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# WAREHOUSES WITH BRAINS

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Half Year Results 2011  
August 24, 2011



# Agenda

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- Introduction
- Highlights H1 2011
- Operational review
- Portfolio overview
- Financing structure
- Results analysis
- WDP share
- Outlook
- Visuals



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# Introduction

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- By Mark Duyck, Chairman



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# Highlights H1 2011

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## ■ Operational

- New important lettings (Wallonia, France)
- Strategic acquisitions (Wereldhave portfolio)
- New investments H2 2011 (Genk, The Netherlands) (\*)

## ■ Financial

- Success of optional dividend (reinforcing equity base)
- New financing package (to fund Dutch portfolio)
- Restructuring of hedges (lengthening maturity & lowering average rate)

## ■ Results

- Significant growth of the net current result in H1 2011 (+ 7% on a per share basis) (\*\*)
- Increase in expected net current result for the full year 2011 (to minimum EUR 43m)
- Dividend forecast confirmed (EUR 2.94 per share)

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(\*) Announced after closing of the period and still subject to customary suspensory conditions

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

# Purchases

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- H1 2011: acquisition of logistics portfolio of Wereldhave NL for EUR 42m
- H2 2011: new investments planned for EUR 30m
  - Genk EUR 8.7m (\*)
  - Alphen aan de Rijn EUR 6.0m
  - Development project in NL EUR 15.0m (\*)

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(\*) Subject to a number of customary closing conditions

# Sales

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- H1 2011: plot of land in Boom for EUR 0.5m
- H2 2011: Sales in execution of EUR 2.3m
  - Site in Wespelaar EUR 2.0m
  - 8<sup>th</sup> floor of office building in Anderlecht EUR 0.3m



# Projects executed

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- Solar energy project completion of 1.6MWp on Belgian sites
- No other projects were delivered during H1 2011



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# Projects in execution (pre-let)

Location	Country	Surface	Completion	Tenant
■ Merchtem	BE	3,000m <sup>2</sup>	Q3 2011	Aldi & Brico
■ Flémalle	BE	5,700m <sup>2</sup>	Q3 2011	DPD
■ Libercourt	FR	6,000m <sup>2</sup>	Q3 2011	Condi Services
■ Oarja(*)	RO	5,000m <sup>2</sup>	Q3 2011	Röchling
■ Oarja(*)	RO	7,000m <sup>2</sup>	Q4 2011	Pelzer-Pimsa
■ Mollem	BE	3,200m <sup>2</sup>	Q4 2011	Lactalis
Total		24,000m <sup>2</sup> (**)		



- Total investment EUR 17.5m (incl. EUR 6.3m cash out)
- Yield on total cost above 8%

(\*) 51% WDP share

(\*\*) WDP share



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# Projects on hold (unlet)

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Location	Country	Surface	Strategy
■ Venlo	NL	15,000m <sup>2</sup>	on hold, prospecting clients
■ Puurs	BE	14,000m <sup>2</sup>	renovation in function of tenants
■ Ternat	BE	10,000m <sup>2</sup>	renovation in function of tenants
Total		39,000m <sup>2</sup>	



- Investment value of EUR 22.0m
- Limited cash out to finish sites

# Development potential (uncommitted)

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Location	Country	Buildable surface
■ St.-Niklaas	BE	28,000m <sup>2</sup>
■ Nivelles	BE	25,000m <sup>2</sup>
■ Courcelles	BE	10,000m <sup>2</sup>
■ Trilogiport	BE	50,000m <sup>2</sup> (*)
■ Lille	FR	24,000m <sup>2</sup>
■ Neprevaska	CZ	10,000m <sup>2</sup>
■ Various	RO	tbd



- Land positions with an investment value of EUR 37.5m
- Initiation subject to preletting, secured financing & permits

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(\*) Concession

# Geographical footprint

## Portfolio fair value split June 30, 2011(\*)



(\*) Excluding solar panels

**Belgium**

- Value: EUR 541m
- Gross yield: 8.03%
- 910,000m<sup>2</sup>

**France**

- Value: EUR 80m
- Gross yield: 8.37%
- 132,000m<sup>2</sup>

**Netherlands**

- Value: EUR 202m
- Gross yield: 8.89%
- 350,000m<sup>2</sup>



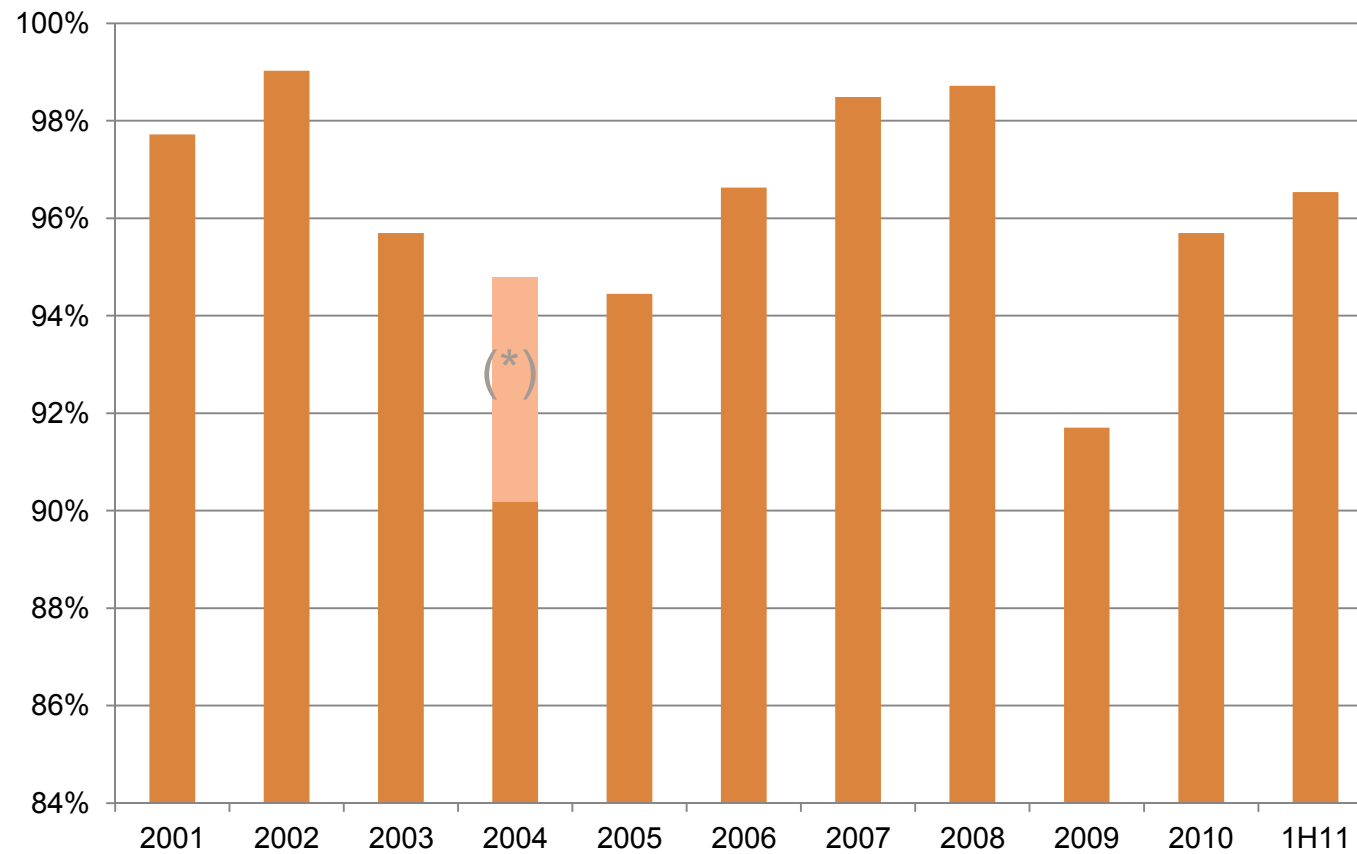
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# Occupancy

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- Leased up 20,000m<sup>2</sup> vacant sites in Wallonia (Courcelles, Nivelles)
- Occupancy rate: 96.5% end H1 2011 (95.7% year-end 2010)
- New lettings for 10,000m<sup>2</sup> in France in Q3 2011 (Séclin, Libercourt)
- Limited lease maturities in H2 2011 (1.6%)
  - Londerzeel 0.7%
  - Flexible contracts 0.9%
- Anticipated occupancy rate of minimum 95% at year-end 2011

# Historical occupancy rate



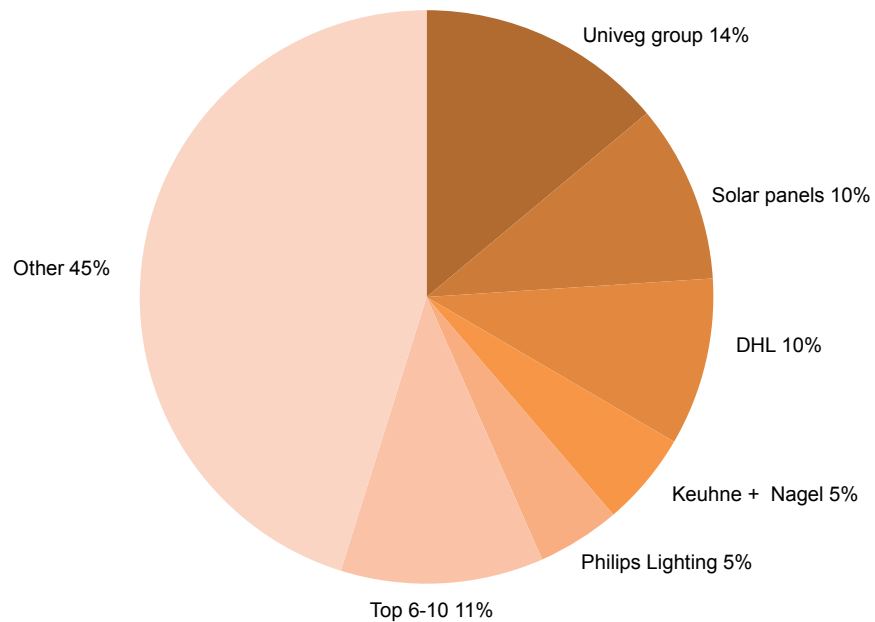
(\*) 2004 vacancy equated to 90% but was 95% excluding the impact of the vacancy of the Hazeldonk site



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# High profile client base...

Top tenants H1 2011



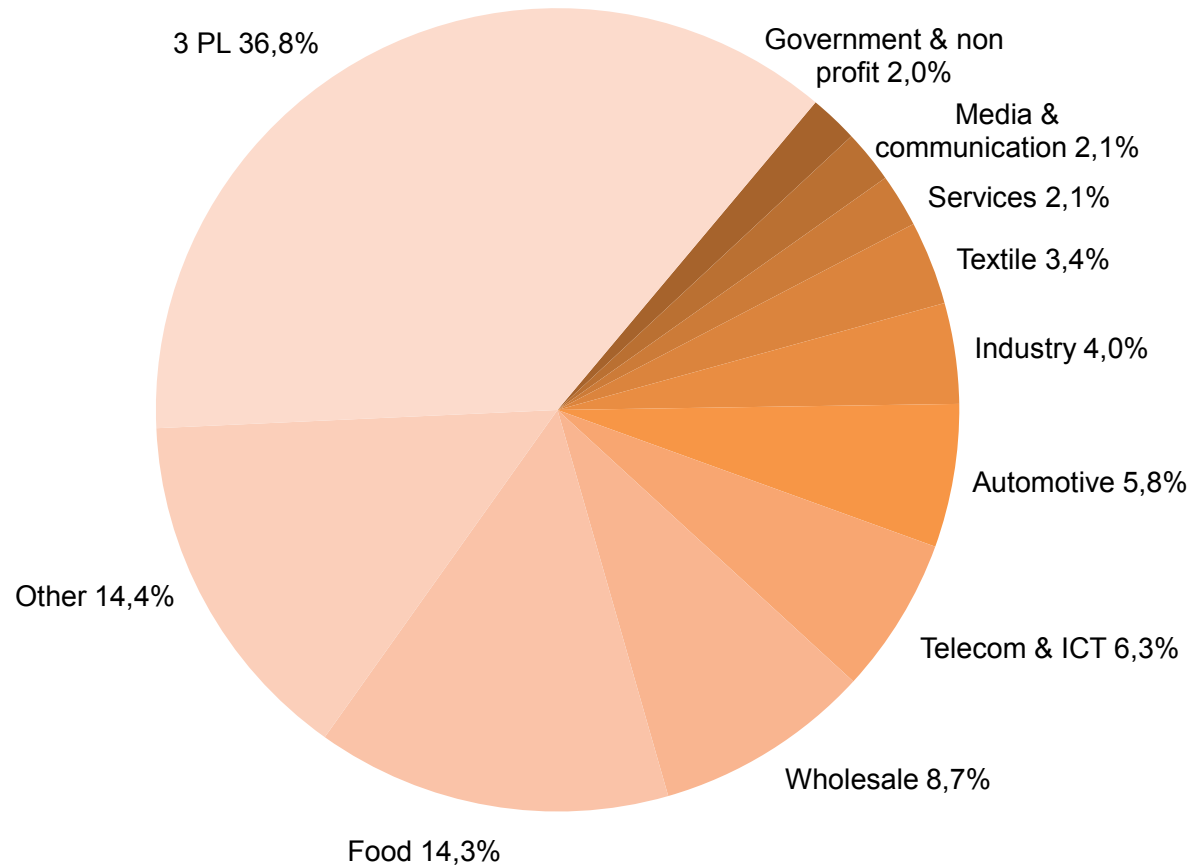
High profile corporates among Top-10 clients



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# ...in different industries...

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## ...with long-term leases

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- Univeg & solar panels stand for 24% of income with duration of 18 years
- Key tenant Belgacom prolonged lease through a 10 year firm contract
- 30% of contracts have a duration >10 years
- Average remaining term:

(in years)	Avg time to first break	Avg time to expiry
Excl. solar income	5.5y	7.5y
Incl. solar income	6.9y	9.1y



# H1 2011 Consolidated results

EUR x 1.000	H1 2011	H1 2010	2010
<b>Net current profit</b>			
Net rental result	30.345	28.617	57.985
Income from solar energy	3.411	2.633	5.029
Other operating income/charges	-154	-180	-349
<b>Property result</b>	<b>33.602</b>	<b>31.071</b>	<b>62.655</b>
Property costs	-721	-569	-1.285
Corporate overheads	-2.020	-1.870	-3.831
<b>Net profit on property</b>	<b>30.861</b>	<b>28.633</b>	<b>57.549</b>
Financial result excl. IAS 39 result	-9.231	-8.937	-18.485
Taxes on net current result	-105	-477	-864
Deferred taxes on net current result	-72	-201	823
<b>Net current profit</b>	<b>21.453</b>	<b>19.019</b>	<b>39.023</b>
<b>Result on the portfolio</b>			
Changes in fair value of property investments (+/-)	-766	3.020	-5.538
Result on the disposals of property investments (+/-)	43	-43	-69
Deferred taxes on the result of the portfolio	-629	-619	1.442
<b>Result on the portfolio</b>	<b>-1.352</b>	<b>2.358</b>	<b>-4.165</b>
<b>IAS 39 result</b>			
Variation in the fair value of financial instruments (IAS 39 impact)	6.748	-12.841	-2.256
Deferred taxes on revaluation of IRSs			
<b>IAS 39 result</b>	<b>6.748</b>	<b>-12.841</b>	<b>-2.256</b>
<b>NET PROFIT</b>	<b>26.849</b>	<b>8.536</b>	<b>32.602</b>

# H1 2011 Consolidated results

Per share data	H1 2011	H1 2010	2010
Net current result *	1,63	1,52	3,11
Net current result **	1,70	1,52	3,11
Portfolio result **	-0,11	0,19	-0,33
IAS 39 result **	0,53	-1,02	-0,18
Net profit **	2,12	0,68	2,60
Weighted average number of outstanding shares	12.656.120	12.533.938	12.533.938
Weighted average number of dividend entitled shares	13.184.375	12.533.938	12.533.938

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

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



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# H1 2011 Consolidated B/S

<b>EUR x 1.000</b>	<b>H1 2011</b>	<b>2010</b>	<b>H1 2010</b>
Intangible fixed assets	376	422	417
Property investments	870.276	821.511	828.560
Other tangible fixed assets (incl. solar panels)	67.137	65.773	58.592
Financial fixed assets	11.433	12.535	12.962
Financial lease receivables	74	107	151
Trade receivables and other fixed assets	6.169	6.150	2.880
Deferred tax assets			914
<b>Fixed assets</b>	<b>955.465</b>	<b>906.498</b>	<b>904.476</b>
Assets intended for sale	2.301	2.850	
Financial leasing receivables	77	88	85
Trade debtors receivables	8.969	7.812	8.950
Tax receivables and other current assets	2.001	1.824	2.506
Cash and cash equivalents	3.535	1.209	800
Deferrals and accruals	3.991	2.100	3.330
<b>Current assets</b>	<b>20.874</b>	<b>15.883</b>	<b>15.672</b>
<b>TOTAL ASSETS</b>	<b>976.339</b>	<b>922.381</b>	<b>920.148</b>



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# H1 2011 Consolidated B/S

<b>EUR x 1.000</b>	<b>H1 2011</b>	<b>2010</b>	<b>H1 2010</b>
Capital	102.903	97.853	97.853
Issue premiums	81.509	63.961	63.961
Reserves	228.498	236.169	183.117
Impact on fair value of estimated transfer duties	-30.346	-27.726	-25.863
Disposal of property investments (-)			
Exchange rate differences	985	1.029	1.026
<b>Equity capital</b>	<b>383.549</b>	<b>371.286</b>	<b>344.866</b>
Long-term liabilities	446.792	411.691	430.531
Short-term liabilities	145.998	139.404	144.751
<b>Liabilities</b>	<b>592.790</b>	<b>551.095</b>	<b>575.282</b>
<b>TOTAL LIABILITIES</b>	<b>976.339</b>	<b>922.381</b>	<b>920.148</b>
<b>Metrics</b>			
NAV (incl. IAS 39)	29,09	29,62	27,51
NAV (excl. IAS 39)	31,40	32,58	31,32
Share price	38,41	36,65	32,29
Premium / discount	22,34%	12,48%	3,09%
Debt ratio	57,28%	55,19%	55,15%



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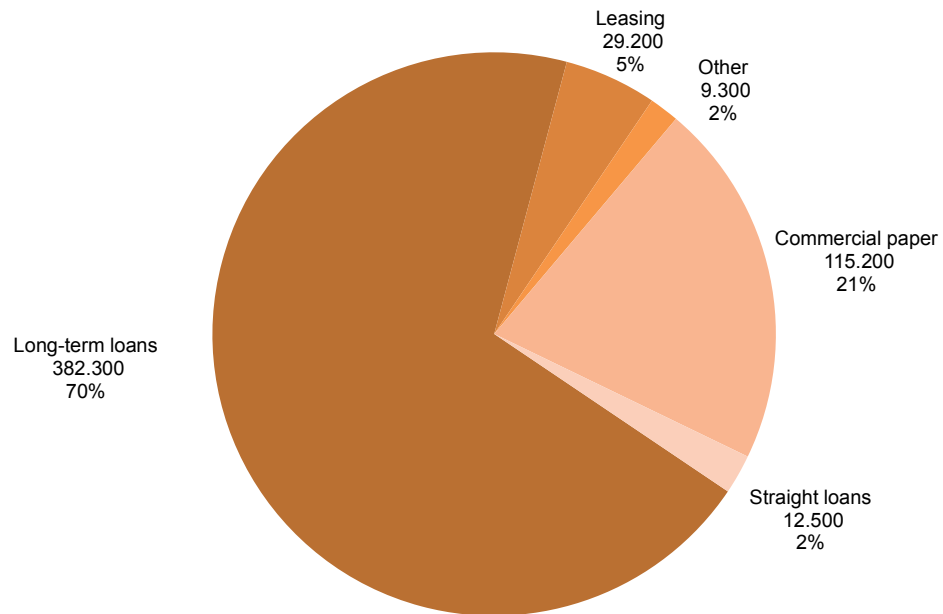
# Financial management

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- Success of optional dividend
  - New opportunity as a result of new Belgian REIT legislation
  - EUR 22.7m new equity (70% of coupons reinvested)
  - Created EUR 50m investment potential
- New financing
  - New financing package with ABN Amro of EUR 60+25m to fund Dutch portfolio
  - Took up first tranche of EUR 5m of EIB loan in Romania
  - EUR 25m rollover facility with BNPPF extended for 5 years
- Reinforced hedging
  - Extension of hedging period to 6.2 years from 4.9 years
  - Lower average hedge rate to 3.9% from 4.1%
  - Hedge ratio at 73%

# Financing structure

## Debt composition

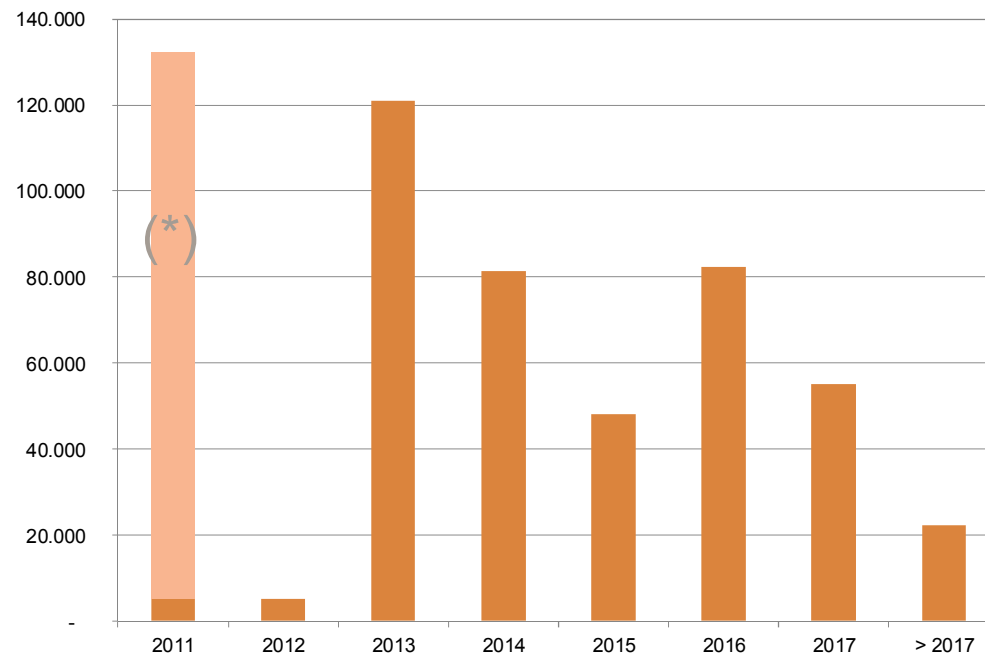


- Average cost H1 2011: 4.0%
- Debt ratio of 57.2%
- ICR at 3.3x



# Financing structure

## Debt maturity profile

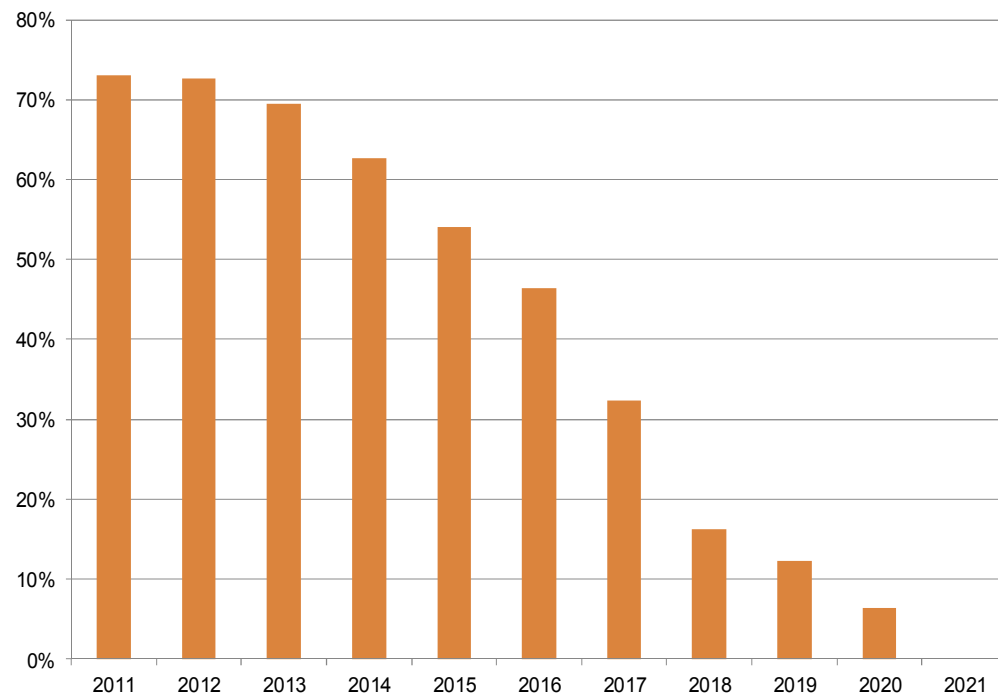


- Total duration of 3.2 years
- Duration of long-term loans: 4.0 years
- Stable CP programme

(\*) Commercial paper and straight loans

# Financing structure

## Evolution hedge ratio

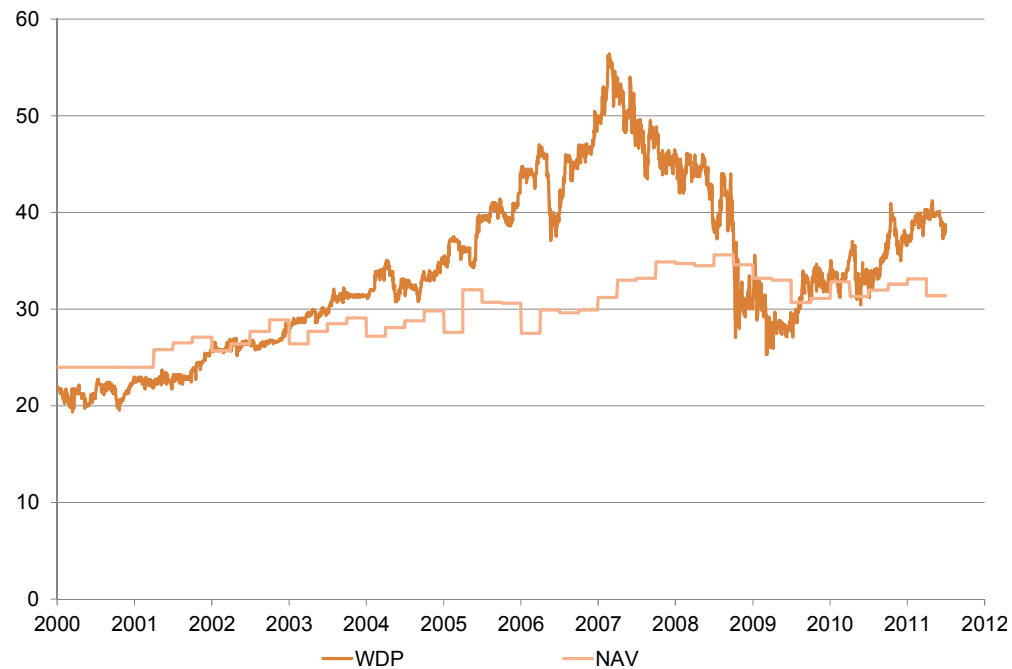


- 73% of total debt hedged
- Duration of 6.2 years
- Average rate of 3.9% (excl. bank margins)



# WDP share

## Share price versus NAV

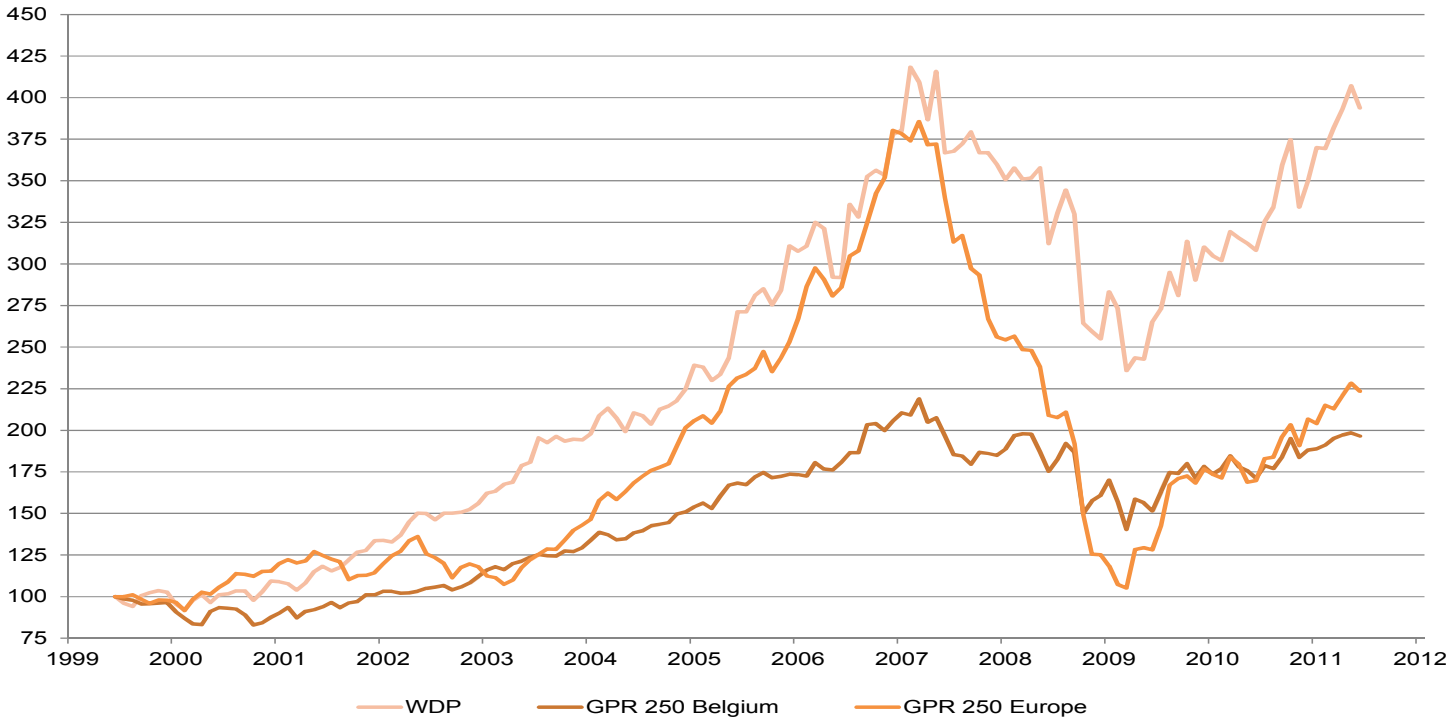


- NAV per share: EUR 31.40
- Share price: EUR 34.45 (\*)
- Market cap ca. EUR 455m (\*)
- Free float 70% - Family Jos De Pauw 30%

(\*) Based on the closing of August 22, 2011

# WDP share

## Long-term total return comparison



# WDP share

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<u>Return of WDP share</u>	Year-to-date 30.06.2011	Average since IPO/Year
<b>WDP</b>	<b>12.6%</b>	<b>12.4%</b>
GPR 250 Belgium	4.5%	5.7%
GPR 250 Europe	8.1%	6.9%
BEL 20	-0.2%	-1.6%

# Delivering on strategic growth plan

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## Strategic pillar

- Letting projects
- CO<sub>2</sub> investment plan
- Acquisitions

## Achievements

- Reduction of vacancy standing portfolio
- Secured pre-lettings for existing projects
- Development of land bank in Romania
  
- Today 14 of 30MWp
- Additional 0.8MWp planned in Belgium
- Investigating various opportunities
  
- H1 2011: Wereldhave transaction
- Q3 2011: Genk
- Q4 2011: Projects in The Netherlands



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# Outlook

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- Expected net current result of minimum EUR 43m...
- ...equivalent to a net current result per share of minimum EUR 3.26 (\*)
  
- Confirmation of total expected dividend of EUR 2.94 per share...
- ...leading to a normalization of the payout ratio to 90%
  
- Gearing ratio expected of 56.4%
- Occupancy rate at least 95%

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(\*) Based on the total number of dividend entitled shares, i.e. 13,184,375

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Question time



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