396**	**11,418**
	Assets held until maturity		0	0
	Permitted hedging instruments		0	0
	Loans and receivables		11,396	11,418
	Other		11,396	11,418
F.	**FINANCE LEASE RECEIVABLES**	XIX	**0**	**0**
G.	**TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS**	XX	**5,580**	**4,408**
	CURRENT ASSETS		**49,603**	**26,474**
A.	**ASSETS HELD FOR SALE**	XXI	**34,564**	**14,310**
	Investment property		34,564	14,310
C.	**FINANCE LEASE RECEIVABLES**	XIX	**0**	**0**
D.	**TRADE DEBTORS**	XXII	**8,393**	**6,649**
E.	**TAX BENEFITS AND OTHER CURRENT ASSETS**	XXIII	**2,457**	**1,431**
	Taxes		1,997	882
	Other		460	549
F.	**CASH AND CASH EQUIVALENTS**		**1,801**	**1,704**
G.	**OTHER CURRENT LIABILITIES**		**2,388**	**2,380**
	TOTAL ASSETS		**1,196,425**	**1,018,884**

Balance sheet – Liabilities

IN EUR (X 1,000)	NOTE	31 DEC. 12	31 DEC. 11
SHAREHOLDERS' EQUITY		**450,181**	**401,334**
I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS		**450,181**	**401,334**
A. Capital	XXIV	117,349	106,336
Subscribed capital		120,955	109,381
Costs of capital increase		-3,606	-3,045
B. Premiums on issues		138,428	94,168
C. Reserves		159,078	171,126
D. Net result for the financial year		35,326	29,704
LIABILITIES		**746,244**	**617,550**
I. NON-CURRENT LIABILITIES		**554,473**	**477,594**
A. Provisions	XXV	1,071	1,112
Other		1,071	1,112
B. Non-current financial liabilities	XXVI, XXVII	481,446	422,536
Credit institutions		454,488	390,123
Financial lease		18,109	23,947
Other		8,849	8,466
C. Other non-current financial liabilities		69,838	51,978
Permitted hedging instruments		69,838	51,978
F. Deferred taxes – Liabilities		2,118	1,968
Other		2,118	1,968
II. CURRENT LIABILITIES		**191,771**	**139,956**
B. Current financial liabilities	XXVI, XXVII	178,418	126,187
Credit institutions		175,186	122,701
Financial lease		3,232	3,486
D. Trade payables and other current debts		10,274	10,225
Other		10,274	10,225
Suppliers		7,929	8,149
Tax, salary and social security		2,345	2,076
E. Other current liabilities	XXVII	1,177	2,348
Other		1,177	2,348
F. Other current liabilities		1,902	1,196
TOTAL LIABILITIES		**1,196,425**	**1,018,884**

Cash flow statement

IN EUR (X 1,000)	NOTE	31 DEC. 12	31 DEC. 11
CASH AND CASH EQUIVALENTS, OPENING BALANCE		**1,704**	**1,209**
NET CASH FROM OPERATING ACTIVITIES		**75,324**	**63,583**
1. CASH FLOWS CONCERNING OPERATIONS		**75,595**	**61,746**
Profit / loss from operating activities		57,933	51,567
Profit for the year		35,326	29,704
Interest charges		22,336	23,700
Interest received		-264	-1,924
Income tax		535	87
Adjustments to non-monetary items		17,467	14,586
Write-downs		365	356
Depreciations		43	308
Increase (+) / decrease (-) in provisions		-41	-3
Variations in the fair value of investment property		-1,757	-3,399
Increase (+) / decrease (-) in deferred taxes		470	69
Variations in fair value of financial derivatives		18,488	17,272
Increase in sales		-101	-17
Increase (+) / decrease (-) in working capital		195	-4,407
Increase (+) / decrease (-) in assets		-3,992	2,904
Increase (+) / decrease (-) in liabilities		4,198	-7,184
Other		-11	-127
2. CASH FLOWS CONCERNING OTHER OPERATING ACTIVITIES		**-271**	**1,837**
Interest received classified by operating activities		264	1,924
Income tax paid / received		-535	-87
NET CASH FLOWS CONCERNING INVESTMENT ACTIVITIES		**-179,275**	**-73,414**
1. PURCHASES		**-189,661**	**-76,307**
Acquisition payments for property investments		-183,037	-64,034
Acquisitions through the purchase of shares		-3,388	-8,791
Acquisitions of other tangible and intangible fixed assets		-3,236	-3,482
2. DISPOSALS		**10,386**	**2,893**
Receipts from sale of investment property		10,386	2,893
NET CASH FLOWS CONCERNING FINANCING ACTIVITIES		**104,048**	**10,326**
1. Increase in financial debts		238,549	175,320
2. Decrease in financial debts		-127,408	-127,013
3. Financing granted to WDP Development RO		22	10
4. Interest paid		-22,336	-23,700
5. Dividends paid *		-17,882	-14,291
6. Capital increase		33,103	0
NET INCREASE IN CASH AND CASH EQUIVALENTS		**97**	**495**
CASH AND CASH EQUIVALENTS, CLOSING BALANCE		**1,801**	**1,704**

* This relates only to cash-out, because an optional dividend was offered in 2011 and 2012, with 70% and 73% of the shareholders respectively opting for distribution of dividend in shares rather than cash.

Consolidated statement of changes of the equity capital 2012

IN EUR (X 1,000)	01 JAN. 12	ALLOCATION OF RESULT DURING 2011 FINANCIAL YEAR			
		PROFIT IN PREVIOUS FINANCIAL YEAR	TRANSFER OF RESULT ON PORTFOLIO	TRANSFER OF DEFERRED TAXES RELATING TO PROPERTY LOCATED OUTSIDE BELGIUM	IMPACT ON THE FAIR VALUE OF ESTIMATED TRANSFER DUTIES AND FEES FOR THE HYPOTHETICAL SALE OF INVESTMENT PROPERTY
A. SUBSCRIBED CAPITAL	**106,336**				
Subscribed capital	109,381				
Costs of capital increase	-3,045				
B. ISSUE PREMIUMS	**94,168**				
C. RESERVES	**171,126**	**29,704**	**0**	**0**	**0**
Statutory reserves (+)	149				
Reserves for the balance of movements in the fair value of the property (+/-)					
Reserves for the balance of movements in the investment value of the property (+/-)	129,329		3,399		1,281
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment property (-)	-27,626				-1,281
Reserves for the balance of movements in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS (+/-)	-34,708				
Reserves for the balance of translation differences in monetary assets and liabilities (+/-)	-184				
Reserves for translation differences arising from the conversion of a foreign activity	1,035				
Reserves for deferred taxes relating to property located outside Belgium	-1,496			-708	
Other reserves	20,025				
Result brought forward from previous financial years	84,602	29,704	-3,399	708	
D. NET RESULT FOR THE FINANCIAL YEAR	**29,704**	**-29,704**			
TOTAL SHAREHOLDERS' EQUITY	**401,334**	**0**	**0**	**0**	**0**

		OTHER COMPONENTS OF COMPREHENSIVE INCOME					31 DEC. 12
	TRANSFER OF IAS 39 RESULT	NET RESULT FOR THE CURRENT FINANCIAL YEAR	CAPITAL INCREASES	MOVEMENTS IN THE FAIR VALUE OF SOLAR PANELS	DIVIDENDS DISTRIBUTED	OTHER	
			11,013				**117,349**
			11,574				**120,955**
			-561				**-3,606**
			44,260				**138,428**
	0			**-1,691**	**-40,052**	**-9**	**159,078**
							149
							134,009
							-28,907
	-17,272						**-51,980**
							-184
							1,035
							-2,204
				-1,691			**18,334**
	17,272				-40,052	-9	**88,826**
		35,326					**35,326**
	0	**35,326**	**55,273**	**-1,691**	**-40,052**	**-9**	**450,181**

9

ANNUAL FINANCIAL STATEMENTS

Consolidated statement of changes of the equity capital 2011

IN EUR (X 1,000)	01 JAN. 11	ALLOCATION OF RESULT DURING 2010 FINANCIAL YEAR			
		PROFIT IN PREVIOUS FINANCIAL YEAR	TRANSFER OF RESULT ON PORTFOLIO	TRANSFER OF DEFERRED TAXES RELATING TO PROPERTY LOCATED OUTSIDE BELGIUM	IMPACT ON THE FAIR VALUE OF ESTIMATED TRANSFER DUTIES AND FEES FOR THE HYPOTHETICAL SALE OF INVESTMENT PROPERTY
A. SUBSCRIBED CAPITAL	**97,853**				
Subscribed capital	100,522				
Costs of capital increase	-2,669				
B. ISSUE PREMIUMS	**63,960**				
C. RESERVES	**176,871**	**32,602**	**0**	**0**	**0**
Statutory reserves (+)	149				
Reserves for the balance of movements in the fair value of the property (+/-)					
Reserves for the balance of movements in the investment value of the property (+/-)	134,365		-5,538		502
Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment property (-)	-27,124				-502
Reserves for the balance of movements in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS (+/-)	-32,452				
Reserves for the balance of translation differences in monetary assets and liabilities (+/-)	-174				
Reserves for translation differences arising from the conversion of a foreign activity	1,203				
Reserves for deferred taxes relating to property located outside Belgium	-2,938			1,442	
Other reserves	21,327				
Result brought forward from previous financial years	82,515	32,602	5,538	-1,442	
D. NET RESULT FOR THE FINANCIAL YEAR	**32,602**	**-32,602**			
TOTAL SHAREHOLDERS' EQUITY	**371,286**	**0**	**0**	**0**	**0**

	OTHER COMPONENTS OF COMPREHENSIVE INCOME					31 DEC. 11
TRANSFER OF IAS 39 RESULT	NET RESULT FOR THE CURRENT FINANCIAL YEAR	CAPITAL INCREASES	MOVEMENTS IN THE FAIR VALUE OF SOLAR PANELS	DIVIDENDS DISTRIBUTED	OTHER	
		8,483				**106,336**
		8,859				**109,381**
		-376				**-3,045**
		30,208				**94,168**
0			**-1,302**	**-36,867**	**-178**	**171,126**
						149
						129,329
						-27,626
-2,256						**-34,708**
					-10	**-184**
					-168	**1,035**
						-1,496
			-1,302			**20,025**
2,256				-36,867		**84,602**
	29,704					**29,704**
0	**29,704**	**38,691**	**-1,302**	**-36,867**	**-178**	**401,334**

// 2. Notes

I. General information on the company

WDP (Warehouses De Pauw) is a *Vastgoedbevak/Sicafi* and takes the form of a limited company with share capital under Belgian law. Its registered office is at Blakebergen 15, 1861 Wolvertem (Belgium). The telephone number is +32 (0)52 338 400.

The company's annual consolidated financial statements as of 31 December 2012 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 22 March 2013.

WDP is listed on NYSE Euronext.

II. Representational model

The consolidated financial statements are drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and administrative regulations applicable in Belgium. These standards include all new and revised standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), insofar as they apply to the group's activities and are effective for the financial years starting on or after 1 January 2012.

The consolidated financial statements are presented in EUR thousands, rounded to the nearest thousand. The 2011 and 2012 financial years are presented in this report. We refer to the 2010 and 2011 annual reports for historical financial information on the 2010 financial year.

The accounting policies have been applied consistently for all the financial years presented.

Standards and interpretations effective for the financial year beginning on 1 January 2012

- Amendment to IFRS 1 *First-time Adoption of IFRS – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (applicable to financial years beginning on 1 July 2011).
- Amendment to IFRS 7 *Financial Instruments: Disclosures – No longer recognised in the balance sheet* (applicable to financial years beginning on 1 July 2011)
- Amendment to IAS 12 *Income Taxes – Deferred taxes: Collectability of underlying assets* (applicable to financial years beginning on 1 January 2012)

New or revised standards and interpretations that are not yet effective

Several new standards, revised versions of existing standards and interpretations have not yet entered into force in 2012 but can be adopted in advance of their effective dates. Warehouses De Pauw has not yet adopted these, unless stated otherwise. The impact of their adoption – insofar as these new standards, revised versions or existing standards and interpretations are relevant to Warehouses De Pauw – on the consolidated financial statements for 2012 and the following years is presented below.

- IFRS 9 *Financial Instruments* and the related amendments (applicable to financial years beginning on 1 January 2015).
- IFRS 10 *Consolidated Financial Statements* (applicable to financial years beginning on 1 January 2014).
- IFRS 11 *Joint Arrangements* (applicable to financial years beginning on 1 January 2014).
- IFRS 12 *Disclosure of Interests in Other Entities* (applicable to financial years beginning on 1 January 2014).
- IFRS 13 *Fair Value Measurement* (applicable to financial years beginning on 1 January 2013).
- Improvements to IFRS (2009-2011) (normally applicable to financial years beginning on 1 January 2013).
- Amendment to IFRS 1 *First-time Adoption of IFRS – Government Loans* (applicable to financial years beginning on 1 January 2013)
- Amendment to IFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Liabilities* (applicable to financial years beginning on 1 January 2013).
- Amendment to IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities – Transition Guidance* (applicable to financial years beginning on 1 January 2014)
- Amendment to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Joint Arrangements* and IFRS 27 *Consolidated and Separate Financial Statements – Investment Entities* (applicable to financial years beginning on 1 January 2014)
- Amendment to IAS 1 *Financial Statement Presentation – Presentation of the other Elements of the Total Result* (applicable to financial years beginning on 1 July 2012).
- Amendment to IAS 19 *Employee Benefits* (applicable to financial years beginning on 2013).
- Amendment to IAS 27 *Separate Financial Statements* (applicable to financial years beginning on 1 January 2013).
- Amendment to IAS 28 *Investments in Associates and Joint Ventures* (applicable to financial years beginning on 1 January 2014).
- Amendment to IAS 32 *Financial Instruments: Disclosures – Offsetting Financial Assets and Liabilities* (applicable to financial years beginning on 1 January 2014).
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (applicable to financial years beginning on 1 January 2013)

The aforementioned new and amended standards and interpretations have no impact on the current figures.

III. Accounting rules

1. Consolidation principles

Subsidiaries

Subsidiaries are entities over which the company exercises control. Control exists when the company has the power, directly or indirectly, to guide the financial and operational management of an entity for the purpose of gaining advantages from its activities. The annual accounts of the subsidiaries are recognised in the consolidation from the date of acquisition to the end of the control.

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, specified by contractual agreement. Such joint control is applicable when the strategic financial and operational decisions with respect to the activities require unanimous agreement from the parties that share the control (the shareholders in the joint venture). A joint venture is consolidated in accordance with the proportional method. This is applicable from the date on which the joint control is exercised up to the date on which it finishes.

Transactions eliminated from consolidation

All transactions between the group companies, balances and unrealised profits and losses on transactions between companies of the group are eliminated when the consolidated annual accounts are prepared.

2. Business combinations and goodwill

When WDP acquires the control over an integrated set of activities and assets, as defined in IFRS 3 *Business Combinations*, the identifiable assets, liabilities and conditional liabilities of the acquired company will be recognised at fair value on the purchase date. The goodwill represents the positive difference between the acquisition cost and the part of the group in the fair value of the acquired net assets. If this difference is negative (*negative goodwill*) it is immediately recognised through profit and loss after re-evaluation.

After initial recognition the goodwill is not amortised, but is subject to an impairment test, which is carried out each 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 recognised through profit and loss and in the first instance included in the reduction of any goodwill and then subsequently to the other assets of the unit, in proportion to their book value. An impairment on the 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 is active (its functional currency).

For the preparation of the consolidated annual accounts, the results and the financial position of each entity are expressed in euros, the functional currency of the parent company and the currency used for the presentation of the consolidated annual accounts.

Transactions in foreign currency

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

Realised and unrealised exchange rate differences are recognised through profit and loss, except when they relate to intragroup borrowings that meet the definition of a net investment in a foreign activity. In that case the exchange rate differences are included in a separate component of shareholders' equity and recognised through 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 through profit and loss when the foreign entity is disposed of, sold or liquidated.

4. Property investments

Land and buildings held to generate rental income in the long term are included as investment property. Investment property is valued on first recording at the purchase price, including the transaction costs and directly attributable costs.

Land held for the purpose of initiating project developments with a view to subsequent lease 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 begun *land bank*, 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 inclusion, the investment property is 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 *Vastgoedbevaks/ Sicafis*, registration fees of 10-12.5% should be taken into account for transactions involving buildings in Belgium with an overall value less than EUR 2.5 million, depending on the region in which the property is located.

For transactions involving properties with an overall value greater than EUR 2.5 million, property experts have valued the weighted-average of the fees at 2.5%, owing to the wide range of property transfer methods used in Belgium. This percentage will be revised each year as necessary by 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.Profits or losses resulting from the change in the fair value of investment property (including profits or losses resulting from the difference between the purchase price and the first valuation at the fair value) are recognised through profit and loss and are attributed to the reserves when the profit is appropriated.

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

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

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

The financing costs must be capitalised as part of the cost price of an eligible assets when:

- → 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 commences, such as activities in connection with the acquisition of permits.

However such activities do not include holding an asset if there are no production or development activities that change the condition of the property:

- → financing costs that are incurred while land is made ready, for instance, are capitalised during the period in which these activities occur;

- → on the other hand, financing costs incurred in the period that the land is held for construction purposes without any development activity occuring, are not eligible for capitalisation.

The capitalisation of financing costs is suspended during long periods in which there is no active development. Capitalisation is not suspended during a period of extensive technical and administrative activities. Nor is capitalisation suspended if a temporary delay constitutes an essential part of the process to prepare a property for its intended use or sale.

At the end of each quarter these development projects are subject to a test for impairment (see *7. Impairments)*.

5. Other tangible fixed assets

General

Other tangible fixed assets are valued at cost price less accumulated depreciations and impairments. 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 lifetime 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 furniture and fittings: 10-33%
- → computers: 10-33%
- → projector system: 20%
- → other tangible fixed assets: 10-20%

Solar panels

These are valued on the basis of the revaluation mode in accordance with IAS 16 – *Property, Plant and Equipment*. After initial inclusion, the asset whose fair value can be reliably established must be booked at the revalued value, being the fair value at the time of the revaluation less any subsequent depreciation and impairments. The fair value is defined on the basis of the discount method of future returns.

The useful life of solar panels is estimated at thirty years.

The added value at the start-up of a new site is recognised in a separate component of shareholders' equity. Losses in value are also recognised in this component, unless they are realised or the fair value falls below the original cost. In the last case they are recognised through profit and loss.

6. Lease

WDP as lessee

A lease is classified as a financial lease if it transfers almost all the risks and benefits connected to the property to the lessee. All other forms of lease 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 minimal lease payments, whichever is lower. The minimal lease payments are recorded partly as financing costs and partly as settlement of the outstanding liability, such that this results in constant periodic interest over the remaining balance of the liability. The financial charges are directly charged to profit and loss. Conditional lease payments are included as charges in the periods in which they are made.

Lease payments on the basis of operational leases are recorded as a cost during the lease period on a time-proportionate basis, unless another systematic attribution method is more representative of the time pattern of the user's benefit. Benefits (to be) received as a stimulus to conclude an operational lease are also spread across the lease term on a time-proportionate basis.

WDP as lessor

If a lease meets the conditions of a financial lease (according to IAS 17), as lessor WDP 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 will be recognised through profit and loss 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 each 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 *Variations in the fair value of investment property* through profit and loss.

7. Impairments

On the balance sheet date a check is made of 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 an indications is present, the realisable value of the asset must be estimated. Goodwill is annually subject to a test for special impairment, regardless of whether there is such an indication.

An impairment is booked if the book value of an asset or the cash flow generating unit to which the asset belongs is higher than the realisable value.

The realisable value is the operating value or the real value less sales charges, whichever is highest. 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 account of the current market evaluations for the time value of the cash and the risks inherent to its assets. The *fair value less sales charges* is the amount that may be realised from the sale of an asset in an objective commercial transaction between well-informed independent parties between whom there is a consensus ad idem, after deduction of the disposal costs.

For an asset that does not generate significant cash income in itself, the realisable value is established for the cash flow generating unit to which the asset belongs.

For development projects, the realisable value is established each quarter by the property experts.

If the book value of an asset or a cash flow generating unit is higher than the realisable value, the surplus is recorded immediately as an impairment in the profit and loss account.

Impairments recognised in previous financial years are reversed if a later increase in the realisable value can be connected on an objective basis to a circumstance or event that took place after the impairment was booked. 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 made on the basis of a contract prescribing the 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, save financial assets at fair value with changes in value through profit and loss, which are initially valued at fair value.

The 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 valued 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 through profit and loss (FVPL)

Financial assets are classified at fair value with changes in value through profit and loss (FVPL) if they are held for trading purposes. Financial assets at FVPL are valued at fair value, by which all ensuing income and expenditure is recognised through profit and loss. 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 the group has the firm intention and is able to hold until maturity are classified as held to maturity investments. Held to maturity investments are valued at the amortised cost price on the basis of the effective interest method, less any 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, save pension fund surpluses. Cash equivalents are current, 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 price on the basis of the effective interest method, save for current receivables.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value with changes in value through profit and loss (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 profit and loss (FVPL) if they are held for trading purposes. Financial liabilities at FVPL are valued at fair value, by which all ensuing income and expenditure is recognised through profit and loss. A financial liability is included in this category if it is primarily acquired for sale in the short term. Derivatives are also included in the category at FVPL, unless they are considered to be hedges and are effective.

Financial liabilities at amortised cost price

Financial liabilities at amortised cost price, including debts, are initially 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 liabilities, trade debts, trade payables and payable dividends in the other current liabilities.

Financial liabilities and equity instruments

Financial liabilities and equity capital instruments issued by the group are classified on the basis of the economic reality of the contractual agreements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that includes the remaining interest in the assets of the group, after deduction of all liabilities. The principles for financial reporting with regard to specific financial liabilities and equity instruments are described below.

Bank loans

Interest-bearing bank loans and overdrafts are initially valued at face value less transaction costs and are subsequently valued at the amortised cost price calculated by the effective interest method. Any difference between the receipts (after transaction costs) and the settlement or payment of a loan is included over the term of the loan in accordance with the principles for financial reporting with regard to financing costs that are applied by the group (see above).

Trade payables

Trade payables are initially valued at face value and are subsequently valued at amortised cost price calculated by the effective interest method.

Equity instruments

Equity instruments issued by the company are included for the sum of the amounts received (after deduction of the directly attributable issue costs).

Derivatives

The group uses derivatives to limit risks in relation to unfavourable interest rates ensuing from the operational, financial and investment activities. 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 in conformity with IAS 39. The derivatives currently used by WDP do not qualify as hedges. Consequently, changes to fair value are immediately recognised through profit and loss.

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 fulfilled only if the sale is highly likely and the asset (or group of assets that are to be disposed of) are 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 sale is expected to be completed within one year of the date of the classification.

A fixed asset (or group of assets that are to be disposed of) held for sale is recorded at book value or fair value less sale costs, whichever is lower.

Investment property intended for sale is valued in the same way as other investment property (at fair value). These investment properties are presented separately in the balance sheet.

10. Provisions

A provision is established when:

→ the group has an existing – legally enforceable or de facto – liability resulting from a prior event;
→ it is probable that financial resources will have to be spent to settle this liability; and
→ the amount of the liability can be reliably estimated.

The amount included as a provision is the best estimate on the balance sheet date of the expenditure needed to settle the existing liability, discounted if the time value of the money is relevant.

11. Staff remuneration

The company has a number of promised contribution plans.

A promised contribution plan is a pension plan in which the company transfers fixed amounts to a separate company. The company does not have any obligation, either legally enforceable or de facto, to pay further contributions if the fund does not have sufficient assets to pay the pensions of all personnel in relation to the services they have provided in current or previous periods of employment.

Contributions are recorded as charges when they are owed and are then recorded in the personnel costs.

For personnel with permanent employment the remunerations, bonuses, redundancy compensation and termination benefits are recognised through profit and loss account in the period to which they apply.

12. Revenue

Rental income includes rents, income from operational leases and directly related income, such as compensation for early termination of leases.

Revenue is valued at fair value of the compensation that is received or to which a right is acquired. Revenue is only included if it is likely that the financial benefits will accrue to the entity and can be established with sufficient certainty.

Rental income, received operational lease payments and other income and expenditure are recognised in profit and loss in the periods to which they apply.

Compensation for early termination of leases is directly recognised through profit and loss for the financial year.

13. Costs

Costs related to lease are impairments and reversals on trade receivables that are recognised through profit and loss if the book value is higher than the estimated realisation value and the rent to be paid on the leased assets (such as concession fees).

Rent and taxes on leased buildings and the recovery of these charges are costs that are payable by the tenant or lessee in accordance with law or generally accepted practice. The owner may or may not charge these costs to the tenant in accordance with the contractual agreements.

Other income and expenditure related to lease comprise the charging of management fees to tenants as well as other income that is not classified as rental income (including income from solar energy).

General expenses of the company are expenses related to the management and general operation of the *Vastgoedbevak/Sicafi*. This includes general administration costs, personnel costs for general management and depreciation of assets used for general management.

Costs related to work carried out in the buildings are recognised in various ways, depending on the type of work:

- *maintenance and repair*: maintenance and repair costs are recognised as property charges, because they do not increase the expected future economic benefits of the building and do not provide any additional functionality or improve the building's comfort level;
- *improvements and renovation*: this is work carried out on an occasional basis to add functionality to the premises and significantly increase the expected future economic benefits of the building. The costs of this work (materials, contractor costs, technical studies, internal costs, architects' fees and interest during the construction period) are capitalised. Examples are installing a new air-conditioning system, building a new roof and extensive renovation of all or part of the building. The sites for which costs are capitalised are identified beforehand in accordance with the above criteria.

14. Tax on profits

The status of the *Vastgoedbevak/Sicafi* provides for a transparent tax status, because the *Bevak/Sicafi* is only subject to tax on specific profit components, such as disallowed expenses and exceptional benefits. No corporate tax is paid on the profit generated by leases or capital gains.

Tax on profits generated in the financial year includes taxes owed and to be settled over the period of the report and previous reporting periods, deferred taxes as well as the exit tax due. The tax burden is recognised through profit and loss unless it relates to elements that are recognised directly in shareholders' equity. In this case, the tax is also charged to shareholders' equity.

The tax rates effective on the balance sheet date are used to calculate the tax on the taxable profit over the year.

The exit tax – capital gains tax as a result of a merger of a *Vastgoedbevak/Sicafi* with a company that is not a *Vastgoedbevak/Sicafi* – is deducted from the revaluation capital gain established at the merger and are recognised if necessary as a liability.

In general, deferred tax liabilities (tax receivables) are recognised for all taxable (deductible) temporary differences. Such receivables and liabilities are not recorded if the temporary differences result from the first recognition of goodwill or the first recognition (other than in a business combination) of other assets or liabilities. Deferred tax assets are recognised insofar as it is likely that a taxable profit will be available to settle the temporary difference. Deferred tax receivables are reduced when it is no longer likely that the related tax advantage will be realised.

IV. Significant accounting estimates and key uncertainties affecting estimates

Assumptions used to measure the fair value of solar panels

WDP has made a significant investment in solar energy. Following initial recognition, the solar panels (PV) installed on roofs are valued using the revaluation model of IAS 16 and recorded as fixed assets in *Other tangible fixed assets*. This revaluation is taken directly to equity as revaluation surplus.

After an online search, no best practice for valuing this asset category was found. WDP proceeds as follows:

The fair value of the PV installations is calculated by discounting future revenues and costs.

The main assumptions used for the discounted cash flow model to value the solar panels are:

- The model is based on 950 *implicit number of sun hours* per year, based on meteorological statistics and the data for the number of sites in the park (28 at year end). The number of hours of *implicit sunshine* remained stable versus 2011.
- Green Energy Certificates are awarded by the Flemish Regulator for the Electricity and Gas Market (VREG) for each project based on a minimum price per certificate for a fixed period of twenty years. Price levels of the certificates for the operational sites range from EUR 270 to EUR 450 per MWh. This price is adjusted for new solar energy projects based on changes in legislation implemented by the competent authorities.
- The energy price increases in real terms by 1.5% per year. This increase is applied on the Endex basis. The average Endex price (see www.apxendex.com) (BE-power) CAL t + 1, 2, 3 is selected as a basis. The valuation at the end of 2012 is based on the CAL 13, 14 and 15 published on 31 December 2012.
- In 2011, the applicable efficiency requirement was the thirty-year IRS swap rate plus a risk premium of 250 basis points (bp). In 2012, there was a slight fall in interest rates combined with an equivalent rise in risk premiums, which reflects the uncertainty in the financial markets. In order to translate this, an increase in the risk premium by 25 bp to 250 bp was taken into account, which compensated for the decline in IRS swap rate and which caused the discount rate to remain relatively stable.
- The PV installation has a fall in return of 0.6% per annum and is decommissioned after thirty years. No account is taken of any residual value of the installation or the costs for dismantling the installation.
- Various minor cost items and ten-year maintenance costs are taken into account. No account is taken of theoretical rental expenses for the roofs.

- An allowance of 2.5% is not deducted to establish fair value, so that the registration charges a future buyer may have to pay for the premises including solar panels, if these are considered as real property in terms of their use, are taken into account.

- PV projects with a total generating power of 0.6 MWp were completed on the roof of two recently completed new build projects in Romania. The total investment was EUR 1.1 million [1]. These systems were taken into use just before the end of the year, so there is insufficient statistical data available. It was therefore decided to value these projects at cost price.

This procedure is carried out each year for the sites in production and the aforementioned assumptions are adjusted if necessary. The added value on the start-up of a new site for the installed electrical capacity is recorded as an addition to shareholders' equity, as revaluation surplus in a separate line item. Downward valuation adjustments are also recorded in this category, unless realised or unless fair value falls below cost, in which case they are taken through profit or loss.

The appraisal of Antwerp – Lefebvredok is based on the assumption that the concession term will be extended.

There is currently a potential threat of legal proceedings with regard to the concession term and/or the transfer of the property with a current book value of EUR 2.5 million located on the Lefebvredok-Antwerp axis, which is built on a concession land owned by Antwerp Port Authority. However, WDP believes that it has good arguments to refute any claim in this respect and will vigorously defend itself. Furthermore, WDP believes that the potential negative impact of any proceedings on the group's business operations, financial position, prospects and/or operational results would be limited.

1 Based on 100% of the investment.
WDP is 51% owner of the 51/49 joint operation WDP Development RO.

V. Segmented information – result

IN EUR (X 1,000)	31 DEC. 12						
	BELGIUM	NETHER-LANDS	FRANCE	CZECH REPUBLIC	ROMANIA	NON-AL-LOCATED AMOUNTS	TOTAL
I. Rental income	41,502	25,208	6,193	2,580	414	0	**75,897**
III. Rental charges	-428	-65	-21	1	0	0	**-513**
RENTAL INCOME, LESS COSTS RELATED TO THE LEASE	**41,074**	**25,143**	**6,172**	**2,581**	**414**	**0**	**75,384**
V. Recovery of rental charges normally paid by the tenant on let properties	4,997	105	905	26	0	0	**6,033**
VI. Rental charges and taxes normally paid by the tenant on let properties	-5,660	-515	-1,021	-52	-19	0	**-7,267**
VII. Other leasing-related income and charges*	7,055	74	80	-50	26	0	**7,185**
PROPERTY RESULT**	**47,466**	**24,807**	**6,136**	**2,505**	**421**	**0**	**81,335**
IX. Technical costs	-962	-211	-115	-94	-14	0	**-1,396**
X. Marketing costs	-248	-277	-15	-3	-36	0	**-579**
XII. Property management costs	-424	283	5	-35	-3	0	**-174**
PROPERTY CHARGES	**-1,634**	**-205**	**-125**	**-132**	**-53**	**0**	**-2,149**
PROPERTY OPERATING RESULTS	**45,832**	**24,602**	**6,011**	**2,373**	**368**	**0**	**79,186**
XIV. Corporate management costs	0	0	0	0	0	-4,914	**-4,914**
OPERATING RESULT FOR THE RESULT ON THE PORTFOLIO	**45,832**	**24,602**	**6,011**	**2,373**	**368**	**-4,914**	**74,272**
XVI. Result on disposals of investment property	101	0	0	0	0	0	**101**
XVIII. Movements in the fair value of investment property	4,391	12	-2,124	-371	-151	0	**1,757**
OPERATING RESULT	**50,324**	**24,614**	**3,887**	**2,002**	**217**	**-4,914**	**76,130**

The segmentation basis for segment reporting within WDP is by geographical region. This segmentation basis reflects the five geographical markets in Europe in which WDP operates. It is expected that this will be reduced to four after the intended sale of the Czech portfolio (see also *4.3. Transactions and realisations* on page 38)

This segmentation is important for WDP as the nature of the activities and the customers have similar economic characteristics within those segments. Business decisions are taken

	31 DEC. 11						
	BELGIUM	NETHER-LANDS	FRANCE	CZECH REPUBLIC	ROMANIA	NON-ALLOCATED AMOUNTS	TOTAL
	38,913	16,129	6,123	2,532	55	0	**63,752**
	-578	-64	-5	-2	0	0	**-649**
	38,335	**16,065**	**6,118**	**2,530**	**55**	**0**	**63,103**
	4,572	41	521	25	0	0	**5,159**
	-5,098	-222	-558	-56	-12	0	**-5,946**
	6,685	19	73	0	1	0	**6,778**
	44,494	**15,903**	**6,154**	**2,499**	**44**	**0**	**69,094**
	-949	-138	-91	-80	-20	0	**-1,278**
	-158	-81	-28	-3	-1	0	**-271**
	-90	257	24	-35	-10	0	**146**
	-1,197	**38**	**-95**	**-118**	**-31**	**0**	**-1,403**
	43,297	**15,941**	**6,059**	**2,381**	**13**	**0**	**67,691**
	0	0	0	0	0	-4,362	**-4,362**
	43,297	**15,941**	**6,059**	**2,381**	**13**	**-4,362**	**63,329**
	16	0	1	0	0	0	**17**
	-508	2,898	1,829	963	-1,783	0	**3,399**
	42,805	**18,839**	**7,889**	**3,344**	**-1,770**	**-4,362**	**66,745**

* Income from solar energy was EUR 6.275 million in 2012 and EUR 6.209 million in 2011. In 2012 this income was generated in Belgium (EUR 6.257 million) and Romania (EUR 0.019 million). All 2011 income was generated in Belgium. The income from solar energy is recognised in *7. Other income and charges related to leases.*

** The maximum tenant risk within the WDP portfolio was 10% and the maximum risk per site 5%. See also *6.1. Property Report – Review of the consolidated property portfolio.*

at that level and various key performance indicators (such as rental income and occupancy) are monitored in this way.

A second segmentation basis is not deemed relevant by WDP as the activity focuses primarily on letting semi-industrial buildings (warehouses and buildings serving a logistics purpose).

VI. Segmented information – assets [1]

31 DEC. 12							
IN EUR (X 1,000)	BELGIUM	NETHER-LANDS	FRANCE	CZECH REPUBLIC	ROMANIA	NON-ALLOCATED AMOUNTS	TOTAL
INVESTMENT PROPERTY	**591,049**	**363,746**	**80,619**	**0**	**25,201**	**0**	**1,060,615**
Existing buildings	572,326	361,571	77,594	0	4,111	0	**1,015,602**
Investment properties under development for own account with the purpose of being rented out	5,032	2,175	0	0	0	0	**7,207**
Land reserves	13,691	0	3,025	0	21,090	0	**37,806**
ASSETS HELD FOR SALE	**9,663**	**0**	**0**	**24,901**	**0**	**0**	**34,564**
OTHER TANGIBLE FIXED ASSETS	**68,053**	**50**	**0**	**277**	**638**	**0**	**69,018**
Tangible fixed assets for own use	721	50	0	277	60	0	**1,108**
Other: solar panels	67,332	0	0	0	578	0	**67,910**

31 DEC. 11							
IN EUR (X 1,000)	BELGIUM	NETHER-LANDS	FRANCE	CZECH REPUBLIC	ROMANIA	NON-ALLOCATED AMOUNTS	TOTAL
INVESTMENT PROPERTY	**564,765**	**210,160**	**82,607**	**25,181**	**25,376**	**0**	**908,089**
Existing buildings	525,754	201,101	80,683	24,269	3,750	0	**835,557**
Investment properties under development for own account with the purpose of being rented out	19,033	9,059	0	0	0	0	**28,092**
Land reserves	19,978	0	1,924	912	21,626	0	**44,440**
ASSETS HELD FOR SALE	**14,310**	**0**	**0**	**0**	**0**	**0**	**14,310**
OTHER TANGIBLE FIXED ASSETS	**67,768**	**70**	**0**	**314**	**33**	**0**	**68,185**
Tangible fixed assets for own use	768	70	0	314	33	0	**1,185**
Other: solar panels	67,000	0	0	0	0	0	**67,000**

1 The acquisition price of each sub-portfolio as determined by the *Vastgoedbevak/Sicafi* Royal Decree of 7 December 2010 is not included.

VII. Criteria of the consolidation method used

Criteria for the integral consolidation

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.

Criteria for the proportional consolidation

The companies in which the group exercises joint control based on a contractual agreement are recognised using the proportionate consolidation method, irrespective of the rate of participation. JB Top and WDP Comm. VA jointly control the company WDP Development RO SRL, which is therefore consolidated proportionally for the participation rate of 51% of WDP Comm. VA.

All of the assets, liabilities and results are therefore included in the consolidation on a pro rata basis, according to the group's stake in these companies. Inter-group transactions and profits are eliminated on a pro rata basis in accordance with the stake.

VIII. Information on the subsidiary

	SHARE OF EQUITY	
IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
FULLY CONSOLIDATED COMPANIES		
Name and full address of the registered offices		
WDP CZ S.R.O. – Hvězdova 1716/2b – 140 78 Prague – Czech Republic *	100%	100%
WDP France SARL – Rue Cantrelle 28 – 36000 Châteauroux – France	100%	100%
WDP Nederland NV – Herenkantoor B Princenhagelaan 1-A2 – 4813 DA Breda – The Netherlands	100%	100%
with stake in WDP Development NL NV – Herenkantoor B Princenhagelaan 1-A2 – 4813 DA Breda – Netherlands **	100%	100%
PROPORTIONATELY CONSOLIDATED COMPANIES		
WDP Development RO SRL – 1 Baia de Arama Street, building C1, 1st floor, office no. 19, district 2 – Bucharest – Romania	51%	51%

* The decision was taken in the autumn of 2012 to sell 100% of the shares in WDP's Czech subsidiary WDP CZ. The deal is scheduled to be closed by 30 June 2013

** WDP Development NL NV was formed in August 2011 as a self-financed permanent development company of WDP Nederland NV.

IX. Overview of future rental income (including annualised income from solar energy)

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
Rental income (including annualised income from solar energy) with final expiry date within		
one year	9,355	1,996
more than one but less than five years	18,853	16,843
more than five years	61,163	55,312
TOTAL	**89,371**	**74,151**

This table contains an overview of future rental income on the basis of current rental income. This is based on the non-index rents to be received up to and including the expiry date, as agreed in the leases.

The impact of the adjusted indexation of rents averaged 2.5% and 2.2% for 2011 and 2012, respectively.

At 31 December 2012 no material ongoing rent-free periods or other incentives were granted to the tenants.

Future rental income increased by 21% from last year. This was driven mainly by the sharp growth in the portfolio (see also *4.3. Transactions and realisations* on page 38).

Standard lease

The majority of leases WDP enters into are governed by either the *provision of storage space* (*terbeschikkingstelling van bergruimte*) regime (which is subject to VAT) or the *general right of tenancy* (*gemeen huurrecht*) regime. The standard WDP lease has an uninterrupted term of nine years, where both the lessor and the lessee have the option to break the lease after three years and six years, subject to six months' notice.

Rents are generally payable monthly in advance (sometimes quarterly). The index is revised annually on the date when the contract was signed.

Taxation and levies, including the advance property levy, a minimum of half of the insurance premiums and shared general charges are payable by the tenant, who pays a monthly provision for them at the same time as the rent. Each year, they receive a statement of the actual charges.

In order to guarantee the respecting of commitments imposed on the tenants, the tenant is obliged to deposit a rental guarantee, generally in the form of a bank guarantee equal to six months' rent.

When the contract begins, a jointly prepared inventory between the two parties is drawn up by an independent surveyor. At the end of the lease, the tenant has to restore the rented premises to the condition described in this entry inventory except for normal wear and tear. An exit inventory is drawn up. The tenant is liable for the repair of any damage observed and the potential unavailability of the premises whilst such damage is being repaired.

The tenant is not authorised to conduct any high-risk activity in the rented areas unless it has received prior permission in writing from WDP. In such cases, WDP may oblige the tenant to take certain precautionary measures. If the tenant conducts a high-risk activity during the term of the contract, it is obliged to conduct a soil orientation study before the lease expires and where soil pollution is found, to fulfil all the potential remediation obligations and repair any resulting damage.

The tenant is solely responsible for obtaining its operating licence and environmental permit. The refusal or withdrawal of permits does not constitute justification for the dissolution or termination of the agreement.

The tenant is not permitted to transfer the lease or sublet the leased spaces without prior written permission from WDP. In the event of agreement with the transfer of a lease, the original tenant remains jointly and severally liable in relation to WDP.

The tenant is obliged to register the lease at its own expense.

X. Profit from the sale of investment property

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
Net property sales (sales price – transaction costs)	10,386	2,893
Book value of properties sold	-10,285	-2,876
PROFIT FROM THE SALE OF INVESTMENT PROPERTY	**101**	**17**

XI. Variations in the fair value of investment property

	31 DEC. 12					
IN EUR (X 1,000)	BELGIUM	NETHER-LANDS	FRANCE	CZECH REPUBLIC	ROMANIA	TOTAL
Latent variations of existing property	2,594	-1,730	-2,124	-372	-151	**-1,783**
on investment properties under development for own account with the purpose of being rented out	1,798	1,742	0	0	0	**3,540**
AT THE END OF THE YEAR	**4,392**	**12**	**-2,124**	**-372**	**-151**	**1,757**

	31 DEC. 11					
IN EUR (X 1,000)	BELGIUM	NETHER-LANDS	FRANCE	CZECH REPUBLIC	ROMANIA	TOTAL
Latent variations of existing property	601	3,735	1,829	963	-1,783	**5,345**
on investment properties under development for own account with the purpose of being rented out	-1,109	-837	0	0	0	**-1,946**
AT THE END OF THE YEAR	**-508**	**2,898**	**1,829**	**963**	**-1,783**	**3,399**

The impairment on investment properties under development for own account with the purpose of being rented out, is due to the fact that the fair value is merely a random indication and does not take into account the building in its completed state and the eventual rental situation.

XII. Financial result

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
FINANCIAL REVENUES	**794**	**1,365**
Interests and dividends received	629	640
Finance lease and other indemnities	0	12
Other financial revenues	165	713
NET INTEREST CHARGES	**-21,991**	**-20,066**
Nominal interest on loans	-8,096	-10,856
Interest capitalised during construction	871	1,586
Cost of permitted hedging instruments	-14,650	-12,337
Revenue from permitted hedging instruments	26	1,768
Other interest charges	-142	-227
OTHER INTEREST CHARGES	**-115**	**-216**
Bank charges and other commissions	-49	-60
Other financial charges	-66	-156
MOVEMENTS IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	**-18,488**	**-17,272**
FINANCIAL RESULT	**-39,800**	**-36,189**

The financial result for 2012 (excluding IAS 39 result) was EUR -21.3 million – a rise on the previous year (EUR -18.9 million), including a rise in total financial liabilities to EUR 660 million (versus EUR 549 million at the start of the year). The average cost of debt was 3.6% in 2012 versus 4.0% in 2011. This fall is the consequence of the active management of the interest rate hedges and the fall in interest rates on the international financial markets.

The impact of the IAS 39 result was EUR -18.5 million for 2012 (versus EUR -17.3 million for 2011). This negative impact is due to the movements in the fair value of the interest rate hedges contracted (mainly Interest Rate Swaps) at 31 December 2012 as a result of a sharp decline in long-term interest rates over the course of 2012. The impact of IAS 39 is calculated on the basis of the mark-to-market (M-t-M) value of the interest rate hedges contracted. The fluctuations in the fair value of the hedging instruments represent a non-realised, non-cash item (if these products are held until maturity and are not settled prematurely).

WDP's risk policy with regard to the financial policy is detailed in *1. Risk factors* on page 3. The derivatives currently used by WDP do not qualify as hedging transactions. Consequently, changes on the fair value are recorded immediately in the income statement.

XIII. Taxes

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
RECORDED IN CONSOLIDATED PROFIT AND LOSS		
Corporate tax	-534	-87
Negative deferred taxes on market fluctuations	-24	-183
Positive deferred taxes on market fluctuations	71	317
Latent tax on reversal of amortisation	-162	-146
Future tax saving on recoverable losses	-355	-57
Exit tax	0	-696
TOTAL TAXES	**-1,004**	**-852**

WDP Comm. VA is a *Commanditaire vennootschap op Aandelen*, a type of company limited by shares, with the status of a *Vastgoedbevak/Sicafi*, a type of closed end fund. This status is subject to a transparent tax regime, as the *Bevak/Sicaf* is liable to tax only on specific profit items, such as disallowed expenses and exceptional benefits. No corporate tax is paid on the profit from letting and capital gains. Tax is levied on the shareholder by means of withholding tax on income from securities, given that at least 80% of the corrected net result must be paid out in dividend.

WDP Nederland NV and WDP France SARL also benefit from transparent tax status, as they have FBI and SIIC status respectively.

The other foreign companies remain subject to corporation tax in each country. For example, the tax rate as from the 2010 financial year in the Czech Republic was 19% (20% in 2009) and in Romania 16%.

The deferred taxes primarily relate to the fluctuations in the property revaluations of the subsidiaries (i.e. deferred taxes on the difference between the book value after devaluation in the statutory annual financial statements of the subsidiaries and the fair value). In addition a deferred tax asset is recorded in the likelihood that a tax profit will be available.

The deferred tax liability with regard to the valuation of the property at fair value is EUR 2.1 million (versus EUR 2.0 at 31 December 2011). This represents only the deferred tax liability of WDP CZ and WDP Development RO.

XIV. Status of the intangible fixed assets

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
SOFTWARE		
ACQUISITION VALUE		
At the end of the previous financial year	691	673
Changes during the year		
Acquisitions, including produced fixed assets	24	18
AT THE END OF THE YEAR	**715**	**691**
DEPRECIATION AND AMOUNTS WRITTEN DOWN		
At the end of the previous financial year	381	251
Changes during the year		
Recognised or reversed in the income statement	121	130
AT THE END OF THE YEAR	**502**	**381**
NET BOOK VALUE AT THE END OF THE YEAR	**213**	**310**

XV. Investment property – statement of changes [1]

	31 DEC. 12					
IN EUR (X 1,000)	BELGIUM	NETHER-LANDS	FRANCE	CZECH REPUBLIC	ROMANIA	TOTAL
AT THE END OF THE PREVIOUS FINANCIAL YEAR	**564,766**	**210,160**	**82,607**	**25,181**	**25,375**	**908,089**
Investments	15,862	14,957	136	84	-23	**31,016**
New acquisitions	0	107,937	0	0	0	**107,937**
Acquisition of investment properties by means of share-based payment transactions	11,800	30,680	0	0	0	**42,480**
Transfers to fixed assets held for sale	0	0	0	-24,893	0	**-24,893**
Sales and disposals	-5,771	0	0	0	0	**-5,771**
Variations in the fair value	4,392	12	-2,124	-372	-151	**1,757**
AT THE END OF THE YEAR	**591,049**	**363,746**	**80,619**	**0**	**25,201**	**1,060,615**
Acquisition cost	487,281	379,376	74,668	N/R	29,723	**971,049**

	31 DEC. 11					
IN EUR (X 1,000)	BELGIUM	NETHER-LANDS	FRANCE	CZECH REPUBLIC	ROMANIA	TOTAL
AT THE END OF THE PREVIOUS FINANCIAL YEAR	**536,725**	**157,220**	**80,380**	**24,170**	**23,016**	**821,511**
Investments	14,816	2,617	398	48	4,142	**22,021**
New acquisitions	11,742	47,425	0	0	0	**59,167**
Acquisition of investment properties by means of share-based payment transactions	16,301	0	0	0	0	**16,301**
Transfers to fixed assets held for sale	-14,310	0	0	0	0	**-14,310**
Sales and disposals	0	0	0	0	0	**0**
Variations in the fair value	-508	2,898	1,829	963	-1,783	**3,399**
AT THE END OF THE YEAR	**564,766**	**210,160**	**82,607**	**25,181**	**25,375**	**908,089**

The capital expenditure relates to investments made for WDP's own property developments and investments within the existing portfolio (for additional details, please refer to 4.3. *Transactions and realisation* on page 38).

WDP acquired the Lake Side Portfolio in March 2012. This comprises eight superior locations in the Netherlands, all of which are fully leased to high-grade tenants on long-term contracts of 12.5 years on average. Ownership of the properties was transferred in stages during 2012. The six finished properties were added to the portfolio at the end of April. The two remaining projects will be transferred in early October after they have been finished. The initial annual rental income of this portfolio is EUR 8.2 million and is indexed annually.

1 Including property developments in compliance with the IAS 40 standard.

On 21 September 2012 WDP acquired a site in Londerzeel. The acquisition was completed through a partial demerger and payment through the issue of new WDP shares. This is a strategic 30,000 m² site with direct access to the A12 and attractive redevelopment potential.

On 3 October 2012 WDP signed an agreement for the purchase of a logistics property in Veghel (Netherlands). This site is adjacent to the existing WDP site in Veghel and is also leased to Kuehne + Nagel. This creates a strategic site spanning approximately 100,000 m². This property constitutes an addition to the purchase of the Lake Side portfolio, which occurred in phases in the course of 2012.

In late October 2012 WDP finalised the acquisition process to gain control of Aedess BVBA, the owner of 20,000 m² logistics premises, strategically located at Zwijndrecht in the port of Antwerp between Kennedytunnel and Liefkenshoektunnel. The land will be leased on the basis of a long-term concession agreement. There is potential for the site to be expanded by a further 20,000 m² or so. The built area is currently used by Van Moer Group, an international hauler, on a short-term lease. As part of the need for operational and administrative simplification, and pursuit of synergy within the WDP group, WDP merged with its wholly owned subsidiary Aedess BVBA just before the end of 2012.

In late November 2012 WDP acquired the distribution centre in Barneveld (Netherlands) from Pon Onroerend Goed BV. The seller is now working on the complete renovation of the site, including a new build project, which will be completed in June 2013. A Pon company leases over 30,000 m² on site.

The table below presents a comparison of the annual expected rental income for these properties and the rents actually achieved in 2012.

IN EUR (X 1,000)	ANNUAL RENTAL INCOME	ACTUAL RENTAL INCOME
Nieuwegein, Inundatiedok 14	2,527	1,713
Barneveld, Nijverheidsweg 50-52	2,121	137
Zwolle, Lippestraat 15	1,216	1,203
Maastricht-Aachen (Beek), Engelandlaan 30	944	79
Oss, Keltenweg 70	909	616
Roosendaal, Aanwas 9	847	245
Zwijndrecht, Vitshoekstraat 12	775	262
Veghel, Kennedylaan 19	725	177
Veghel, Doornhoek 3765	549	549
Oss, Menhirweg 15	533	533
Helmond, Sojadijk 2	488	488
Londerzeel, Weversstraat 2	313	313
TOTAL	**11,947**	**6,315**

For *Transfers to fixed assets held for sale* (EUR -24.9 million), see note *XXI. Assets held for sale*.

The difference in the valuation of the property investments is the result of changes in rental income, including through indexation and higher occupancy. The gross rental yield after the addition of the estimated market rental value for the non-leased parts remained stable at 8.2% at 31 December 2012, versus 8.3% at year-end 2011. For the calculation of the change in fair value, the theoretical, local registration rights are deducted from the investment value. These rates averaged 2.5% in Belgium, 5.8% in the Netherlands, 3.2% in France, 2.0% in the Czech Republic and 3.0% in Romania.

XVI. Statement of other tangible fixed assets

	31 DEC. 12			31 DEC. 11		
IN EUR (X 1,000)	SOLAR PANELS	OTHER*	TOTAL	SOLAR PANELS	OTHER*	TOTAL
A. ACQUISITION VALUE						
At the end of the previous financial year	46,971	2,184	**49,155**	43,526	1,989	**45,515**
Movements during the financial year:						
Capital expenditure (external suppliers)	2,466	210	**2,676**	3,347	463	**3,810**
Capitalisation of own personnel costs**	54	0	**54**	88	0	**88**
Interest during construction**/***	85	0	**85**	10	0	**10**
Transfers and decommissionings	0	-70	**-70**	0	-268	**-268**
AT THE END OF THE YEAR	**49,576**	**2,324**	**51,900**	**46,971**	**2,184**	**49,155**
B. PROFITS FROM SALE						
At the end of the previous financial year	20,029	0	**20,029**	21,331	0	**21,331**
Movements during the financial year:						
Recorded****	-1,695	0	**-1,695**	-1,302	0	**-1,302**
AT THE END OF THE YEAR	**18,334**	**0**	**18,334**	**20,029**	**0**	**20,029**
C. DEPRECIATION AND AMOUNTS WRITTEN DOWN						
At the end of the previous financial year	0	999	**999**	0	1,073	**1,073**
Movements during the financial year:						
Recognised or reversed in the income statement	0	244	**244**	0	226	**226**
Transfer from one item to the next	0	0	**0**	0	-65	**-65**
Written off	0	-27	**-27**	0	-235	**-235**
AT THE END OF THE YEAR	**0**	**1,216**	**1,216**	**0**	**999**	**999**
D. NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	67,910	1,108	**69,018**	67,000	1,185	**68,185**

* *Other* includes *Systems, machinery and equipment*, *Furniture and rolling stock* and *Other tangible fixed assets.*

** In line with IAS 23, costs related to the company's own staff and finance charges are capitalised for the period until the solar panels are ready for use.

*** For the calculation of capitalised borrowing costs, a capitalisation rate of 4.0% was used in 2012. This was also 4.0% in 2011.

**** Solar panels are revalued in accordance with IAS 16. The gains and losses are entered directly in a separate column included in shareholders' equity. If losses are incurred or if the fair value of the solar panels falls below the original investment value, these losses are taken to the profit and loss account. Please refer to note *IV. Significant accounting estimates and key uncertainties affecting estimates* on page 190.

XVII. Financial fixed assets

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
FINANCIAL FIXED ASSETS	**11,396**	**11,418**
Loans and receivables	11,396	11,418
Other *	11,396	11,418

* This represents a long-term liability relating to WDP Development RO.

XVIII. Derivative financial instruments

For the company's risk management policy, please refer to *1. Risk factors* on page 3 and *4.4. Management of financial resources* on page 46.

The group uses derivative financial instruments in order to hedge interest rate risks on its financial debt with the purpose of reducing volatility of the net current profit (which forms the basis of the dividend) while at the same time keeping cost of debt as low as possible. WDP manages its interest rate exposure centrally through a macro hedging policy. The group does not engage in any derivative contracts for speculative purposes nor does it hold any derivative financial products for trading purposes. These derivatives used by WDP do not qualify for hedge accounting. Consequently, changes on the fair value are recorded immediately in the income statement.

On 31 December 2012, WDP hedged its current and future financial liabilities for EUR 513 million, mainly by entering into Interest Rate Swaps (IRS) contracts. If we include only the contracts that had already been entered into on 31 December 2012, this means that approximately 78% of financial debt is hedged at a fixed interest rate of 3.4% (versus 3.7% in 2011 and excluding credit margin) and with an average term of 5.8 years (versus 6.3 years in 2011).

WDP entered into various callable Interest Rate Swaps. These instruments represent a combination of a traditional interest rate swap, whereby the company pays a fixed interest rate and receives a floating interest rate, and an option sold by WDP to the financial counterparty that allows to cancel this interest rate swap from a specific date. The sale of this option enables the fixed interest rate component of the interest rate swap to decrease during the term of the contract.

TYPE OF HEDGING INSTRUMENT	NOTIONAL AMOUNT AMOUNT (IN EUR)	INTEREST RATE (IN %)	LAPSES IN
Interest Rate Swap	15,000,000	1.148	2013
Interest Rate Swap	15,000,000	0.765	2013
Interest Rate Swap	10,000,000	3.390	2013
Interest Rate Swap	5,000,000	3.390	2013
Interest Rate Swap (callable)	20,000,000	3.750	2014
Interest Rate Swap	5,000,000	4.110	2014
Interest Rate Swap	5,000,000	4.050	2014
Interest Rate Swap	15,000,000	0.877	2014
Interest Rate Swap	20,000,000	3.190	2015
Interest Rate Swap	10,000,000	4.480	2016
Interest Rate Swap	10,000,000	3.883	2016
Interest Rate Swap	10,000,000	4.535	2016
Interest Rate Swap (callable)	10,000,000	3.600	2017
Interest Rate Swap	10,000,000	4.500	2017
Interest Rate Swap	20,000,000	4.560	2017
Interest Rate Swap	25,000,000	3.500	2017
Interest Rate Swap (callable)	15,000,000	4.160	2017
Interest Rate Swap (callable)	10,000,000	3.450	2018
Interest Rate Swap (callable)	10,500,000	3.750	2018
Interest Rate Swap (callable)	10,500,000	3.440	2018
Interest Rate Swap	10,000,000	4.250	2018
Interest Rate Swap	20,000,000	4.570	2018
Interest Rate Swap (callable)	10,000,000	2.800	2018
Interest Rate Swap	5,000,000	4.260	2018
Interest Rate Swap	5,000,000	4.175	2018
Floor KI / Cap KO	10,000,000	4.500	2018
Interest Rate Swap	20,000,000	3.590	2019
Interest Rate Swap	10,000,000	4.640	2019
Interest Rate Swap	10,000,000	2.996	2019
Interest Rate Swap	10,000,000	3.988	2020
Interest Rate Swap	15,000,000	3.620	2020
Interest Rate Swap	6,197,625	3.475	2020
Interest Rate Swap	4,131,750	3.480	2020
Interest Rate Swap	6,197,625	3.480	2020
Interest Rate Swap	25,000,000	3.613	2021
Interest Rate Swap	10,000,000	3.240	2021
Interest Rate Swap	15,000,000	3.390	2021
Interest Rate Swap	25,000,000	1.890	2021
Interest Rate Swap	15,000,000	3.080	2022
Interest Rate Swap	30,000,000	2.305	2027

These contracts are valued at fair value at the balance sheet date, in compliance with IAS 39. This information is received from the various financial institutions and is verified by WDP by discounting future contractual cash flows based on matching yield curves.

Fair value is determined based on observable inputs; consequently, the IRS contracts are part of level 2 of the fair-value hierarchy, as provided for in IFRS 7.

The table below shows the movements in fair value and valuations at fair value of the hedging instruments at the balance sheet date.

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
FAIR VALUE AT THE BALANCE SHEET DATE	**-70,466**	**-51,978**
Other non-current financial liabilities	69,838	51,978
Permitted hedging instruments	69,838	51,978
Current financial liabilities	628	0
Other current financial liabilities	628	0
MOVEMENTS IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES	**-18,488**	**-17,272**
Revenues	445	**9,336**
Costs	-18,933	**-26,608**

Sensitivity of the IRS fair value valuation

The table below shows the impact of the fair value of the IRSs if the interest rate were to increase or decline by no more than 1%.

INTEREST RATE MOVEMENTS

IN EUR (X 1,000)	IMPACT OF MOVEMENTS IN THE FAIR VALUE OF THE IRSS AS AT 31 DEC. 12
-1.00%	-31,277
-0.75%	-17,135
-0.50%	-16,997
-0.25%	-8,518
0.00%	0
0.25%	8,364
0.50%	16,576
0.75%	24,638
1.00%	32,554

XIX. Financial lease receivables

WDP has two financial leases for Hall I and Hall J of the property on Koningin Astridlaan, Willebroek.

Both contracts have a term of fifteen years.

The annual interest rate is 7% for the Hall I lease and 6% for the Hall J lease.

The lease was cancelled effective 31 December 2011.

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
Less than one year	0	7
More than one year but less than five years	0	3
More than five years	0	0
MINIMUM PAYMENTS PURSUANT TO LEASE	**0**	**10**
Financial returns not acquired	0	-10
CURRENT VALUE OF THE MINIMUM PAYMENTS PURSUANT TO LEASE	**0**	**0**
Long term finance lease debts	0	0
More than one year but less than five years	0	0
More than five years	0	0
Short term finance lease debts	0	0

XX. Trade receivables and other fixed assets

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
Receivables from tenants	5,294	4,186
Other	286	222
TOTAL	**5,580**	**4,408**

XXI. Assets held for sale

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
Belgium		
Assets held for sale at year-end 2011	0	14,311
Assets held for sale at year-end 2012	34,564	0
TOTAL	**34,564**	**14,311**

WDP previously announced negotiations with regard to the sale of seven small non-strategic sites within the Belgian portfolio for a total amount of EUR 20.1 million, in line with the most recent fair value (see press release of 15 February 2012). In the course of 2012 three sites were sold for EUR 10.4 million – in Tournai, Sint-Niklaas and Sint-Katelijne-Waver. WDP expects to sell the four remaining sites in Aalst (3) and Wieze (1) in 2013.

The strategic decision was taken to sell 100% of the shares in WDP's Czech subsidiary WDP CZ in the autumn of 2012. This transaction fits in with WDP's strategy of strengthening its position in its core markets in Western Europe, supplemented by the growing logistical market of Romania. The transaction involves the full value of the Czech property portfolio of approximately EUR 25 million, which is completely in line with the most recent fair value. The deal should be closed (under the usual provisos, including financing) no later than 30 June 2013. Consequently, an amount of EUR 34.6 million is recognised on the balance sheet as *Assets held for sale*.

The table below presents a comparison of the annual expected rental income for the properties acquired in 2012.

IN EUR (X 1,000)	FULL-YEAR RENTAL INCOME	ACTUAL RENTAL INCOME
Tournai (Marquain) – rue de la Terre à Briques 14	367	264
Sint Katelijne Waver – Fortsesteenweg 44	152	147
TOTAL	**519**	**411**

Sales

The following properties were sold in whole or in part over the course of 2012:

Held for sale at year-end 2011; sold in 2012

→ *Tournai – rue de la Terre à Briques 14* [1]
This is an existing business complex with 7,660 m² of warehouses and 1,002 m² of offices, located on 30,938 m² of land in the *Tournai Ouest* industrial park. The deed was executed in September 2012.

Actual sales in 2012

→ *Sint-Katelijne-Waver – Fortsesteenweg 44* [1]
In the third quarter of 2012 the sale agreement was signed for this property comprising 3,612 m² of warehouses and 4,612 m² of offices located on 8,873 m² of land. The deed was executed in December 2012

→ *Sint-Niklaas – Prins Boudewijnlaan* [1]
The decision was taken to sell 25,455 m² of the total 56,692 m² site. The deed was executed in December 2012

1 The sale prices were in line with the appraised values.

Assets held for sale at the end of December 2012

Four Belgian sites are currently recognised in *Assets held for sale*. WDP expects to sell these sites in Aalst (3) and Wieze (1) in 2013.

In addition, the strategic decision was taken to sell 100% of the shares in WDP's Czech subsidiary WDP CZ. The deal should be closed (under the usual provisos, including financing) no later than 30 June 2013 [1]. Consequently, an amount of EUR 34.6 million is recognised on the balance sheet as *Assets held for sale*.

The following properties were sold in whole or in part over the course of 2011:

Held for sale at year-end 2010; sold in 2011

→ *Boom – Kapelstraat 46* [2]
An agreement was signed during the fourth quarter of 2011 to sell the land at Kapelstraat 46 in Boom. The total surface area is 4,292 m². The land was recognised in *Assets held for sale* at the end of 2010. The deed was executed in 2011.

→ *Anderlecht – Frans Van Kalkenlaan 9 (Asar Tower)* [2]
This is an eight-storey tower. WDP owns floors 3-8 of (comprising 2,016 m² of office space and 359 m² of storage space).
An agreement was signed in November 2010 for the sale of the eighth story (336 m²). The storey was recognised in *Assets held for sale*. The deed was executed in 2011.

→ *Wespelaar – Dijkstraat 44* [2]
The property at Dijkstraat 44 was divided into two sections (retail space and warehouses plus offices). The deed relating to the retail space was executed in the second quarter of 2009. The warehouses were recognised in *Assets held for sale*. The deed was executed in 2011.

Assets held for sale at the end of December 2011

At the end of 2011, WDP was in negotiations for the sale of four small non-strategic sites for a total amount of EUR 14.3 million.

1 See the press release of 13 November 2012.

2 The sale prices were in line with the appraised values.

XXII. Trade receivables and doubtful debtors

TRADE RECEIVABLES

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
Customers	6,593	4,046
Write-downs booked on doubtful debtors	-1,558	-1,513
Invoices to be prepared/credit notes receivable	491	1,835
Other receivables	2,867	2,281
TRADE RECEIVABLES	**8,393**	**6,649**

Trade receivables due within less than one year rose from EUR 6.6 million at the end of 2011, to EUR 8.4 million at year-end 2012.

Trade receivables are mostly payable in cash. The table below shows the past due trade receivables.

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
Not past due and < than 30 days past due	2,520	900
30-60 days past due	710	928
60-90 days past due	1,415	82
> than 90 days past due	1,948	2,136
TOTAL CUSTOMERS	**6,593**	**4,046**

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
> than 90 days past due	1,948	2,136
Value reduction of doubtful debtors	-1,558	-1,513
Due > than 90 days but that do not form any problem of non-payment	390	623

DOUBTFUL DEBTORS – STATEMENT OF CHANGES

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
AT THE END OF THE PREVIOUS FINANCIAL YEAR	**1,513**	**1,321**
Additions	548	575
Reversals	-505	-267
Other	2	-116
AT THE END OF THE YEAR	**1,558**	**1,513**

Compared to the previous financial year, the bad-debt provision decreased from EUR 1.629 million to EUR 1.558 million.

No unequivocal directive has been established to define the amount of the provision to be established for this purpose. An estimate is made on a quarterly basis by the management of debts which will probably no longer be collected.
In addition a write-down for the outstanding amount of all invoices more than six months past due was booked at the end of 2012. The outstanding customer balances are reported internally to all commercial and technical personnel on a monthly basis. They can ensure adequate supervision of the rental arrears via their direct contacts with the customer.

Credit risk is more generally also limited because WDP ensures an adequate spread among its tenants. In addition to the legal limit of 20%, the internal limit applied stipulates that a maximum of 10% of rental income may be derived from a single customer. For a list of main tenants, see *6.1. Review of the consolidated property portfolio* on page 112. In addition, the credit risk is also limited by the maximum risk of 5% per site.

XXIII. Tax benefits and other current assets

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
Tax	1,997	882
Advance on property purchased	0	89
Other	460	460
TOTAL	**2,457**	**1,431**

XXIV. Capital

		EVOLUTION OF CAPITAL 31 DEC. 12 (IN EUR X 1,000)	NUMBER OF SHARES
	Formation of Rederij De Pauw	50	
	Capital increase through incorporation of reserves	12	
	Capital increase by public issue (incl. issue premium)	69,558	
	Capital increase through merger and demerger transactions	53	
	Capital increase through incorporation of reserves to round off to EUR	327	
	Capital increase to defray losses	-20,575	
1999	**CAPITAL AND NUMBER OF SHARES AT THE TIME OF THE IPO (JUNE 1999)**	**49,425**	**6,640,000**
2001	Capital increase resulting from the acquisition of Caresta	2,429	259,593
2001	Capital increase through incorporation of reserves to round off to EUR	46	0
2003	Capital increase by public issue (incl. issue premium)	27,598	985,656
2006	Increase in capital on the occasion of the partial demerger of Partners in Lighting International	29,415	707,472
2006	Capital reduction upon the creation of available reserves	-40,000	0
2009	Capital increase for DHL transaction	5,753	807,733
2009	Capital increase	23,187	3,133,484
2011	Capital increase through contribution of claim in relation to the optional dividend	5,025	650,437
2011	Capital increase following Betafence transaction	3,458	454,146
2012	Capital increase through contribution of claim in relation to the optional dividend	4,753	622,013
2012	Capital increase for the partial demerger of Immo Weversstraat	664	84,226
2012	Capital increase for the *Lake Side bis* transaction	5,596	736,932
TOTAL		**117,349**	**15,081,692**

	31 DEC. 12	31 DEC. 11
NUMBER OF SHARES AT THE BEGINNING OF THE FINANCIAL YEAR	**13,638,521**	**12,533,938**
Capital increase through contribution of claim in relation to the optional dividend	622,013	650,437
Capital increase for the partial demerger of Immo Weversstraat	84,226	0
Capital increase for the *Lake Side bis* transaction	736,932	0
Capital increase following Betafence transaction	0	454,146
NUMBER OF SHARES ENTITLED TO DIVIDEND AT THE END OF THE FINANCIAL YEAR	**15,081,692**	**13,638,521**
Net result of the financial year (in EUR x 1,000)	35,326	29,704
Net result per share (in EUR) *	2.49	2.29

* Calculated based on the average number of shares.

WDP only has one category of shares: ordinary shares. Holders have a right to receive the declared dividend and are entitled to one vote per share at the Annual General Meeting of the shareholders.

All shares are paid up in full and are bearer, registered or dematerialised shares.
Since 1 January 2008 no new bearer shares may be issued and existing bearer shares booked on stock funds may no longer be physically issued. They must remain on the account from then on, unless converted into registered shares.

Listed bearer shares that are on a fund account, were lawfully converted into dematerialised shares from 1 January 2011. Bearer shares that were not registered on a share account, are lawfully converted into dematerialised shares on 1 January 2014.

The management is authorised to increase the authorised capital on one or more occasions, on the dates and under the conditions it establishes, by EUR 100,521,811.63. This authorisation is valid for five years as from 16 May 2011. This authorisation can be renewed.

XXV. Provisions

NATURE OF THE LIABILITIES IN EUR (X 1,000)	31 DEC. 12	
	BELGIUM REMEDIATION	TOTAL
OPENING BALANCE	**1,112**	**1,112**
Amounts used	-41	-41
CLOSING BALANCE	**1,071**	**1,071**
Expected payment date for use of provisions	< 5 years	

During the course of the 2012 financial year the current studies, monitoring activities and remediation were continued, thereby to comply with all local legislation regarding soil remediation. *Provisions* outstanding at the end of 2012 were still EUR 1.1 million.

The provisions were primarily established for the possible remediation of the sites in Anderlecht, Frans Van Kalkenstraat 9 - Biestebroekkaai 300 and Walcourtstraat – Beersel, Stationsstraat 230 and Sint-Jans-Molenbeek Delaunoystraat 35-36 + 58-60.

NATURE OF THE LIABILITIES IN EUR (X 1,000)	31 DEC. 11	
	BELGIUM REMEDIATION	TOTAL
OPENING BALANCE	**1,115**	**1,115**
Amounts used	-3	-3
CLOSING BALANCE	**1,112**	**1,112**
Expected payment date for use of provisions	< 5 years	

XXVI. Status of liabilities

IN EUR (X 1,000)	INCLUDED AS OF 31 DEC. 12	INCLUDED AS OF 31 DEC. 11	< 1 YEAR 31 DEC. 12	< 1 YEAR 31 DEC. 11	1-5 YEARS 31 DEC. 12	1-5 YEARS 31 DEC. 11	> 5 YEARS 31 DEC. 12	> 5 YEARS 31 DEC. 11
Commercial paper	**145,438**	**110,750**	145,438	110,750				
Straight loans	**27,598**	**9,900**	27,598	9,900				
Roll over loans	**2,128**	**2,044**	2,128	2,044				
Leasing liabilities	**3,232**	**3,486**	3,232	3,486				
Other	**22**	**7**	22	7				
CURRENT FINANCIAL LIABILITIES	**178,418**	**126,187**	**178,418**	**126,187**	**0**	**0**	**0**	**0**
Roll over loans	**454,488**	**390,123**			432,367	330,686	22,121	59,437
Leasing liabilities	**18,109**	**23,947**			11,566	13,737	6,543	10,210
Other	**8,849**	**8,466**					8,849	8,466
NON-CURRENT FINANCIAL LIABILITIES	**481,446**	**422,536**	**0**	**0**	**443,933**	**344,423**	**37,513**	**78,113**
TOTAL	**659,864**	**548,723**	**178,418**	**126,187**	**443,933**	**344,423**	**37,513**	**78,113**

General (see also *4.4. Management report – Management of the financial resources*)

Total financial debt at 31 December 2012 equated to EUR 660 million, versus EUR 549 million at year-end 2011. 27% of these debts represent short-term liabilities (mainly straight loans and debt entered into as part of the commercial paper programme). The remaining 73% of the debts have a term of more than 1 year, of which 6% fall due after more than 5 years.

The rise in the current financial liabilities is explained by the inflow in the commercial paper programme and slight rise in straight loans due to the expected cash flow related to the impending sale of some assets (see also note *XXI.* Assets held for sale on page 208). The commercial paper programme is fully covered by the revolving 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.

In addition, unused and confirmed long-term credit lines totalled EUR 75 million (excluding the credit facility at the European Investment Bank to finance pre-let projects in Romania and excluding the extra resources released as a consequence of the bond issue at the beginning of March 2013).

The average term of the outstanding financial debt as at 31 December 2012 was 2.7 years. This includes the refinancing of existing credit facilities realised after the closing date and prior to the publication of the 2012 results. If only total drawn and undrawn long-term credit facilities are included, the weighted average term is 3.6 years. For some loans, the lender may decide to extend the loan through an extension option. If this option were to be exercised each time, the weighted average term of the long-term loans would be 4.2 years.

On 31 December 2012, virtually all debts were entered into at a floating short-term interest rate plus bank margin. WDP uses Interest Rate Swaps to hedge against volatility and a rise in short-term interest rates. For example, the company currently has a notional amount in Interest Rate Swaps outstanding of EUR 513 million, which means that 78% of debts are hedged (76% at year-end 2011). These hedging instruments have an average remaining term of 5.8 years, while the average interest rate of the hedges was 3.3% at year-end 2012 (3.7% at year-end 2011). At 31 December 2012, the value of these financial derivatives was EUR -70.5 million (EUR -52.0 million at year-end 2011).

WDP's weighted average cost of debt for the 2012 financial year was 3.6%, including credit margins, the reservation commission on unused credit facilities and the cost of hedging instruments. Average cost of debt in 2011 was 4.0%.

As at 31 December 2012, the company complied with all contractually applicable bank covenants (for additional information on these covenants, see *XXXI. Rights and obligations not included in the balance sheet* on page 221).

Furthermore, WDP completed the following major financing transactions after the balance sheet date:

- Extension of the credit lines at ABN AMRO for an amount of EUR 125 million
- Private placement of 7-year bonds in a total amount of EUR 50 million

Fine lease debts

At year-end 2012, WDP had lease debts amounting to EUR 21.3 million, comprising:

- A lease with a banking consortium to finance the Univeg property. This originally had a term of 15 years, of which 7 years had been settled as of 31 December 2012. The purchase option was EUR 172,844.27. The interest rate is Euribor 3M. The remaining lease debt at 31 December 2012 was EUR 13.6 million.

- The acquisition of the current lease debts following the acquisition of the Vendin-le-Vieil property. The original term of the contracts was 10 years, of which 8.5 years had been settled as of 31 December 2012. The interest rate is Euribor 3M increased by a margin from 0.62 to 0.90%, depending on the contracting financial institution. The remaining lease debt at year-end 2012 was EUR 2.9 million.

- During the first quarter of 2009, following the sale and rent back transaction with DHL, the leases for the DHL buildings in Willebroek and Mechelen were acquired by another party. The contract for the DHL site in Mechelen has a term of 20 years, of which 14 years and 9 months had already been redeemed as of 31 December 2012. The purchase option is EUR 0.4 million. At year-end 2012, the remaining leasing debt for the DHL site in Mechelen was EUR 3.5 million. The contract for the DHL site in Willebroek, which has a term of 22 years and 9 months, will expire on 30 September 2022. At year-end 2012, the leasing debt for this site was EUR 1.4 million.

XXVII. Calculation of the gearing and notes regarding changes in gearing

IN EUR (X 1,000)		31 DEC. 12	31 DEC. 11
Non-current and current liabilities		746,244	617,550
To be excluded:			
I. Non-current liabilities – A. Provisions		-1,071	-1,112
I. Non-current liabilities – C. Other non-current financial liabilities – Permitted hedging instruments		-69,838	-51,978
I. Non-current liabilities – F. Deferred taxes – Liabilities		-2,118	-1,968
II. Current liabilities – E. Other current liabilities – Other: Hedging instruments		-628	0
II. Current liabilities – F. Deferred charges and accrued income		-1,902	-1,194
TOTAL DEBT	**A**	**670,687**	**561,299**
TOTAL ASSETS	**B**	**1,196,425**	**1,018,883**
DEBT RATIO	**A / B**	**56.06%**	**55.09%**

Further notes to changes in the company's gearing

Pursuant to Article 54 of the Royal Decree of 7 December 2010, public *Vastgoedbevaks/Sicafis* are required to draw up a financial plan with implementation schedule describing the measures to be taken to prevent the gearing from rising above 65% of consolidated assets. The statutory auditor writes a special report on this financial plan stating that he or she has checked how the plan was drawn up, especially in terms of its economic principles, and that the figures contained in this plan correspond to the figures in the accounts of the *Bevak/Sicafi*. It must be stated in the interim and annual financial reports how the financial plan was implemented in the period under review and how the *Bevak/Sicafi* will implement the plan in the future.

1. Changes in gearing

The company's consolidated gearing remained virtually unchanged throughout 2012: 56.1% at 31 December 2012 [1] versus 55.1% at 31 December 2011. This takes account of a total investment volume of approximately EUR 185 million. In other words, given the virtually constant gearing, the capital structure was not changed by the investments. This was facilitated by the fact that the new investments were funded at a debt/equity ratio of 45/55. That is because equity was strengthened by approximately EUR 70 million by the capital increase as a result of the optional dividend, the acquisition of a site in Londerzeel (Weversstraat 2) through a partial demerger against payment in new shares, the (indirect) contribution in kind of three sites through the *Lake Side bis* transaction and the retained profits.

1 If the expected sale in 2013 of *Assets held for sale* for EUR 34.6 million is factored in when calculating the gearing ratio at 31 December 2012, the pro forma gearing ratio is 54.8%.

WDP also sold some smaller non-strategic sites in the Belgian portfolio.

Based on the current gearing of 56.1% at 31 December 2012, WDP has additional investment potential of approximately EUR 300 million, without exceeding the maximum gearing of 65%. There is room for EUR 120 million in additional investments before 60% gearing is exceeded.

Portfolio valuations also affect gearing. Based on the current capital base, the maximum gearing of 65% would only be exceeded if the value of investment property were to decline by approximately EUR 165 million (14% compared to the EUR 1.163 million property portfolio). WDP believes that the current gearing is at an acceptable level and provides sufficient margin to offset any decreases in the value of the property. Furthermore, in 2011-12 the experts' appraisal showed that the fair value of the portfolio had stabilised.

The new *Vastgoedbevak/Sicafi* Royal Decree stipulates that, if the unconsolidated or consolidated gearing exceeds 65% of its unconsolidated or consolidated assets, depending on the case, it will be unable to distribute dividend to the shareholders until the gearing has dropped below 65% again. In that case, the reserves thus accumulated may only be used for repayments necessary to reduce the consolidated or unconsolidated gearing below 65% of the consolidated or unconsolidated assets, depending on the case.

A detailed financial model incorporating forecasts relating to the profit and loss account and the balance sheet is updated every quarter for a period of 3 years or more if for example specific planned investments extend beyond this horizon. This takes into account all the company's current commitments and other parameters, both internal, such as lease renewals, and external, such as interest rates. This also incorporates an analysis of the expected changes in gearing and the sensitivity of the gearing (at unconsolidated and consolidated level) relating to investments and any reductions in value of the portfolio. This is submitted to the Board of Directors based on the same frequency, unless the circumstances require earlier submission, which helps ensure that the gearing does not exceed 65%.

2. Expected changes in gearing in 2013

The aim is to maintain the gearing at a level between 55% and 60% and in this context the targets set by WDP are based on a capital structure maintained at the same level.

WDP's gearing is likely to rise in the course of 2013 from 56.1% at 31 December 2012 to 56.4% at 31 December 2013. This forecast takes account of the following:

- → The implementation of the ongoing investment programme and the planned divestments [1].
- → Retained profits, taking into account expected profit for 2013 of EUR 60 million and dividend distribution for the 2012 financial year.
- → An optional dividend in which the investment potential released as a result (through equity and borrowed capital) is used for new investments, based on a constant capital structure.

1 See also *4.3. Transactions and realisations* on page 38 and *Balance sheet – Assets* on page 169.

3. Conclusion

WDP therefore believes that the gearing will not exceed 65% and that no additional measures need to be taken at the moment, based on the prevailing economic and property trends, the planned investments and expected changes in the company's equity.

WDP considers the capital structure to be adequate given the nature of the property in which WDP invests with a consistent average return of 8%, generating a sufficient margin to pay the interest charges on the debts. Additionally, WDP has a solid track record when it comes to attracting financing. On the one hand, it has good relationships with its partner banks, which should make it possible to refinance the debts on the maturity date or secure new credits for any additional acquisitions. On the other hand, the success of the recent capital increases (including the optional dividend) has shown that WDP has the confidence of investors and access to the capital market to part-finance new projects with equity, ensuring the gearing remains within the desired range.

If the company's policies needed to be adjusted in response to specific events, this will be done immediately and the shareholders will be informed through the periodic reports.

XXVIII. Other current liabilities

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
Short-term hedging instruments	628	0
Deposits and rental guarantees received	296	296
Other	156	164
Outstanding dividends	97	248
Deferred payments relating to acquisitions	0	1,640
TOTAL	**1,177**	**2,348**

XXIX. Average workforce and breakdown of personnel costs

	31 DEC. 12	31 DEC. 11
IN FULLY CONSOLIDATED COMPANIES		
AVERAGE WORKFORCE (IN FTE)	**28.6**	**27.7**
a) Workers	4.4	6.6
b) Employees	24.2	21.1
Administrative employees	15.0	14.3
Technical employees	9.2	6.8
GEOGRAPHICAL LOCATION OF WORKFORCE (IN FTE)	**28.6**	**27.7**
Western Europe	25.4	24.9
Central and Eastern Europe	3.2	2.8
PERSONNEL COSTS (IN EUR X 1,000)	**2,293**	**1,872**
a) Remuneration and direct fringe benefits	1,559	1,245
b) Employer's national insurance contributions	428	406
c) Employer's supplementary insurance premiums	98	87
d) Other personnel costs	208	134

XXX. Transactions between affiliates

Besides the management fee charged to WDP by the manager, De Pauw NV, there were no transactions between affiliates. For 2012, this fee was EUR 1,000,000. This amount corresponds to the total cost for the Board of Directors in 2012, which was in line with market rates, including the bonus scheme for the executive management and the management of the bevak/sicav. See also *4.7. Corporate governance and structures* on page 68.

XXXI. Rights and obligations not included on the balance sheet

On 31 December 2012, WDP and its subsidiaries provided a total amount of EUR 5,682,552.64 in bank guarantees. The beneficiaries can be classified in the categories stated below, along with the appropriate amounts.

IN EUR	
Environmental	1,959,200.00
Rent and concession	230,679.65
Financial	2,707,694.29
Legal	750,000.00
Services	34,978.70

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

- Security for the agreements of WDP Nederland NV in the amount of EUR 23.7 million, provided to ING.
- Security for the agreements of WDP Nederland NV in the amount of EUR 125 million, provided to ABN AMRO.
- Line of credit at Belfius in the amount of EUR 25 million maximum, provided by WDP Comm. VA and WDP Czech Republic VA and WDP CZ SRO are partially guaranteed by surety in a joint and several obligation provided by parent company WDP Comm. VA. The total security is EUR 5 million (principal) plus interest, commissions and other fees and charges.
- Security for the agreements of WDP Development RO srl in the amount of EUR 75 million, provided to the EIB.

WDP has entered into the following commitments with the credit institutions under the bank covenants:

- Commitment for the credit institutions with which WDP typically conducts business in order not to burden the fixed assets with mortgages or power of attorney to mortgage (i.e. *negative pledge*).
- WDP has entered into a commitment with the various banks in order to remain eligible as a *Vastgoedbevak/Sicafi*. The conditions for *Vastgoedbevak/Sicafi* status are laid down in the Royal Decree of 10 April 1995, the Royal Decree of 21 June 2006 and the Royal Decree of 7 December 2010. For more information see *General information regarding the Vastgoedbevak/Sicafi and fiscal regimes* on page 251.
- To fund operations in the Netherlands through WDP Nederland NV, WDP has entered into a commitment to remain qualified as a Fiscale Beleggingsinstelling.
- For some financial institutions, WDP undertakes to maintain minimum Interest Cover [1]. For WDP this level is usually 1.5x [2], except for three small loans (total sum EUR 58 million) for which the interest coverage ratio is 2.0x. For 2012 this was 3.4x.

1 Defined as *Operating result before the result on portfolio divided by Interest charges minus Interest and dividends collected minus Fee for financial leasing and others.*

2 Except for three small loans (total amount EUR 58 million) for which the interest coverage ratio was 2.0x.

→ For some financial institutions, WDP undertakes to limit properties that have not yet been pre-let (i.e. speculative developments) to 15% of the book value of the portfolio (excluding land reserves). As at 31 December 2012, the rate was 0%.

→ A solidary security guarantee for the commitments of WDP France SARL, provided to KBC Bank in connection with an outstanding loan of EUR 0.6 million.

As at 31 December 2012, WDP complied with all the applicable bank covenants.

XXXII. Changes in working capital requirements

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
INCREASE (+) / DECREASE (-) IN ASSETS	**-3,992**	**2,904**
Finance lease receivables	0	195
Trade receivables	-2,958	2,801
Other fixed assets	0	-204
Tax receivables	-1,027	-375
Other current assets	0	768
Costs to be transferred and revenues acquired	-7	-281
INCREASE (+) / DECREASE (-) IN LIABILITIES	**4,198**	**-7,184**
Trade receivables	5,342	-6,456
Taxes, social charges and liabilities relating to remuneration	-51	-604
Other current liabilities	-1,799	1,894
Costs to be allocated and revenues to be transferred	706	-2,018
OTHER	**-11**	**-127**
TOTAL	**195**	**-4,407**

XXXIII. Working capital requirement

IN EUR (X 1,000)		31 DEC. 12	31 DEC. 11
CURRENT ASSETS – WORKING CAPITAL COMPONENTS	A	**13,238**	**10,460**
Finance lease receivables		0	0
Trade receivables		6,593	4,046
Other fixed assets		1,800	2,603
Tax receivables		1,997	882
Other current assets		460	549
Costs to be transferred and revenues acquired		2,388	2,380
CURRENT LIABILITIES – WORKING CAPITAL COMPONENTS	B	**12,725**	**13,769**
Trade receivables		7,929	8,149
Taxes, social insurance costs and liabilities relating to remuneration		2,345	2,076
Other current liabilities		549	2,348
Costs to be allocated and revenues to be transferred		1,902	1,196
WORKING CAPITAL AT END OF FINANCIAL YEAR	A-B	**513**	**-3,309**

// 3.
Auditor's report

Auditor's report 2012

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2012

To the shareholders

As required by law, we report to you on the statutory audit mandate which you have entrusted to us. This report includes our report on the consolidated financial statements as defined below together with our report on other legal and regulatory requirements.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Warehouses De Pauw Comm. VA/SCA (*the company*) and its subsidiaries (jointly *the group*), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2012, the consolidated profit and loss account, the consolidated statement of overall result, the consolidated statement of changes of the equity capital and the consolidated cash flow statement 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 1,196,425 (000) EUR and the consolidated income statement shows a consolidated profit/loss (group share) for the year then ended of 35,326 (000) million EUR.

Responsibility of the Board of Directors for the preparation of the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards 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.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements 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 group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the company's officials and the Board of Directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Warehouses De Pauw Comm. VA/SCA give a true and fair view of the group's net equity and financial position as of 31 December 2012, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The Board of Directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

In the framework of our mandate, our responsibility is to verify, for all significant aspects, the compliance with some legal and regulatory requirements. On this basis, we provide the following additional comment which does not modify the scope of our audit opinion on the consolidated financial statements:

→ The directors' report on the consolidated financial statements includes the information required by law, is, for all significant aspects, in agreement with the consolidated financial statements and is not in obvious contradiction with any information obtained in the context of our mandate.

Diegem, 22 March 2013

DELOITTE Bedrijfsrevisoren /
Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Rik Neckebroeck

THE STATUTORY AUDITOR

Auditor's report 2012

Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2011 to the shareholders' meeting

To the shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comment.

Unqualified audit opinion on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Warehouses De Pauw Comm. VA/SCA (*the company*) and its subsidiaries (jointly *the group*), prepared in accordance with International Financial Reporting Standards as implemented by the Royal Decree on Property CEICs of 7 December 2010. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 EUR 1,018,884 (000) and the consolidated income statement shows a consolidated profit for the year then ended of EUR 29,704 (000).

The Board of Directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the *Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren*. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the group's preparation and fair presentation of the consolidated financial statements 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 group's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, the Board of Directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained, provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as of 31 December 2011, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as implemented by the Royal Decree on Property CEICs of 7 December 2010.

Additional comment

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the Board of Directors.

Our responsibility is to include in our report the following additional comment which does not change the scope of our audit opinion on the consolidated financial statements:

→ The directors' report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

Diegem, March 26, 2012

DELOITTE Bedrijfsrevisoren /
Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Rik Neckebroeck

THE STATUTORY AUDITOR

// 4.
2012 Annual statutory financial statements

Profit and loss account [1]

IN EUR (X 1,000)		31 DEC. 12	31 DEC. 11
I.	**RENTAL INCOME**	**42,286**	**39,682**
	Rents	42,081	39,500
	Indemnification for early termination of lease	205	182
III.	**RENTAL CHARGES**	**-428**	**-578**
	Rent to be paid for leased premises	-405	-277
	Valuation allowances for trade receivables and reversals	-549	-573
	Reversals of valuation decreases for trade receivables	526	272
	NET RENTAL RESULT	**41,858**	**39,104**
V.	**RECOVERY OF RENTAL CHARGES NORMALLY PAID BY THE TENANT ON LET PROPERTIES**	**5,063**	**4,635**
	Re-invoicing rental charges paid out by the owner	2,033	1,753
	Re-invoicing advance property levy and taxes on let properties	3,030	2,882
VII.	**RENTAL CHARGES AND TAXES NORMALLY PAID BY THE TENANT ON LET PROPERTIES**	**-5,725**	**-5,161**
	Rental charges paid out by the owner	-2,192	-1,892
	Advance levies and taxes on let properties	-3,533	-3,269
VIII.	**OTHER INCOME AND CHARGES RELATED TO LEASES**	**7,054**	**6,685**
	Property management fees	779	476
	Income from solar energy	6,275	6,209
	PROPERTY RESULT	**48,250**	**45,263**
IX.	**TECHNICAL COSTS**	**-965**	**-953**
	Recurrent technical costs	-844	-1,026
	Repairs	-651	-816
	Insurance premiums	-193	-210
	Non-recurrent technical costs	-121	73
	Accidents	-121	73
X.	**COMMERCIAL COSTS**	**-247**	**-158**
	Agency commissions	-36	-42
	Advertising	-120	-61
	Lawyers' fees and legal charges	-91	-55
XII.	**PROPERTY MANAGEMENT COSTS**	**-424**	**-90**
	(Internal) property management costs	-424	-90
	PROPERTY CHARGES	**-1,636**	**-1,201**
	PROPERTY OPERATING RESULTS	**46,614**	**44,062**
XIV.	**GENERAL COMPANY EXPENSES**	**5,660**	**110**
	OPERATING RESULT BEFORE THE RESULT ON THE PORTFOLIO	**52,274**	**44,172**

1 The statutory auditor has issued an unqualified report regarding the WDP Comm. VA financial statements. These financial statements have been prepared in accordance with IFRS, as accepted within the European Union, and in accordance with the Royal Decree of 7 December 2010.

	IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
XVI.	**RESULT ON DISPOSALS OF INVESTMENT PROPERTY**	**101**	**15**
	Net property sales (sales price – transaction costs)	10,386	2,893
	Book value of properties sold	-10,285	-2,878
XVIII.	**VARIATIONS IN THE FAIR VALUE OF INVESTMENT PROPERTY**	**4,297**	**509**
	Positive variations in the fair value of investment property *	9,634	10,725
	Negative variations in the fair value of investment property	-7,134	-9,107
	Impairment of assets under construction (recognised and reversed)	1,797	-1,109
	OPERATING RESULT	**56,672**	**44,696**
XX.	**FINANCIAL REVENUES**	**5,117**	**9,467**
	Interests and dividends received	5,054	9,241
	Income from financial leases and similar	0	12
	Other financial revenues	63	214
XXI.	**NET INTEREST CHARGES**	**-21,076**	**-19,919**
	Nominal interest on loans	-6,674	-9,757
	Interest capitalised during construction	327	569
	Cost of permitted hedging instruments	-14,650	-12,337
	Revenue from permitted hedging instruments	26	1,768
	Other interest charges	-105	-162
XXII.	**OTHER FINANCIAL CHARGES**	**-53**	**-57**
	Bank charges and other commissions	-43	-57
	Other financial charges	-10	0
XXIII.	**MOVEMENTS IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**	**-4,891**	**-4,640**
	Permitted hedging instruments	-18,488	-17,272
	Permitted hedging instruments not subject to hedging accounting as defined in IFRS	-18,488	-17,272
	Other	13,597	12,632
	FINANCIAL RESULT	**-20,903**	**-15,149**
	PRE-TAX RESULT	**35,769**	**29,547**
XXIV.	**CORPORATE TAX**	**-697**	**-69**
XXV.	**EXIT TAX**	**0**	**44**
	TAXES	**-697**	**-25**
	NET RESULT	**35,072**	**29,522**

* This only relates to the positive variations in the fair value of property investments. The movements in the fair value of solar panels are recognised directly in *Reserves* in shareholders' equity in compliance with IAS 16.

9 ANNUAL REPORT

Statement of overall result [1]

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
I. NET RESULT	**35,072**	**29,522**
II. OTHER ELEMENTS OF OVERALL RESULT	**-1,691**	**-1,302**
H. Other elements of the overall result after tax	-1,691	-1,302
Movements in the fair value of solar panels	-1,691	-1,302
OVERALL RESULT	**33,381**	**28,220**
Attributable to:		
Shareholders of the parent company	33,381	28,220

1 The statutory auditor has issued an unqualified report regarding the WDP Comm. VA financial statements. These financial statements have been prepared in accordance with IFRS, as accepted within the European Union, and in accordance with the Royal Decree of 7 December 2010.

Components of net result [1]

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
NET CURRENT RESULT	**35,565**	**33,638**
Result on the portfolio	4,398	524
Movements in the fair value of participations	13,597	12,632
IAS 39 result	-18,488	-17,272
NET RESULT	**35,072**	**29,522**

IN EUR (PER SHARE) *	31 DEC. 12	31 DEC. 11
NET CURRENT RESULT / SHARE	**2.51**	**2.60**
Result on the portfolio / share	0.31	0.04
Movements in the fair value of participations / share	0.96	0.97
IAS 39 result / share	-1.30	-1.33
NET RESULT / SHARE	**2.47**	**2.28**

* Calculation based on the weighted average number of shares.

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Balance sheet – Assets [1]

	IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
	FIXED ASSETS	**1,014,791**	**911,515**
B.	**INTANGIBLE ASSETS**	**212**	**309**
C.	**PROPERTY INVESTMENTS**	**601,791**	**575,602**
	Property available for leasing	582,974	536,496
	Property developments	5,032	19,033
	Other: land reserves	13,785	20,072
D.	**OTHER TANGIBLE FIXED ASSETS**	**68,053**	**67,768**
	Tangible fixed assets for own use	722	768
	Solar panels	67,331	67,000
E.	**FINANCIAL FIXED ASSETS**	**343,615**	**267,818**
	Assets held until maturity	0	0
	Hedging instruments	0	0
	Loans and receivables	181,157	147,508
	Other *	181,157	147,508
	Other	162,458	120,310
	Holdings in affiliated companies and companies with a participation *	162,458	120,310
G.	**FINANCE LEASE RECEIVABLES**	**0**	**0**
H.	**TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS**	**1,120**	**18**
	CURRENT ASSETS	**45,119**	**30,498**
A.	**ASSETS HELD FOR SALE**	**22,563**	**14,310**
	Property investments	9,692	14,310
	Other assets	12,871	0
C.	**FINANCE LEASE RECEIVABLES**	**0**	**0**
D.	**TRADE RECEIVABLES**	**13,548**	**6,423**
E.	**TAX BENEFITS AND OTHER CURRENT ASSETS**	**6,834**	**8,058**
	Taxes	64	1
	Other	6,770	8,057
F.	**CASH AND CASH EQUIVALENTS**	**498**	**337**
G.	**DEFERRED ACTIVE CHARGES**	**1,676**	**1,370**
	Completed, property returns not due	129	0
	Property costs paid in advance	108	159
	Interests and other financial costs paid in advance	278	390
	Other	1,161	821
	TOTAL ASSETS	**1,059,910**	**942,013**

* In the 2011 annual financial report the *Loans and receivables – Other* was EUR 197,508,000 and *Other – Holdings in affiliated companies and companies with a participation* was EUR 70,310,000. Pursuant to a reclassification, these two items were changed to EUR 147,508,000 and EUR 130,310,000 respectively.

1 The statutory auditor has issued an unqualified report regarding the WDP Comm. VA financial statements. These financial statements have been prepared in accordance with IFRS, as accepted within the European Union, and in accordance with the Royal Decree of 7 December 2010.

9 | ANNUAL REPORT

Balance sheet – Liabilities [1]

	IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
	SHAREHOLDERS' EQUITY	**449,652**	**400,985**
I.	**SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS**	**449,652**	**400,985**
	A. Capital	117,415	106,336
	Subscribed capital	120,955	109,381
	Costs of capital increase	-3,540	-3,045
	B. Premiums on issues	138,429	94,168
	C. Reserves	158,736	170,959
	D. Net result for the financial year	35,072	29,522
	LIABILITIES	**610,258**	**541,028**
I.	**NON-CURRENT LIABILITIES**	**435,420**	**407,386**
	A. Provisions	1,072	1,112
	Other	1,072	1,112
	B. Non-current financial liabilities	349,238	339,024
	Credit institutions	332,878	318,000
	Financial lease	16,360	21,024
	C. Other non-current financial liabilities	69,838	51,978
	Hedging instruments	69,838	51,978
	E. Other non-current liabilities	15,272	15,272
II.	**CURRENT LIABILITIES**	**174,838**	**133,642**
	B. Current financial liabilities	164,020	122,815
	Credit institutions	161,963	120,450
	Financial lease	2,057	2,365
	D. Trade payables and other current debts	5,645	5,982
	Suppliers	4,492	4,794
	Tax, salary and social security	1,153	1,188
	E. Other current liabilities	3,983	4,563
	Other	3,983	4,563
	F. Deferred charges and accrued income	1,190	282
	Property returns received in advance	387	88
	Completed, not due interests and other costs	638	175
	Other	165	19
	TOTAL LIABILITIES	**1,059,910**	**942,013**

1 The statutory auditor has issued an unqualified report regarding the WDP Comm. VA financial statements. These financial statements have been prepared in accordance with IFRS, as accepted within the European Union, and in accordance with the Royal Decree of 7 December 2010.

Statutory appropriation of results [1]

IN EUR (X 1,000)		31 DEC. 12	31 DEC. 11
A.	**NET RESULT**	**35,072**	**29,522**
B.	**ADDITION/WITHDRAWAL OF RESERVES**	**158,736**	**170,959**
1.	Addition to/withdrawal of reserves for the (positive or negative) balance in movements in the fair value of property	147,651	143,114
	financial year	4,297	508
	previous financial years	143,114	143,929
	construction of property	240	-1,323
2.	Addition to/withdrawal from the reserve of the estimated transaction duties and fees for the hypothetical sale of investment property	-15,012	-14,410
3.	Addition to the reserve for the balance of the movements in fair value of permitted hedging instruments that are subject to hedging accounting as defined in IFRS	0	0
	financial year	0	0
	previous financial years	0	0
4.	Withdrawal of the reserve for the balance of the movements in fair value of permitted hedging instruments that are subject to hedging accounting as defined in IFRS	0	0
	financial year	0	0
	previous financial years	0	0
5.	Addition to the reserve for the balance of the movements in fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS	-70,466	-51,978
	financial year	-18,488	-17,270
	previous financial years	-51,978	-34,708
6.	Withdrawal of the reserve for the balance of the movements in fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS	0	0
	financial year	0	0
	previous financial years	0	0
7.	Addition to/withdrawal from the reserve for the balance of the translation differences on monetary assets and liabilities	0	0
8.	Addition to/withdrawal from the deferred taxes reserve in relation to the property located outside Belgium	0	0
9.	Addition to/withdrawal from the reserve for the dividends received designated for the repayment of financial liabilities	0	0
10.	Addition to/withdrawal from other reserves	18,334	20,025
11.	Addition to/withdrawal from results transferred from previous financial years	78,229	74,208
C.	**COMPENSATION FOR THE CAPITAL IN ACCORDANCE WITH ARTICLE 27, §1**	**28,750**	**27,426**
D.	**COMPENSATION FOR THE CAPITAL, OTHER THAN C**	**18,003**	**12,626**
E.	**RESULT TO BE TRANSFERRED**	**147,055**	**160,429**

1 The statutory auditor has issued an unqualified report regarding the WDP Comm. VA financial statements. These financial statements have been prepared in accordance with IFRS, as accepted within the European Union, and in accordance with the Royal Decree of 7 December 2010.

Distribution obligation in accordance with the royal decree on *Vastgoedbevaks/Sicafis* of 7 december 2010 [1]

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
NET RESULT	**35,072**	**29,522**
Depreciation and amortisation (+)	350	345
Write-downs (+)	549	572
Reversals of write-downs (-)	-526	-272
Reversals of transferred and incorporated rents (-)	0	0
Other non-monetary components (+/-)	4,891	4,640
Result from property sales (+/-)	-101	-15
Movements in the fair value of property (+/-)	-4,297	-509
ADJUSTED RESULT (A)	**35,938**	**34,283**
Gains and losses from property realised during the financial year (+/-)	-240	1,323
Gains realised during the financial year exempt from mandatory distribution, subject to their reinvestment within a period of 4 years (-)	240	-1,323
Gains realised on property previously exempt from mandatory distribution that were not reinvested within a period of 4 years (+)	0	0
NET GAINS FROM PROPERTIES COMPLETED NOT EXEMPT FROM MANDATORY DISTRIBUTION (B)	**0**	**0**
TOTAL (A+B) X 80%	**28,750**	**27,426**
REDUCTION IN LIABILITIES (-)	**0**	**0**
DISTRIBUTION OBLIGATION	**28,750**	**27,426**

1 The statutory auditor has issued an unqualified report regarding the WDP Comm. VA financial statements. These financial statements have been prepared in accordance with IFRS, as accepted within the European Union, and in accordance with the Royal Decree of 7 December 2010.

Non-distributable shareholders' equity in accordance with section 617 of the companies code [1]

IN EUR (X 1,000)	31 DEC. 12	31 DEC. 11
Paid-up capital, or, if this is higher, called-up capital	117,415	106,336
Issue premiums unavailable under the articles of association	138,429	94,168
Reserve for the positive balance of the movements in the fair value of the property	164,649	153,479
Reserve for the impact on the fair value of estimated transfer duties and costs for the hypothetical sale of investment property	-15,237	-14,410
Reserves for the balance of movements in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS	-70,466	-51,978
Other reserves declared unavailable by the Annual General Meeting	18,334	20,025
NON-DISTRIBUTABLE SHAREHOLDERS' EQUITY IN ACCORDANCE WITH SECTION 617 OF THE COMPANIES CODE	**353,124**	**307,620**
Net asset	449,652	400,985
Proposed dividend payment	-46,753	-40,052
NET ASSET AFTER DISTRIBUTION	**402,899**	**360,933**
REMAINING MARGIN AFTER DISTRIBUTION	**49,775**	**53,313**

1 The statutory auditor has issued an unqualified report regarding the WDP Comm. VA financial statements. These financial statements have been prepared in accordance with IFRS, as accepted within the European Union, and in accordance with the Royal Decree of 7 December 2010.

10

Permanent document

1.
Basic information

1.1. Company name (Article 1 of the Articles of Association)

Warehouses De Pauw, abbreviated *WDP*'.

1.2. Legal form, formation and publication [1]

The company was established as a Naamloze Vennootschap, a type of public limited company, under the name *Rederij De Pauw* by deed executed before Paul De Ruyver, civil-law notary in Liedekerke, Belgium, on 27 May 1977, published in the Appendices to the Belgian Official Gazette of 21 June 1977 under number 2249-1. This public limited company served as a holding company in which the property assets of nine companies were combined by means of a general merger and demerger transaction. At the same time, the name of the company was changed to *Warehousing & Distribution De Pauw* and it was converted into a Commanditaire Vennootschap op Aandelen, a type of partnership limited by shares.
The corresponding amendments to the Articles of Association were made conditionally, by deed executed by Siegfried Defrancq, civil-law notary in Asse-Zellik, Belgium, on 20 May 1999, standing in for Jean-Jacques Boel, civil-law notary in Asse, Belgium, legally impeded, on 20 May 1999, as published in the Appendices to the Belgian Official Gazette on 16 June 1999 under number 990616-21, and ratified by two deeds dated 28 June 1999, executed before the aforementioned civil-law notary and published in the Appendices to the Belgian Official Gazette on 20 July 1999 under numbers 990720-757 and 758.

Since 28 June 1999, WDP Comm. VA has been registered with the Financial Services and Markets Authority (FSMA) as a *vastgoedbeleggingsvennootschap met vast kapitaal naar Belgisch recht*, a type of closed end fund under Belgian law, commonly referred to as a *Vastgoedbevak* (*Sicafi* in French) under Belgian law. It is consequently subject to the regulations governing a *vastgoedbeleggingsvennootschap met vast kapitaal as* provided for in the Act of 3 August 2012 relating to certain forms of group management of investment portfolios, along with the Royal Decree of 7 December 2010 relating to *Vastgoedbevaks/Sicafis* (the *Vastgoedbevak/Sicafi* Royal Decree). The Royal Decree of 7 December 2010 replaced the previously applicable *Vastgoedbevak/Sicafi* Royal Decree of 10 April 1995.

The company name was changed to *Warehouses De Pauw* at the Extraordinary General Meeting of 25 April 2001, as set down by deed executed before the aforementioned civil-law notary Siegfried Defrancq, standing in for the aforementioned civil-law notary Jean-Jacques Boel, legally impeded, and published in the Appendices to the Belgian Official Gazette of 18 May 2001 under number 20010518-652.

WDP's Articles of Association have since been amended repeatedly, most recently on 9 October 2012. This deed was published in the Appendices to the Belgian Official Gazette of 6 November 2012 under number 12180519.

The Articles of Association of WDP and its manager, De Pauw NV, were amended to comply with the new *Vastgoedbevak/Sicafi* Royal Decree on 27 April 2011.

1 See also *7. Key dates in WDP's history* on page 248.

1.3. Registered office of the company and administrative domicile (Article 3 of the Articles of Association)

The company has its registered office at Blakebergen 15, 1861 Meise/Wolvertem, Belgium. The registered office can be transferred within Belgium by decision of the manager without amending the Articles of Association, provided the language laws are duly respected.

1.4. Company number

The company is registered with the Crossroads Bank for Enterprises, Brussels district, under the company registration number 0417.199.869.

1.5. Duration (Article 2 of the Articles of Association)

The duration of the company is unlimited.

1.6. Corporate object (Article 4 of the Articles of Association)

Article 4 of the Articles of Association stipulates that the sole object of the company is the collective investment of publicly raised funds in property in accordance with the applicable regulations for *Vastgoedbevaks/Sicafis*.

Property means:

- property as defined in Articles 517 and seq. of the Belgian Civil Code and rights in rem on said property;
- voting shares issued by property companies that are exclusively or jointly supervised by the *Vastgoedbevak/Sicafi*;
- options on properties;
- shares in public or institutional *Vastgoedbevaks*, on condition of joint or exclusive supervision of institutional *Vastgoedbevaks/Sicafis*;
- participation rights in foreign collective property investment institutions on the list drawn up by the FSMA;
- participation rights in collective property investment institutions registered in another Member State of the European Economic Area and not on the list drawn up by the FSMA, insofar as they are subject to comparable supervision to the supervision imposed on public *Vastgoedbevaks/Sicafis*;
- property certificates as described in the applicable financial legislation;
- rights ensuing from contracts by which the *Vastgoedbevaks/Sicafis* is given the lease of one or more goods or granted other analogous user rights;
- as well as all other goods, shares or rights that are defined as property by the applicable regulations pertaining to *Vastgoedbevaks/Sicafis*.

Within the limits of its investment policy, as defined in Article 5 of the Articles of Association and in accordance with the applicable legislation relating to *Vastgoedbevaks/Sicafis*, the company may involve itself in:

- the acquisition, purchase, building (without prejudice to the prohibition on acting as a property developer, except on an occasional basis), renovation, fitting out, letting, sub-letting, management, exchange, sale, contribution, transfer, allotment, inclusion of properties as described above into a system of co-ownership, granting or obtaining of rights of superficies, usufruct, long leases or other corporate or private rights to property as described above;

- the acquisition, transfer and lending of securities;
- taking on leases of properties with or without an option to buy; and, on an incidental basis, leasing properties with or without an option to buy;
- the company may not act as a property developer within the meaning of the applicable legislation pertaining to *Vastgoedbevaks/Sicafis* except on an occasional basis.

In accordance with the applicable *Vastgoedbevak/Sicafi* regulations, the company may also:

- invest in securities, other than fixed assets and liquid assets on an incidental or provisional basis. The holding of securities must be compatible with the short- or medium-term goals of the investment policy as described in Article 5 of the Articles of Association. The securities must admitted to a Belgian or foreign regulated market, as defined in the applicable financial laws. The liquid assets may be held in any currency in the form of deposits on demand or term deposits or any money-market instrument whose funds are readily available;
- grant mortgages or other securities or guarantees to finance the property activities of the - or its group, within the limits stipulated in the applicable regulations pertaining to *Vastgoedbevaks/Sicafis*;
- provide loans to a subsidiary (excluding the amounts owed to the company pursuant to the disposal of property, provided they are paid within the usual terms);
- conduct transactions in authorised hedging instruments (as defined in the *Vastgoedbevak/Sicafi* Royal Decree), insofar as such transactions are part of a policy established by the *Vastgoedbevak/Sicafi* to hedge financial risks, not including speculative transactions.

The company may acquire, rent or lease, transfer or exchange all movable or immovable property, materials and accessories and generally conduct all commercial or financial transactions directly or indirectly related to its corporate object and the use of all related intellectual rights and commercial properties.

With due consideration for the applicable regulations pertaining to *Vastgoedbevaks/Sicafis*, the company can take a share in all existing or future companies and undertakings in Belgium or abroad with an corporate object identical to its own or of such a nature that it pursues or facilitates its own object, by means of cash contribution or contribution in kind, merger, demerger or other corporate restructuring, subscription, participation, financial intervention or any other method.

Any amendment to the company's Articles of Association requires the prior approval of the FSMA.

1.7. Investment policy (Article 5 of the Articles of Association)

The purpose of the investment policy within the framework of achieving the corporate object, as stipulated in the company's Articles of Association, is to minimise and spread the investment risks in an appropriate way, whereby the company shall orient its investment policy towards a diversified property portfolio with, primarily, investments in semi-industrial and industrial buildings intended for production, distribution, storage and other logistics functions, in favourable locations, as well as in land intended for such buildings and in property intended for other functions belonging to such buildings. Additionally, investments will also be made in other property and other property types. The buildings envisaged are spread throughout Europe, with the emphasis on Belgium and the European Union and the growth zones that could become part of that in the future. For more information on the investment policy and strategy, see *3. Strategy* on page 19.

In accordance with the *Vastgoedbevaks/Sicafis* Royal Decree, investments in securities must be undertaken in accordance with the criteria stipulated in Articles 47 up to 87 of the Royal Decree of 12 November 2012 relating to specific collective investment funds.

1.8. Locations where documents can be consulted by the public

In accordance with statutory provisions, the company's separate and consolidated financial statements are filed with the National Bank of Belgium.

The company's Articles of Association can be consulted at the Commercial Court clerk's office in Brussels.

The company's annual financial reports and Articles of Association are also available at the head office and can be consulted at www.wdp.be. However, the printed Dutch version is the only legally valid version of the annual financial report. Other information found at the company's website or any other website is not part of the annual financial report. The electronic version of the annual financial report may not be reproduced or made available to anyone in whatever location, nor may the text be printed for further circulation. Registered shareholders and any other person who so requests receives a copy of the annual financial report every year.

The financial reporting and the convocation of shareholders to the General Meetings are published in the financial press insofar as legally required. They can be consulted at www.wdp.be. WDP applies the statutory provisions and guidelines of the FSMA in this regard. Resolutions relating to the appointment and discharge of members of the Board of Directors are published in the Appendices to the Belgian Official Gazette. The most recent version of the Corporate Governance Charter is also available at the website www.wdp.be. Any interested party can consult the press releases and statutory financial information on this website.

2. Authorised capital

2.1. Subscribed capital (Article 6 of the Articles of Association)

The subscribed capital of WDP Comm. VA amounts to EUR 120,954,738.16 and is represented by 15,081,692 ordinary shares, each representing 1/15,081,692 of the capital.

2.2. Authorised capital (Article 7 of the Articles of Association)

The manager is authorised to increase the authorised capital on one or several occasions, on the dates and under the conditions it will determine, by EUR 100,521,811.63. This authorisation is valid for five years effective 16 May 2011 and can be renewed. Twice already, the manager has used the authorization granted to him to raise capital. As a result of this, the balance of the assigned and available capital now stands at EUR 89,623,111.63

These increases in capital can be achieved through cash contribution, contribution in kind or through the conversion of reserves, including any retained profits and issue premiums, as well as all components of shareholders' equity under the company's separate IFRS financial statements (drawn up on the basis of the applicable regulations for *Vastgoedbevaks/Sicafis*) that are eligible for conversion in capital, and creation of new securities, in accordance with the rules stipulated in the Companies Code, applicable regulations relating to *Vastgoedbevaks/Sicafis* and the current Articles of Association.

In such cases, in the event of an increase in capital decided on by the manager, the manager must place the issue premiums into a blocked account, which will constitute the guarantee for third parties on the same basis as the capital, and cannot be reduced or closed without a decision of the General Meeting deciding as regarding amendment of the Articles of Association, with due regard for the procedure for the reduction of the authorised capital, except in the event of a capital conversion as provided for above.

Notwithstanding the application of sections 592 to 598 and 606 of the Companies Code, the manager is authorised to restrict or cancel the pre-emptive right, including when this occurs for the benefit of one or more individuals specified other than employees of the company or any of its subsidiaries, to the extent that the current shareholders are granted a priority allocation right for the allocation of new shares. Notwithstanding the application of sections 595 to 599 of the Companies Code, the special provisions under the *Vastgoedbevak/Sicafi* Royal Decree relating to the cancellation or restriction of the pre-emptive right do not apply to cash contribution with a restriction or cancellation of the pre-emptive right, in addition to non-cash contribution relating to the distribution of an optional dividend, insofar as this is made payable to all shareholders.

The issue of securities based on non-cash contribution is subject to compliance with the special conditions relating to non-cash contributions (see *2.4. Change to capital* on page 245), including the option to deduct an amount matching the portion of the non-distributed gross dividend. However, these special rules regarding capital increases in kind do not apply to the contribution of the right to dividend as part of the distribution of an optional dividend, insofar as this is made payable to all shareholders.

2.3. Share buyback (Article 10 of the Articles of Association)

The manager is authorised to acquire, accept as security and sell shares of the company without prior resolution of the General Meeting if this acquisition or disposal is necessary to protect the company from a serious and imminent loss. This authorisation is valid for three years effective 16 May 2011 and can be renewed on condition of a resolution of the General Meeting in accordance with the requirements regarding quorum and majority stipulated in Section 559 of the Companies Code.

In addition, the manager may, for a period of five years from 27 April 2011, acquire, accept as security and redispose of (even outside the stock exchange) shares of the company at a share price that may not be less than EUR 0.01 per share (acquisition and acceptance as security) or 75% of the closing price on the trading day preceding the date of the transaction (disposal) and that may not exceed EUR 70.00 per share (acquisition and acceptance as security) or 125% of the closing price on the trading day preceding the date of the transaction (disposal) without the company being authorised to hold over 20% of the total number of shares issued.

The manager of WDP, De Pauw NV, used the aforementioned authorisation under the Articles of Association on 3 July 2009 to acquire 1,490 of the shares of the company on NYSE Euronext. These shares were transferred to personnel of WDP on 6 July 2009 under an incentive programme. These shares were purchased for EUR 28.106 per share.

At 31 December 2012 WDP Comm. VA did not hold any shares of the company. The manager of De Pauw NV held 1,569 shares on that date. These 1,569 shares are not part of the incentive programme.

2.4. Change to the capital (Article 11 of the Articles of Association)

Except for the option to use the authorised capital by a decision of the manager, the capital increase or capital reduction can only be decided on by an Extraordinary General Meeting, subject to the manager's consent and in due compliance with the applicable regulations pertaining to *Vastgoedbevaks/Sicafis*.

In accordance with the *Vastgoedbevak/Sicafi* Royal Decree, in the event of a share issue in exchange for a contribution in kind, notwithstanding Sections 601 and 602 of the Companies Code the following conditions must be fulfilled:

- The identity of the party making the contribution must be stated in the reports provided for by Section 602 of the Companies Code, as well as the notifications of General Meetings in which a resolution is to be made about the contribution in kind;
- The issue price cannot be less than the lowest value of (a) a net asset value dating from no earlier than four months prior to the date of the contribution agreement, or, at the discretion of the public *Vastgoedbevak/Sicafi*, prior to the date of the deed of capital increase and (b) the average price over the thirty days prior to this same date (in the latter case, where appropriate less the non-distributed gross dividend to which the new shares may not give a right);
- Unless the issue price and the relevant terms are determined no later than on the first working day following the date on which the contribution agreement was entered into and are announced to the general public, stating the term within which the capital increase will come into effect, the deed of capital increase will be executed within a maximum term of four months;

- The report provided for in the first bulletpoint above must also state the impact of the proposed contribution on the situation of former shareholders and, specifically, on their share in the profit, the net asset value, and the capital, as well as the impact on voting rights.

These rules regarding contributions in kind apply with the necessary modifications to mergers, demergers and similar transactions.

In compliance with the *Vastgoedbevak/Sicafi* Royal Decree, in the event of cash contribution and without prejudice to Sections 592 to 598 of the Companies Code, the pre-emptive right may be limited or cancelled if the current shareholders are granted a priority allocation right for the allocation of new shares.

2.5. Controlling interest in the company (Article 14 of the Articles of Association)

The statutory manager De Pauw NV, represented by its permanent representative, has the controlling interest in WDP Comm. VA. Since 1 September 2002 this permanent representative is Mr. Tony De Pauw, in accordance with Section 61, §2 of the Companies Code. The shares of De Pauw NV are entirely held by the Jos De Pauw family, represented by Tony De Pauw on the Board of Directors of De Pauw NV.

For an explanation of the concept of *controlling interest*, see *1.1. A few words about the Commanditaire Vennootschap op Aandelen*, in *4.7. Corporate Governance and structures* section on page 68.

3. Statutory auditor (Article 20 of the Articles of Association)

Deloitte Bedrijfsrevisoren, a Burgerlijke Vennootschap, a type of private limited liability partnership in the form CVBA, a type of limited liability cooperative, and a member of the Instituut der Bedrijfsrevisoren, and having its registered office at Berkenlaan 8b, 1831 Diegem, represented by Mr. Rik Neckebroeck, was appointed statutory auditor of WDP Comm. VA on 25 April 2007. The statutory auditor was reappointed on 28 April 2010 until the Annual Meeting of 2013.

The statutory auditor's is responsible for auditing the consolidated financial statements of the WDP group and the separate financial statements of WDP Comm. VA.

In France, Deloitte & Associes, represented by Mr. Edouard Lhomme, and having its registered office at 67, Rue de Luxembourg, 59777 Euralille, was appointed statutory auditor for the subsidiary WDP France SARL.

In the Czech Republic, Deloitte Audit SRO, represented by Ms Diana Rogerova, and having its registered office at Karolinska 654/2, 186 00 Prague 8, was appointed statutory auditor of the subsidiary WDP CZ SRO.

In the Netherlands, Deloitte Accountants BV, represented by Mr. Jef Holland, and having its registered office at Orlyplein 1, NL-1040 HC Amsterdam, was appointed statutory auditor of the subsidiaries WDP Nederland NV and WDP Development NL NV.

The fees for the duties of the statutory auditor of WDP Comm. VA and its subsidiaries with regard to the financial year 2012 were EUR 98,391 (ex. VAT). During the financial year 2012, total fees were paid for other statutory audits and other consultancy work (including due diligence) of EUR 72.788 (ex. VAT).

4. Depository bank

Under the new *Vastgoedbevak/Sicafi* Royal Decree, WDP is no longer required to appoint a custodian.

5. Financial agent

ING Belgium NV
Legal Financial Markets
(Marc Sanders: +32 2 547 31 40 – marc.sanders@ing.be) Marnixlaan 24
B-1000 Brussels

The fees for the financial agent (those for the statutory auditor excluded) are determined based on conditions in line with the market, as a percentage on the volume of the transactions concerned (e.g. distribution of dividends, optional dividend, ...) and are independent of the company.

The total fees paid to the financial agent in 2012 were EUR 122,589 (excluding VAT).

6. Property expert

Under the applicable regulations pertaining to *Vastgoedbevaks/Sicafis*, the expert appraises all the buildings operated by the *Vastgoedbevak/Sicafi* and its subsidiaries at the end of every financial year. The book value of the buildings listed on the balance sheet is adjusted to these values.

Furthermore, at the end of each of the first three quarters of the financial year, the expert updates the total valuation prepared at the end of the previous year based on market trends and the specific features of the property in question. The expert also appraises the property of the *Vastgoedbevak/Sicafi* and its subsidiaries if the *Vastgoedbevak/Sicafi* wishes to perform a transaction such as the issue of shares or a merger.

Each property to be acquired or to be transferred by the *Vastgoedbevak/Sicafi* or any of its subsidiaries is appraised by the property expert prior to the transaction. The expert's appraisal will serve as a minimum price (in the event of disposal) or a maximum price (in the event of acquisition) for the *Bevak/Sicafi* if the other party is a person closely involved in the *Bevak/Sicafi* (as provided for by the applicable regulations for *Vastgoedbevaks/Sicafis*) or if the proposed transaction would benefit such persons in any way.

The property experts appointed by WDP Comm. VA are:

- → Stadim CVBA, Uitbreidingstraat 10-16 (Antwerp Gate 2), 2600 Antwerp – Belgium, represented by Philippe Janssens;
- → Cushman & Wakefield Inc, Kunstlaan 58, Box 7, 1000 Brussels, Belgium, represented by Kris Peetermans;
- → DTZ Zadelhoff, Apollolaan 150, 1077 BG Amsterdam, Netherlands, represented by Frans Van Hoeken;
- → BNP Paribas Real Estate, 167 quai de la Bataille de Stalingrad, 92867 Issy-Les-Moulineaux Cedex – France, represented by Jean-Claude Dubois.

These natural persons are legal representatives of the legal entities with which the contracts were signed.

Total fees paid to property experts in 2012 were EUR 231,343 (ex. VAT).

7. Key dates in WDP's history

Origins

WDP develops from the assets of the family group Jos De Pauw from Merchtem, Belgium. In the first half of the twentieth century activities are limited to vinegar production. The business subsequently diversifies to include barrel conditioning, sand extraction, inland shipping and lastly property. The focus is increasingly shifted to the creation of an industrial property portfolio.

1977

Formation of Rederij De Pauw NV, to which the property assets of nine group companies are transferred. The most important properties include the warehouses for Unilever's logistics subsidiary SBT, which is subsequently acquired by Danzas/DHL Solutions. 50% of the site is still part of WDP's portfolio today. In the 1980s and 1990s, together with his children Tony and Anne, Jos De Pauw expands the Jos De Pauw group into a property company specialising in semi-industrial properties. The company acquires old disused industrial sites and transforms them into warehouses. Later, new storage spaces are built to client orders.

1998

The value of the property portfolio exceeds EUR 100 million for the first time.

1999

The name of the company is changed to Warehousing & Distribution De Pauw. The corporate form is changed from a Naamloze Vennootschap, a type of company limited by shares, to a Commanditaire Vennootschap op Aandelen, a type of partnership limited by shares (Comm. VA.) The portfolio is transferred to a *Bevak/ Sicafi*, a type of closed-end fund, to safeguard the growth and financing of the company.
The Jos De Pauw Group launches an IPO in June to raise some EUR 40 million. On 28 June 1999 WDP is listed on NYSE Euronext for the first time, with a property portfolio of EUR 135 million. The first acquisitions in Italy and the Czech Republic coincide with the formation of WDP Italia SRL and WDP CZ SRO.

2000

WDP enters the French market through the acquisition of a project in Aix-en-Provence. Formation of WDP France SARL.

2001

The company name is changed to the current *Warehouses De Pauw*. A merger results from the acquisition of Caresta NV. Dutch operations begin on the basis of a *sale and rent back* transaction in Hazeldonk (Breda). Formation of WDP Nederland NV. By the middle of the year the portfolio has doubled in value, to EUR 270 million.

2003

EUR 30 million is raised through an increase in capital.

2004
The Jos De Pauw family sells 20% of its shares in WDP through a private placing. The family remains the main shareholder with a strategic shareholding of just over 30%. Free float rises to almost 70% as a result of the transaction.

2005
WDP sells WDP Italia in order to focus on its two main regions: the Breda-Antwerp-Brussels-Lille logistics axis and the Czech Republic.

2006
WDP announces a long-term strategic plan for 2006-2010. The aim is to double the portfolio to EUR 700 million within four years. Acquisition of all shares of De Polken NV and De Willebroekse Beleggingsmaatschappij NV. Capital increase by means of a *sale and rent back* transaction in exchange for shares in part of the property of Massive NV.

2007
Acquisition of all shares of Royvelden NV and Univeg's property portfolio on 13 July 2007. Formation of WDP Development RO, a joint operation with entrepreneur and Romania expert Jeroen Biermans on 14 August 2007. Merger with De Polken NV and De Willebroekse Beleggingsmaatschappij NV on 1 October 2007. Merger with Royvelden NV on 19 December 2007. The value of the property portfolio exceeds EUR 500 million for the first time.

2008
Start of the solar energy project, which is ultimately expected to lead to total installed capacity of 30 megawatt peak (MWp) and a carbon-neutral property portfolio.

Formation of a permanent operations office in the Netherlands. Agreement in principle on the transfer of DHL property in Belgium to the WDP portfolio on 28 November 2008.

2009
Merger through acquisition of Famonas Industries NV and partial demerger with transfer of demerger assets of DHL Freight (Belgium) NV, DHL Solutions (Belgium) NV and Performance International NV with payment in shares by means of capital increase on 31 March 2009.

On 30 June 2009 EUR 73,636,874 million is raised through a capital increase. The De Pauw family subscribes to the capital increase for its share of 31.4%.

Buyback of WDP shares by De Pauw NV on 3 July 2009. These shares are then transferred to WDP staff under the incentive programme on 6 July 2009. See also *2.3. Share buyback* on page 245.

Successive mergers with Royvelden Beheer BV to form Royvelden Holding BV and Royvelden Holding BV to form Royvelden Vastgoed BV on 28 August 2009

2010
Voluntary delisting of WDP shares from NYSE Euronext Paris.

WDP becomes the first company in the Netherlands to earn a BREEAM certificate for its logistics premises in Tilburg and a second *Very Good* BREEAM rating for its property in Nijmegen, also in the Netherlands.

Following the change in status to a Fiscale Beleggingsinstelling (FBI) on 1 November 2010, WDP Nederland BV merges with Royvelden Vastgoed BV to form Warehouses

De Pauw Nederland, changing its legal form to naamloze vennootschap.

WDP signs a financing agreement with the European Investment Bank for a total amount of EUR 75 million for the construction of sites in Romania. At the same time, it begins developing its Romanian portfolio with a pre-let project.

2011
Acquisition of the Dutch logistics portfolio of Wereldhave NL (six leased sites) on 11 April 2011 for EUR 42 million. To finance its growth plans WDP agrees a financing package of EUR 85 million with ABN AMRO.

WDP is the first Belgian *Vastgoedbevak/Sicafi* to offer an optional dividend to its shareholders (resolution adopted by the Annual General Meeting of 27 April 2011). Shareholders representing more than 70% of the shares agreed to contribute their dividend rights in exchange for new shares rather than cash. As a result, the total number of shares on 26 May 2011 was 13,184,375.

Acquisition of a property adjacent to the existing WDP site on the Hermespark industrial estate in Genk through the acquisition of all shares of GDP NV on 15 July 2011, followed by the merger through absorption of GDP NV on 1 December 2011.

Acquisition of the Betafence NV distribution centre in Harelbeke through a partial demerger and payment through the issue of new WDP shares on 1 December 2011.

2012
Investment in a 10,000 m² logistics hall at Schiphol Airport.

Acquisiton of the Lake Side portfolio, compromising eight new sites in the Netherlands with a total lettable area of 150,000 m², all on long-term leases.

WDP offers its shareholders an optional dividend for the second time; shareholders holding 73% of the shares choose the optional dividend; capital increase of EUR 22.4 million.

After signing a buy-sell agreement for 100% of the shares of Aedess BVBA, whose primary asset is a logistics property in Zwijndrecht, Aedess was absorbed by WDP on the basis of a transaction equated with a merger by acquisition.

Acquisition of an industrial site by the A12 at Londerzeel, Weversstraat, through a partial demerger.

Expansion of the Lake Side portfolio with the acquisition of an additional site in Veghel (Netherlands). Injection of an additional EUR 30 million of shareholders' equity through the indirect contribution of three properties in the Lake Side portfolio (*Lake Side bis* transaction).

Sale of WDP CZ. This transaction fits in with WDP's strategy of strengthening its position in its core markets in Western Europe.

Acquisition of the wholly let distribution centre with a surface area of over 30.000 m² in Barneveld (Netherlands) for EUR 26 million from Pon Onroerend Goed B.V., which agrees to renovate the existing building and construct a new build.

11

General information regarding the *Vastgoed-bevak/Sicafi* and tax regimes

Vastgoedbevak/Sicafi

A public *Vastgoedbevak/Sicafi* (a type of *Vastgoedbevak/Sicafi* with fixed capital):

- is a collective institution for direct or indirect investment in property;
- is subject to the provisions of the *Vastgoedbevak/Sicafi* Royal Decree;
- must be established as a Naamloze Vennootschap, a type of company limited by shares, or a Commanditaire Vennootschap op Aandelen, a type of partnership limited by shares;
- is listed on the stock market and at least 30% of its shares must be traded in the market;
- is limited in its activities to property investment;
- is excluded from acting directly or indirectly as a property developer (other than on an occasional basis);
- can maintain subsidiaries controlled exclusively or jointly that may or may not assume the status of an *institutionele Vastgoedbevak/ Sicafi institutionnelle*.

Vastgoedbevaks/Sicafis are regulated by the FSMA and are required to comply with stringent rules regarding conflicts of interest. As well as Section 523 (conflicts of interest for directors) and Section 524 (conflicts of interest involving associates) of the Companies Code, which apply to all listed companies, there are special rules for *Vastgoedbevaks/Sicafis* regarding functional conflicts of interest (pursuant to Section 18 of the *Vastgoedbevak/Sicafi* Royal Decree.

For more information regarding each of these procedures, see *4.7. Corporate Governance and structures* on page 68 of this Annual Financial Report.

Special regulations

Immovable property

As a general rule, to properly spread the investment risk any building/property complex may account for no more than 20% of the total assets. The FSMA may permit a departure in certain cases (if the *Bevak/Sicafi* demonstrates that such a departure [1] is in the interest of the shareholders or if it has shown that such a departure is justified because of the specific characteristics of the investment and particularly its nature and scale, and always on the condition that the consolidated liabilities of the *Bevak/Sicafi* do not exceed 33% of the consolidated assets). This departure must be accounted for in the prospectus and in the periodic reports prepared by the *Bevak/Sicafi* until the departure no longer has any impact. WDP has not been granted such a departure until now, because the spread of its portfolio is deemed to be adequate.

Accounts

Under European Union law, like all other listed companies *Vastgoedbevaks/Sicafis* must prepare their consolidated financial statements in accordance with the international IAS/IFRS. Public *Vastgoedbevaks/Sicafis* and institutional *Vastgoedbevaks/Sicafis* (see below) are also required to prepare their separate financial statements in accordance with IAS/IFRS pursuant to the *Vastgoedbevak/Sicafi* Royal Decree. Given that property investments make up the largest part of the assets of a *Vastgoedbevak/Sicafi*, they must be measured at fair value pursuant to IAS 40.

1 See Article 39 of the Royal Decree of 7 December 2010.

Measurement

The fair value of the property is measured at the end of each financial year by an independent expert, who adjusts this fair value at the end of each quarter. The property is then included in the balance sheet in accordance with this appraised value. The buildings are not depreciated.

Result

By way of compensation for the capital, the company must pay an amount that is equal to at least the positive difference between the following amounts:

- → 80% of the amount that is equal to the sum of the adjusted result and of the net gains on the development of property that has not been exempted from mandatory payment;
- → the net reduction in the liabilities of the company in the course of the financial year.

Naturally, this obligation applies only if the company has reported a net profit and if it has the flexibility to make payment in accordance with company law.

Liabilities and securities

The consolidated level of indebtedness and, effective 7 January 2011, the separate level of indebtedness of the *Vastgoedbevak/Sicafi* is limited to 65% of total assets. A *Bevak/Sicafi* or its subsidiaries are only permitted to provide mortgages or other securities or guarantees as part of their financing of property-related activities. The total amount covered by these mortgages, securities or guarantees may not exceed 50% of the total fair value of the property owned by the *Bevak/Sicafi* and its subsidiaries, and the mortgage, security or guarantee provided may relate to no more than 75% of the value of the encumbered property.

Institutionele *Vastgoedbevak/ Sicafi* institutionnelle

Subsidiaries of a public *Vastgoedbevak/Sicafi* must always be controlled exclusively or jointly by the public *Vastgoedbevak/Sicafi*. These subsidiaries may take on the form of an institutionele *Vastgoedbevak/Sicafi* institutionnelle (whose funds can only be raised from institutional or professional investors). This ensures, for example, that a public *Vastgoedbevak/Sicafi* can develop specific projects together with a third party.
The regulatory framework for the institutionele *Vastgoedbevak/Sicafi* institutionnelle is designed to avoid such a partnership in an institutionele *Vastgoedbevak/Sicafi* institutionnelle being in conflict with the interests of the shareholders of the public *Vastgoedbevak/Sicafi*. If a *Vastgoedbevak/Sicafi* chooses the form of an institutionele *Vastgoedbevak/Sicafi* institutionnelles, it is not authorised to maintain subsidiaries under Belgian law that assume the form of ordinary property companies. Institutionele *Vastgoedbevak/Sicafi* institutionnelles are partly regulated by the FSMA.

Tax system

Both public and institutionele *Vastgoedbevaks/ Sicafis* institutionnelles are subject to corporate income tax at the standard rate, albeit with a reduced tax base, consisting of the sum of (1) the nonstandard or gratuitous benefits they have received and (2) expenses and costs that cannot be deducted as professional expenses and costs, not including impairments and losses on shares. In addition, they may be subject to the special taxation on commissions of 309% on commissions paid and remuneration not accounted for in individual tax forms and the combined tax return. The withholding tax on dividends paid out by a *Vastgoedbevak/Sicafi* is in principle equal to 25% [1], and is 15% for a *Vastgoedbevak/Sicafi* whose property portfolio consists of more than 80% residential property. This advance levy generally does not apply to private individuals residing in Belgium.

Companies that request to be recognised as *Vastgoedbevaks/Sicafis* or that merge with, or separate and transfer a portion of their immovable assets to a *Vastgoedbevak/Sicafi* are subject to an exit tax of 16.995% (16.5% plus the additional contribution of 3% due to the financial crisis). This exit tax represents the tax price these types of companies are required to pay in order to exit the civil-law tax regime. Under tax law, this transfer is treated as a (partial) distribution of the authorised capital by the company to the *Vastgoedbevak/Sicafi*. When distributing its authorised capital, a company must treat the positive difference between the payments in cash, securities or any other form, and the remeasured value of the paid-up capital (i.e. the surplus value available in the company) as a dividend. The Income Tax Code provides that the amount paid must be equal to the actual value of the authorised capital on the date on which this transaction was completed (Section 210, §2 Income Tax Code, 1992). The difference between the actual value of the authorised capital and the remeasured value of the paid-up capital is equated to a paid dividend. The previously taxed reserves may be deducted from this difference. The remainder is generally the taxable base subject to the rate of 16.995%.

Vastgoedbevaks/Sicafis are investment vehicles comparable to Fiscale Beleggingsinstellingen (FBIs) in the Netherlands, Societes d'Investissement Immobilier Cotees (SIICs) in France, and REITs (Real Estate Investment Trusts) in various countries, including the United States.

1 See also section 84 of the Programme Act of 27 December 2012.

Fiscale Beleggingsinstelling (FBI)

WDP Nederland NV has been subject to the FBI (*Fiscale Beleggingsinstellingen*) regime since 1 November 2010, which means it has been subject to a corporate income tax rate of 0% since that date. In order to be eligible for this regime, the company must satisfy the following conditions:

- WDP Nederland NV must be a BV (a type of private company limited by shares), an NV (a type of public company limited by shares) or a fonds voor gemene rekening (a type of mutual fund).
- The corporate object under the Articles of Association and the actual activities of WDP Nederland NV may exclusively be the investment of capital.
- The financing of the assets to be invested may not consist for more than 60% of borrowed capital (of the tax book value) in the case of immovable property. Other investments (not including immovable property) may only be funded with borrowed capital for 20% of their tax book value.
- From the date of application of the FBI regime, the operating profit of WDP Nederland NV must be placed at the disposal of the WDP Nederland shareholder within eight months of the end of the financial year.
- The profits distributed must be spread evenly among all shares.
- At least 75% of the shares in WDP must be held by an entity that is not subject to tax on profit.
- It is not permitted for 5% or more of shares to be held, either directly or indirectly, by natural persons.

- It is not permitted for 25% or more of shares to be held by individuals residing in the Netherlands or legal entities established in the Netherlands through funds located outside the Netherlands.

Société d'Investissement Immobilier Cotée (*SIIC*)

Since 2005, WDP has been subject to the SIIC (Societe d'Investissement Immobilier Cotee) regime through its permanent establishment in France and its subsidiary WDP France SARL. This means it has also been subject to the 0% corporate tax rate since that date. In order to be eligible for this regime, the company must satisfy the following conditions:

- The parent company must have the structure of an SA or any other form of company limited by shares that is eligible to be listed on the stock exchange. This parent company must be listed on a stock exchange under EU law.
- The SIIC's main activity must be restricted to the leasing of property. Property developments must not exceed 20% of the gross book value of the portfolio.
- Shares in WDP must not be held for more than 60% by a single investor or group of investors acting by mutual agreement.
- Profit generated from the leasing of buildings, the gains realised from the sale of buildings, the gains realised from the sale of securities in the partnerships or subsidiaries that are subject to corporate income tax and that have opted for SIIC status, proceeds paid out by subsidiaries that have opted for SIIC status, and the shares in the profit in partnerships that are exempt from corporate income tax.
- The distribution obligation for the result is 85% of the exempt profit from rental income, 50% of exempt profit from the sale of buildings and from securities of partnerships and subsidiaries subject to SIIC status, and 100% of the dividends distributed to them by their subsidiaries that are subject to corporate income tax and that have opted for SIIC status;
- Payment of a 19% exit tax on the latent gain on buildings owned by the SIIC or its subsidiaries that are subject to corporate income tax and that have opted for SIIC status, and on the securities held by partnerships not subject to corporate income tax.

12

Glossary

Acquisition price
This means the value of the property at the time of acquisition. Any transfer costs paid are included in the acquisition price. See also *Transfer costs*.

AIFMD (Alternative Investment Fund Managers Directive)
The Alternative Investment Fund Managers Directive is a proposed European Union law that will put hedge funds, private equity funds and property funds under the supervision of an EU regulatory body.

BREEAM (Building Research Establishment Environmental Assessment Method)
Sustainability certificate covering a building's performance over its entire life. The leading and most widely used sustainability certificate for buildings in Europe, BREEAM, unlike other standards, is based on a multi-criteria approach. During the certification process, a building's energy consumption is considered, along with land usage, environmental aspects, the construction process, water consumption, waste, pollution, transport, equipment and materials, health, and comfort. As a total score, buildings receive a rating of *Acceptable*[1], *Pass*, *Good*, *Very Good*, *Excellent* or *Outstanding*.

12

GLOSSARY

Bullet loan
A debt instrument with the designation *bullet* means that interest charges are payable for the principal drawn down during the term of the loan and that capital must be repaid on the final maturity date.

Compliance Officer
Compliance Officers are responsible for monitoring compliance with the code of conduct for financial transactions included in the Corporate Governance Charter (see also *Dealing Code*).

Contractual rent
The gross rent as contractually agreed in the lease on the date of signing.

1 This score is only applicable at BREEAM In-Use.

Contribution in kind
The non-cash assets contributed to a company at the time of formation or when the capital is increased.

Corporate Governance Code 2009
Belgian Code drafted by the Corporate Governance Committee, including procedures and provisions relating to corporate governance, which must be complied with by companies under Belgian law whose shares are traded in a regulated market. The Belgian Corporate Governance Code is available at the website www.corporategovernancecommittee.be.

Dealing Code
Code of Conduct containing rules that must be complied with by the members of the Board of Directors, the members of executive management, and all employees of WDP Comm. VA and De Pauw NV who, by virtue of their position, possess information they know or should know is insider information.

Derivatives
As a lender, WDP wishes to protect itself from any rise in interest rates. This interest rate risk can be partially hedged by the use of derivatives (such as IRS contracts).

Distribution rate
Percentage of the net current profit distributed as dividend over a given financial year.

Dividend yield
Gross dividend divided by the share price.

Due diligence
A comprehensive appraisal of the property-related, financial, tax, legal, accounting and administrative aspects of any acquisition and/or financing transaction, sometimes together with specialised external consultants.

E-level
A measure of the energy performance of a building and its permanent systems in standard conditions. The lower the E-level, the more energy-efficient the building.

EMIR (European Market Infrastructure Regulation)

The Regulation ensures that information on all European derivative transactions will be reported to trade repositories and be accessible to supervisory authorities, including the European Securities and Markets Authority (ESMA), to give policy makers and supervisors a clear overview of what is going on in the markets. The Regulation also requires standard derivative contracts to be cleared through Central Counterparties (CCPs) as well as margins for uncleared trades and establishes stringent organisational, business conduct and prudential requirements for these CCPs.

EPB

Flemish regulations relating to energy performance and air conditioning. The EPB index shows the energy performance of a building expressing the quantity of energy needed to fulfil the needs of normal use. Various factors that influence energy consumption are taken into account, such as insulation, heating system, ventilation and alternative energy sources.

EPRA (European Public Real Estate Association)

A pan-European association of listed property companies dedicated to promoting the industry, implementing best practices for accounting, reporting and corporate governance, delivering qualitative data to investors and a think tank dedicated to key issues facing the industry (www.epra.com).

ERP (Enterprise Resource Planning)

An integrated control software package for businesses.

Estimated rental value

Estimated rental value is the rental value determined by independent property experts.

Ex-Date

First date on which shares are traded on the stock exchange without entitlement to dividend, i.e. the day the coupon is redeemed.

Exit tax

Companies that apply for recognition as a *Vastgoedbevak/Sicafi* or that merge with a *Vastgoedbevak/Sicafi* are subject to the exit tax. This tax is equated to a liquidation tax on latent capital gains and tax-free reserves and is charged at 16.995% (i.e. the basic rate of 16.5% plus the supplementary 3.0% crisis tax).

Facility Management

Day-to-day management of the property portfolio, specifically the definition of the management policy for existing properties (maintenance, alteration and improvement work). WDP employs an internal team of facility managers who work exclusively for the company.

Fair Value

Fair value is defined in IAS 40 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. IVSC (see also *International Valuation Standards Council*) considers these conditions to have been met if the definition of market value set out above is complied with. In addition, market value must reflect current rental agreements, the current gross margin of self-financing (or cash flow), the reasonable assumptions in respect of potential rental income and expected costs.

FBI (Fiscale Beleggingsinstelling)

A special tax status in the Netherlands. Eligibility for this status is based on compliance with all the requirements.

Free float

Percentage of the shares held by the general public. According to the EPRA and NYSE Euronext definition, this is all shareholders who individually own less than 5% of the total number of shares.

FSMA (Financial Services and Markets Authority)
The FSMA succeeded the Banking, Finance and Insurance Commission (CBFA) on 1 April 2011. The FSMA supervises Belgium's financial industry alongside the National Bank of Belgium (NBB). According to the new supervision model implemented in 2011, the FSMA has powers in the following six areas: supervising financial markets and listed companies, overseeing compliance, overseeing products, supervising financial service providers and agents, overseeing supplementary pensions, and promoting better financial education.

Gearing ratio
Statutory ratio calculated on the basis of the *Vastgoedbevak/Sicafi* regulations by dividing the financial and other liabilities by the total assets. See Royal Decree of 7 December 2010 on *Vastgoedbevaks/Sicafis* for the gearing ration calculation method.

GPR 250
Global Property Research 250 is the share index comprising the 250 most liquid stock of listed companies.

Gross dividend
Gross dividend per share is the dividend before deduction of withholding tax on income from securities. See also *Withholding tax on income from securities*.

GSC
These are green electricity certificates for alternative energy projects, including solar energy, granted by VREG (see also *VREG*) with a minimum certificate price for a period of twenty years, expressed in EUR / MWh.

Hedge ratio
Percentage of the debt at fixed interest or hedged against interest rate fluctuations by derivatives.

IAS/IFRS
International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) drawn up by the International Accounting Standards Board (IASB).

IAS 39
A standard under IAS/IFRS for how a company should classify and value financial instruments on its balance sheet. Under IAS 39 a company must recognise all derivatives at fair value on the balance sheet.

Interest Coverage Ratio
Defined as *operating result before the result on portfolio* divided by *interest charges less interest and dividends collected less fee for financial leasing and others*. This ratio indicates to what extent the company is able to meet its interest payments.

Indexation
The rent is contractually adjusted annually on the anniversary of the contract effective date on the basis of the inflation rate according to a benchmark index in each specific country.

Initial yield
The ratio of (initial) contractual rent of a purchased property to the acquisition price. See also *Acquisition price*.

Insider information
Insider information means any information not publicly disclosed that is accurate and directly or indirectly relates to one or more issuers of financial instruments or one or more financial instruments and that, if it were publicly disclosed, could significantly affect the price of those financial instruments (or financial instruments derived from them).

Interest hedging
The use of derivatives to protect debt positions against interest rate rises.

Investment value
The value of the portfolio, including transaction costs, as appraised by independent property experts. The fair value (see also *Fair value*) within the meaning of the IAS/IFRS reference schedule can be calculated by deducting an adjusted percentage of the registration fees and/or deducting the VAT.

IRS (Interest Rate Swap)
A transaction in which the parties swap interest rate payments for a given term. WDP uses Interest Rate Swaps to hedge against interest rate increases by converting current interest payments into fixed interest payments.

IVSC (International Valuation Standards Council)
An independent body that develops global valuation standards that investors and other third parties or stakeholders must be able to trust.

Lease expiry date
The date on which a lease can be cancelled.

LED lights
LED lights consist of a group of LEDS (light-emitting diodes). They provide several advantages over traditional light bulbs, low-energy bulbs and fluorescent lights.

Liquidity
The average number of shares traded per trading day, measured over a specific period.

Market capitalisation
Closing price on the stock market, multiplied by the number of shares outstanding on that date.

NAV
Net asset value for profit distribution for the current financial year.

Net asset value
See also *NAV*.

Net current result
Net result excluding the portfolio result and the IAS 39 result.

Net dividend
This is equivalent to the gross dividend after deduction of 25% withholding tax on income from securities. See also *Withholding tax on income from securities*.

Occupancy rate
Calculation based on the rental values of leased properties and non-leased surfaces, including income from solar panels. Ongoing projects and/or renovations are not considered.

Operating margin
Operating margin is calculated by dividing operating result (before result on the portfolio) by property result.

Optional dividend
In an optional dividend, the dividend receivable linked to a specific number of existing shares entitles the owner to a single new share at an issue price per share that may entail a discount on the list price (based on an average share price for a specific period or otherwise). The issue of shares as part of the optional dividend is subject to the general company law regarding capital increases. If a cash contribution is made in addition to a contribution in kind as part of the payment of an optional dividend, the special provisions of Section 13, §1 of the Royal Decree of 7 December 2010 on capital increases in cash are declared not applicable under law if this optional dividend is made payable for all shareholders. The special rules regarding contributions in kind in a *Vastgoedbevak/Sicafi*, as provided for in Section 13, §2 of the Royal Decree of 7 December 2010 do not apply either, provided specific conditions are satisfied.

Partial demerger
The partial demerger is the legal act by which part of a company's capital, both the assets and liabilities, is transferred to an existing or new company without dissolution by transferring the shares of the transferee to the partners of the transferor (article 677 of the Companies Code).

Portfolio value
Portfolio value consists of investment properties under development for own account with the purpose of being rented out, assets held for sale and the fair value of the solar panels.

Project Management
WDP employs an internal team of project managers who work exclusively for the company.

Property expert
Independent property expert responsible for appraising the property portfolio.

Property portfolio
The investment properties under development for own account with the purpose of being rented out and assets held for sale.

PV system
Photovoltaic or solar panel system. WDP has invested heavily in solar energy, installing solar panels on the roof of a number of buildings.

Quality ratings of portfolio properties
The properties in the property portfolio are quality-rated in accordance with Class A BREEAM warehouse, Class A warehouse, Class B warehouse, Class C warehouse and Cross-dock warehouse.

Record date
Date on which the positions are closed to identify shareholders entitled to dividend not long after the Ex-Date.

REIT (Real Estate Investment Trust)
International name for a listed property investment fund with a special tax status in the United States and other countries.

Result on the portfolio
Realised and non-realised changes in value compared to the most recent valuation of the expert, including the effective or latent capital gain tax payable in the countries where WDP does not have special tax status (as it does in Belgium, the Netherlands and France as a *Vastgoedbevak/Sicafi*, FBI and SIIC respectively).

Risk management
Identification of the main risks facing the company, including their potential impact and the development of a strategy to reduce this potential impact.

Royal Decree of 10 April 1995
Original Royal Decree on *Vastgoedbevaks/Sicafis*.

Royal Decree of 21 June 2006
Royal Decree on accounting, financial statements and consolidated financial statements of public *Vastgoedbevaks/Sicafis*, amending the Royal Decree of 10 April 1995.

Royal Decree of 7 December 2010
Royal Decree amending the provisions of the Royal Decree of 10 April 1995 and the Royal Decree of 21 June 2006. Known as the Royal Decree on *Vastgoedbevaks/Sicafis*.

Sale value
The fair value at which a given property was sold.

SIIC (Société d'Investissement Immobilier Cotée)
A special tax status in France for listed companies. Eligibility is based on compliance with specific requirements.

Sustainable business
Environmentally friendly *sustainable warehouses* policy designed to reduce carbon emissions of storage spaces in the portfolio and significantly reduce the energy bills of tenants.

Take-up
Total take-up of surface area by users in the rental market during a specific period.

Transfer costs
The transfer of title of a property is normally subject to the collection by the state of transfer duty, which makes up most of the transfer costs. The size of this duty depends on the transfer method, the status of the purchaser and the geographical location of the property.

Vastgoedbevak/Sicafi
A special tax status for listed companies in Belgium. Eligibility is based on compliance with specific requirements.

Velocity
The number of shares traded annually divided by the total number of shares at the end of the year.

VREG
The regulator responsible for the Flemish liberalised electricity and gas market.

Withholding tax on income from securities
Tax deducted by a bank or financial intermediary on the payment of a dividend. From 1 January 2013 the standard rate of the withholding tax on dividend distributed by WDP was raised from 21% to 25%.


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WDP
warehouses with brains

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This annual financial report is a registration document in the sense of Article 28 of the Law of 16 June 2006 on public offering of investment instruments and the admission of investment instruments authorised to trading on a regulated market. It was approved by the FSMA in accordance with Article 23 of the aforementioned Law, on 22 March 2013.