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# WAREHOUSES WITH BRAINS

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Full Year Results 2010  
February 22<sup>nd</sup> 2011



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# Introduction

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**Mark Duyck – Chairman**

“Optimism is the cure for the downturn”

Sir David Tang  
25 02 2009

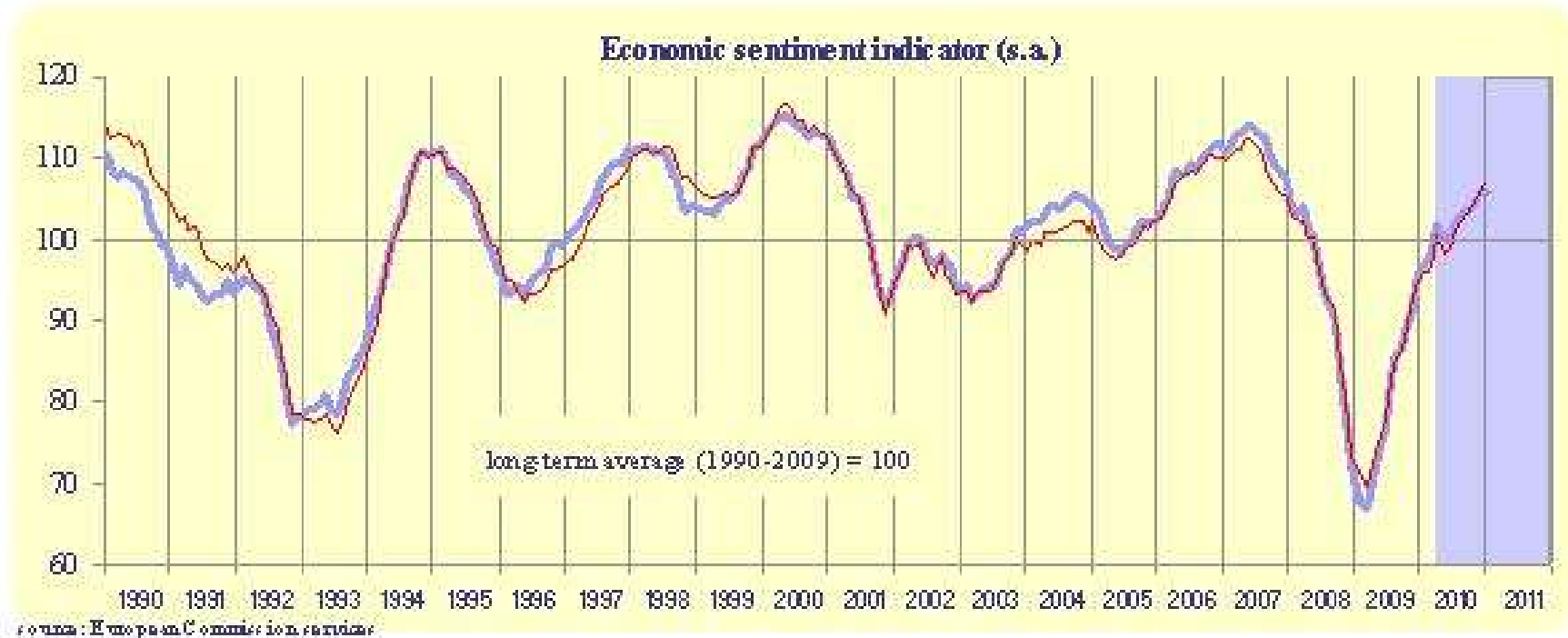
**And it worked!**

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# Introduction



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# Agenda FY Results 2010

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- Portfolio: real estate projects FY 2010:  
purchases – sales – projects executed – projects in execution – potential
- Occupancy rate
- Portfolio
- Presentation of FY 2010 results
- Financing structure
- WDP share
- 2011-2013: Creating growth and profitability
- Outlook 2011

**By Joost Uwents, CEO**

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# Real estate projects 2010: Purchases

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- No purchases in 2010



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# Real estate projects 2010: Sales

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- Sale of part of land (111,000 m<sup>2</sup>) in Sint-Niklaas
- Sale of vacant site (17,000 m<sup>2</sup>) in Lesquin (FR)
- Sale of site in Sint-Jans-Molenbeek

 Totaling 20 million euro

# Real estate projects 2010: Projects executed (pre-let)

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- Genk 16,000 m<sup>2</sup> – completion Q2 2010 – Terumo
- Tilburg (NL) 16,000 m<sup>2</sup> – completion Q2 2010 – K+N
- Libercourt (FR) 6,000 m<sup>2</sup> – completion Q2 2010 – ID Logistics
- Nijmegen (NL) 16,000 m<sup>2</sup> – completion Q4 2010 – Ter Beke
- Vilvoorde 11,000 m<sup>2</sup> – renovation Q4 2010 – KDL Trans
- Solar energy project completion of 4 MWp on Belgian sites

 Yearly revenue impact of 6 million euro

 Total fair value of 47 million euro

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# Real estate projects 2010: Projects executed (not let)

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- No projects were executed without being pre-let



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# Real estate projects 2010-2011: Projects in execution (pre-let)

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- Merchtem 3,000 m<sup>2</sup> – completion Q1 2011 – Aldi and Brico
- Flemalle 5,700 m<sup>2</sup> – completion Q3 2011 – DPD Belgium
- Mollem 3,200 m<sup>2</sup> – completion Q4 2011 – Lactalis
- Oarja (RO)\* 5,000 m<sup>2</sup> – completion Q4 2011 – Röchling
- Oarja (RO)\* 7,000 m<sup>2</sup> – completion Q4 2011 – Pelzer-Pimsa



Yearly revenue impact of 1.4 million euro



Total investment of 15 million euro after completion

- Solar energy project of 4 MWp in France on hold

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\* 51% owned by WDP

# Real estate projects 2010-2011: Projects in execution (not let)

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- Venlo 15,000m<sup>2</sup> (on hold)
- Libercourt 6,000m<sup>2</sup> (on hold)
- Puurs 14,000m<sup>2</sup> (renovation, in function of tenants)
- Ternat 10,000m<sup>2</sup> (renovation, in function of tenants)



Investment value of 25 million euro

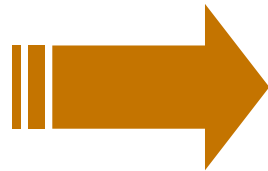


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# Non-committed development potential

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- Landbank Belgium and France
  - Sint-Niklaas, Courcelles III, Nivelles, Libercourt II
  - Concession at Trilogiport
  - At fair value in balance sheet for 15 million euro
- Landbank Romania
  - At fair value in balance sheet for 23 million euro



## Can be initiated subject to:

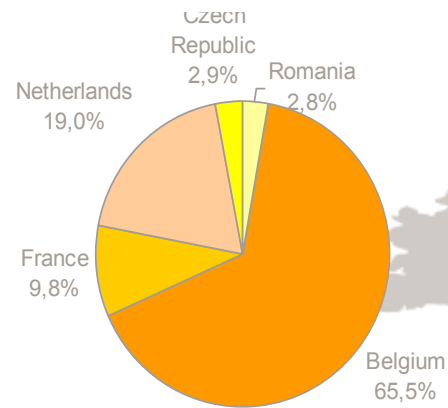
- pre-let on a long term basis
- secured financing
- building permits obtained



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# Geographical footprint

Fair value split as per 31/12/2010



## Czech Republic

- Value: EUR 24m
- Gross yield: 10.69%
- 39,000m<sup>2</sup>

## Romania

- Value: EUR 23m
- Gross yield: N/A
- 929,000m<sup>2</sup> (landbank)

## Belgium

- Value: EUR 537m
- Gross yield: 8.02%
- 905,000m<sup>2</sup>

## France

- Value: EUR 81m
- Gross yield: 8.26%
- 132,000m<sup>2</sup>

## Netherlands

- Value: EUR 157m
- Gross yield: 8.77%
- 246,000m<sup>2</sup>



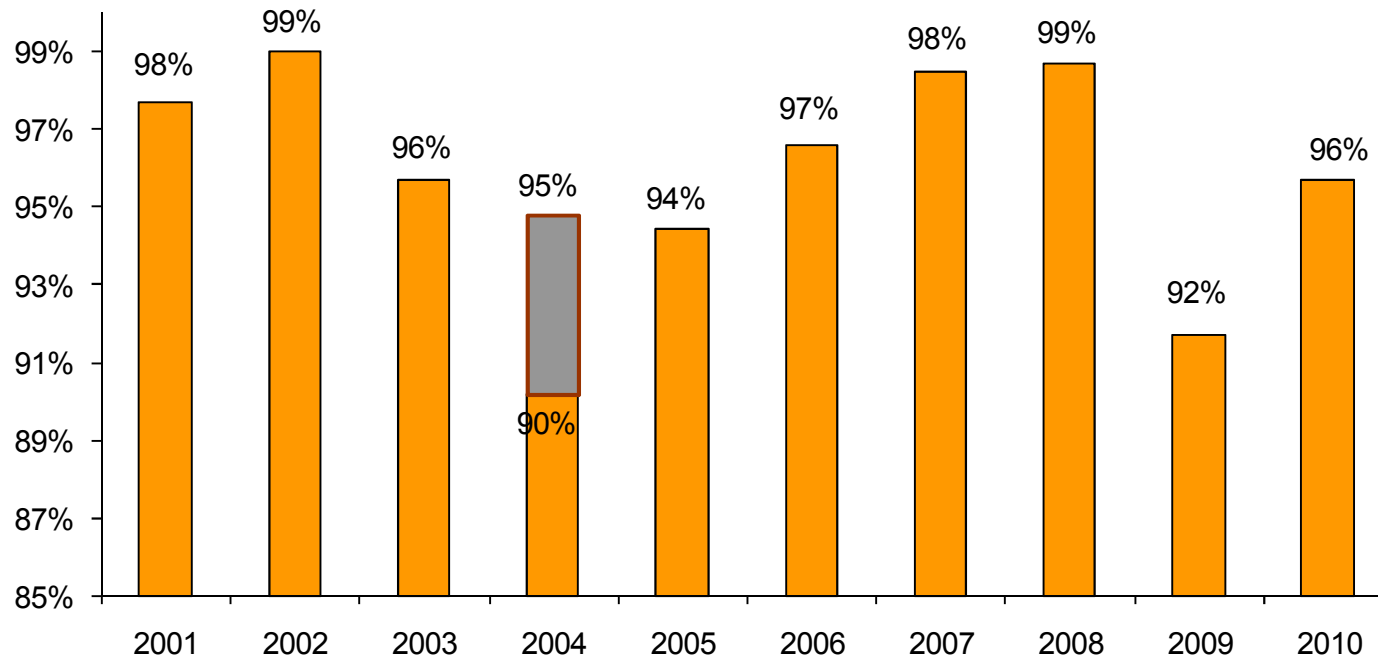
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# Occupancy rate 2010

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- Occupancy rate: 95.7% (92.4% on December 31<sup>st</sup> 2009)
- Standing portfolio:  
maximum 3.5% lease contracts can expire in 2011 (mainly Q4)  
negotiations for different sites ongoing

# Historical occupancy rate

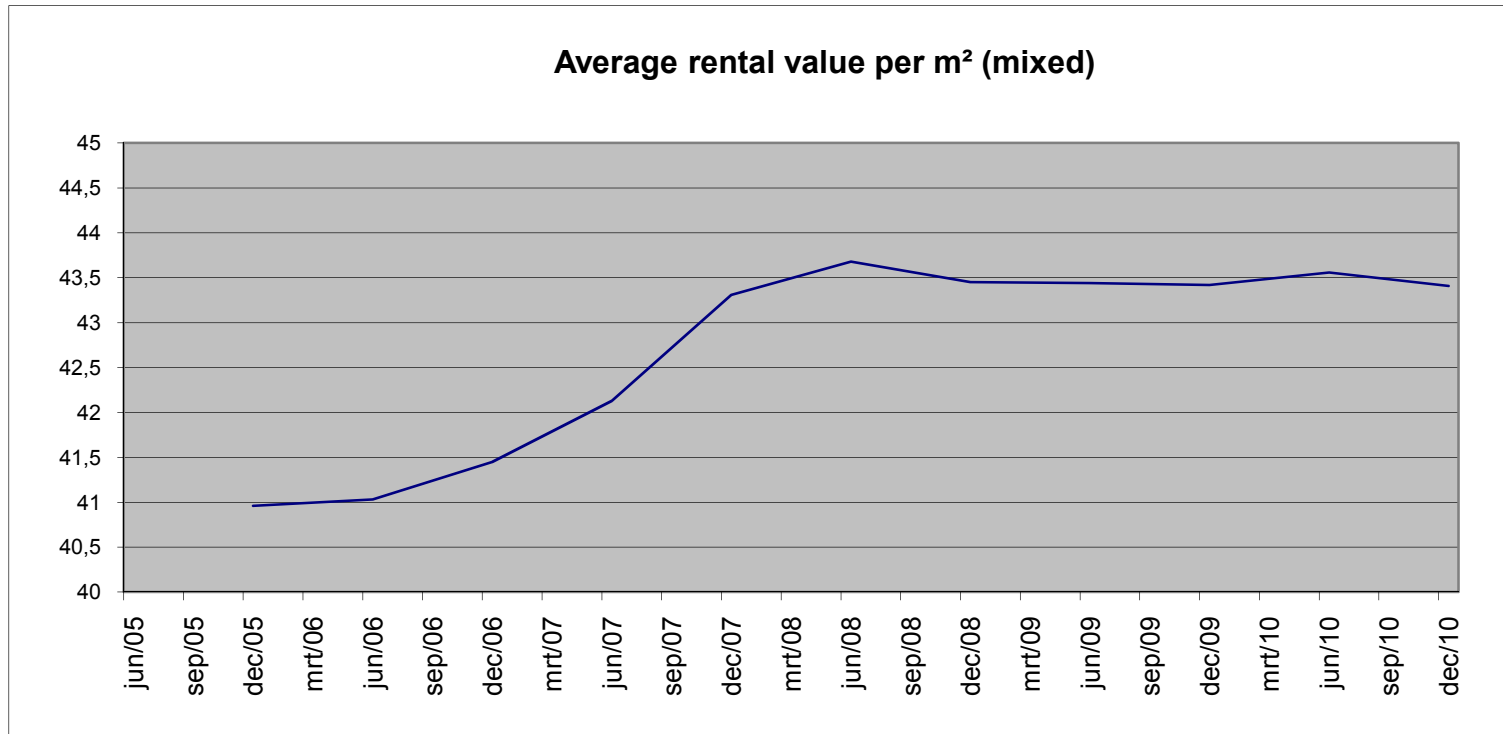


2004 vacancy was 90% but amounted to 95% excluding the impact of the vacancy of the Hazeldonk site



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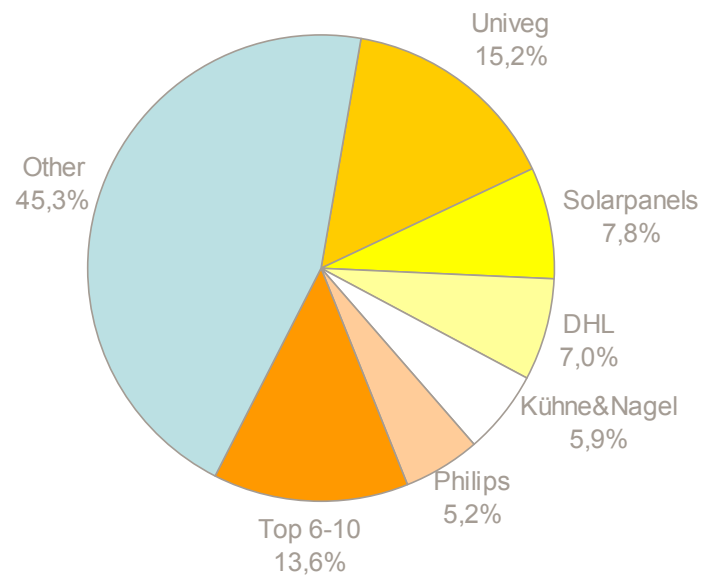
# Historical rental value per m<sup>2</sup>



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# High profile client base

Top tenants 2010



High profile corporates among Top-10 clients

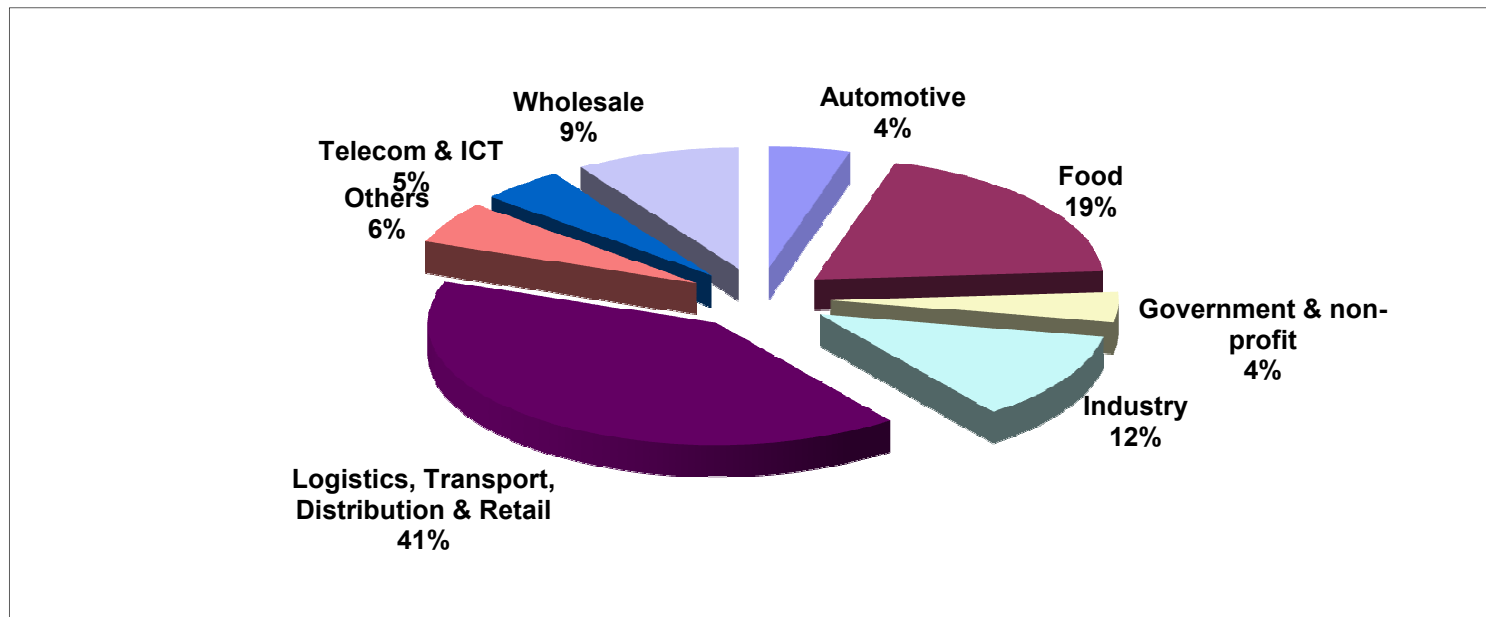


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# ...in different industries

Well balanced industry portfolio



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## ...with long term leases

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- Univeg + Solar panels count for 23% of total income, 20 year fix
- Average duration contracts

(in years)	Avg time to first break	Avg time to expiry
Excl. solar income	5.25	7.33
Incl. solar income	6.73	8.80



# FY 2010 Consolidated balance sheet (Assets) (in '000 euro)

	2010.DEC	2009.DEC	2008.DEC
Intangible fixed assets	422	287	184
Property investments	821.511	815.392	742.129
Other tangible fixed assets (incl. solar panels)	65.773	55.232	32.359
Financial fixed assets	12.535	11.737	10.618
Financial leasing receivables	107	195	277
Trade receivables and other fixed assets	6.150	168	320
Deferred taxes - assets		836	761
<b>Fixed assets</b>	<b>906.498</b>	<b>883.847</b>	<b>786.648</b>
Assets intended for sale	2.850	14.199	4.642
Financial leasing receivables	88	83	78
Trade debtors receivable	7.812	9.678	4.256
Tax receivables and other current assets	1.824	3.108	2.598
Cash and cash equivalents	1.209	2.204	1.273
Deferrals and accruals	2.100	2.959	3.208
<b>Current assets</b>	<b>15.883</b>	<b>32.230</b>	<b>16.055</b>
<b>TOTAL ASSETS</b>	<b>922.381</b>	<b>916.076</b>	<b>802.703</b>

# FY 2010 Consolidated balance sheet (Liabilities) (in '000 euro)

Capital	97.853	97.853	68.913
Issue premiums	63.960	63.960	
Reserves	236.070	231.129	212.901
Impact on fair value of estimated transfer duties and transfer costs of the hypothetical disposal of property investments (-)	-27.626	-27.124	-22.106
Exchange rate differences	1.029	1.025	1.599
<b>Equity capital</b>	<b>371.286</b>	<b>366.843</b>	<b>261.307</b>
Long-term liabilities	411.691	413.651	328.895
Short-term liabilities	139.404	135.582	212.501
<b>Liabilities</b>	<b>551.095</b>	<b>549.233</b>	<b>541.396</b>
<b>TOTAL LIABILITIES</b>	<b>922.381</b>	<b>916.076</b>	<b>802.703</b>

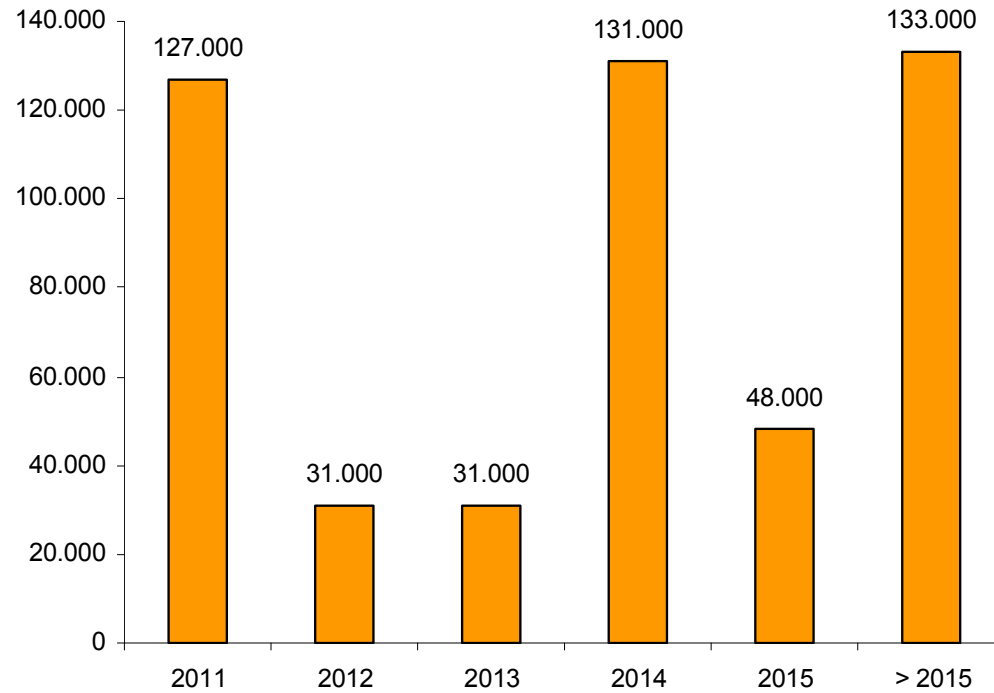
# Financing structure (I)

<b>Financing</b>	31/12/2010 (EURk)
<b>Long term</b>	
Long Term loans	340.000
Leasing	31.000
Other	8.000
<b>Short term</b>	
Commercial Paper	112.000
Straight loans	10.000
<b>TOTAL</b>	<b>501.000</b>

- Average cost of debt 2010: 4.28%
- 84% of total debt hedged – duration 4.9 years



# Financing structure (II)



- Total average duration: 3.9 years
- Average duration long term loans: 5.1 years



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# FY 2010 Consolidated Results

## (in '000 euro)

	2010.DEC	2009.DEC	2008.DEC
<b>Net current profit</b>			
Net rental result	57.985	54.127	46.645
Income from solar energy	5.029	3.704	247
Other operating income/charges	-349	-58	-11
<b>Property result</b>	<b>62.665</b>	<b>57.773</b>	<b>46.880</b>
Property costs	-1.285	-1.083	-1.195
Corporate overheads	-3.831	-3.325	-3.454
<b>Net profit on property</b>	<b>57.549</b>	<b>53.365</b>	<b>42.232</b>
Financial result excl. IAS 39 result	-18.485	-18.086	-12.752
Taxes on net current result	-864	-220	-396
Deferred taxes on net current result	823	-1.023	-361
<b>Net current profit</b>	<b>39.023</b>	<b>34.035</b>	<b>28.723</b>
<b>Result on the portfolio *</b>			
Changes in fair value of property investments (+/-)	-5.538	-26.791	-17.919
Result on the disposals of property investments (+/-)	-69	11	80
Deferred taxes on the result of the portfolio	1.442	4.105	2.101
<b>Result on the portfolio</b>	<b>-4.165</b>	<b>-22.675</b>	<b>-15.737</b>
<b>IAS 39 result</b>			
Variation in the fair value of financial instruments (IAS 39 impact)	-2.256	-10.923	-29.184
Deferred taxes on revaluation of IRSs			414
<b>IAS 39 result</b>	<b>-2.256</b>	<b>-10.923</b>	<b>-28.771</b>
<b>NET PROFIT</b>	<b>32.602</b>	<b>437</b>	<b>-15.785</b>

# FY 2010

## Results per share and dividend

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- Net current result per share of 3.11 euro compared 3.14 euro over the same period last year (\*)
- Proposed total dividend of 2.94 euro (net 2.50 euro) for FY 2010
- Optional stock dividend as of 2010 dividend  
(subject to approval by Extraordinary General Meeting April 2011)

(\*): due to the creation of new shares on the occasion of the capital increases in March and June 2009

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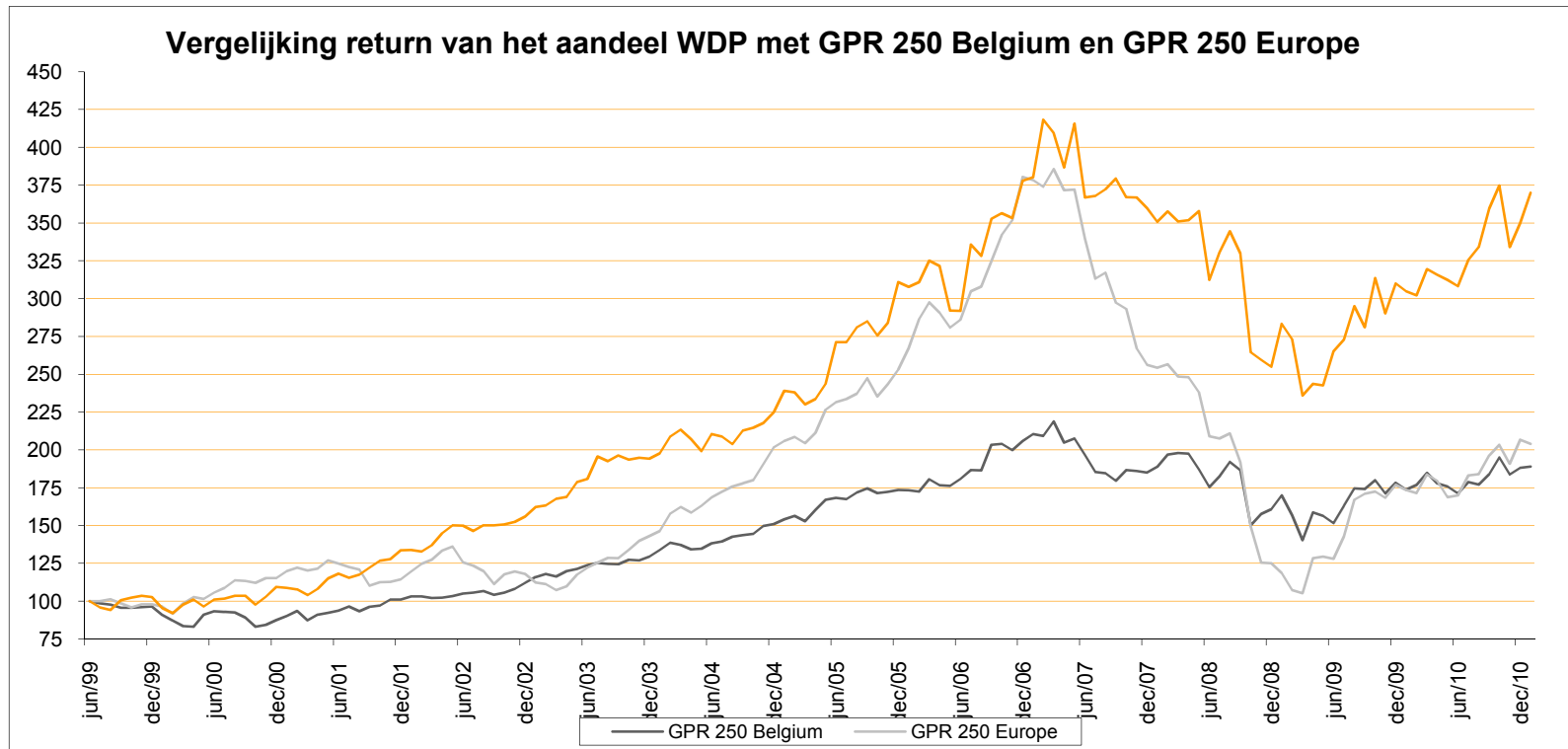
# WDP share

## Share price versus NAV



- NAV per share: EUR 32.58  
(31/12/2010 – excl IAS 39)
- Share price of EUR 39.62  
(18/02/2011)
- Market capitalization of ca EUR 497 m  
(18/02/2011)
- Free float 69% - Family Jos De Pauw 31%

# WDP share



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# FY 2010

## Return of the WDP share





	31/12/2010	Average since IPO/Year
<b>WDP</b>	<b>12.82%</b>	<b>11.86%</b>
GPR 250 Belgium	16.95%	6.49%
GPR 250 Europe	5.48%	5.53%
BEL 20	2.67%	-1.67%

Bron: Global Property Research (Kempen BV)

# 2011- 2013

## Creating Growth & Profitability

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-  20% increase of net current result per share by end 2013
-  Based on existing capital base & acceptable gearing
-  Returning to 90% payout ratio
-  Further dividend growth afterwards



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# 2011- 2013

## Creating Growth & Profitability

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Driver I: Letting projects:

- Existing portfolio of 2.7 million euro rental value
- Projects on hold of 45,000 m<sup>2</sup>: Puurs, Ternat, Libercourt, Venlo
- Development of domestic landbank of +200,000 m<sup>2</sup>
- Development of landbank in Romania
- Development on new land



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# 2011- 2013

## Creating Growth & Profitability

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Driver II: CO<sub>2</sub> investment plan:

- Today on 14 of 30 MW
- 4MW planned in France (on hold due to government restrictions)
- Further development via solar, wind or other alternatives



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# 2011- 2013

## Creating Growth & Profitability

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### Driver III: Acquisitions:

- Projects
- Land
- Existing portfolios



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# 2011 Outlook

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- Expected net current result of min 41 million euro
  - Expected net current result per share of min. 3.27 euro
  - Total expected dividend of gross 2.94 euro per share, returning to 90% payout ratio
  - Stabilized gearing around 55%
  - Stabilized occupancy rate around 95%
-



# 2010 Major accomplishments

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- Occupancy increased by 300 bp
- F.B.I.-status (NL) acquired
- E.I.B. financing RO obtained
- Sustainability in progress
  - BREEAM
  - Carbon neutrality



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# 2011-2013 Major objectives

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- Further improve occupancy
- Use F.B.I. and E.I.B. intelligently, to grow in NL & RO
- Further roll out 'carbon neutral' program
- Increase EPS at horizon 2013 by 20%

# 2011 Financial Calendar

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- EGM (First date) April 8, 2011
- EGM (Second date) April 27, 2011
- AGM April 27, 2011
- Q1 Results May 17, 2011

For further information, see financial calendar at [www.wdp.be](http://www.wdp.be)

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Question time



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