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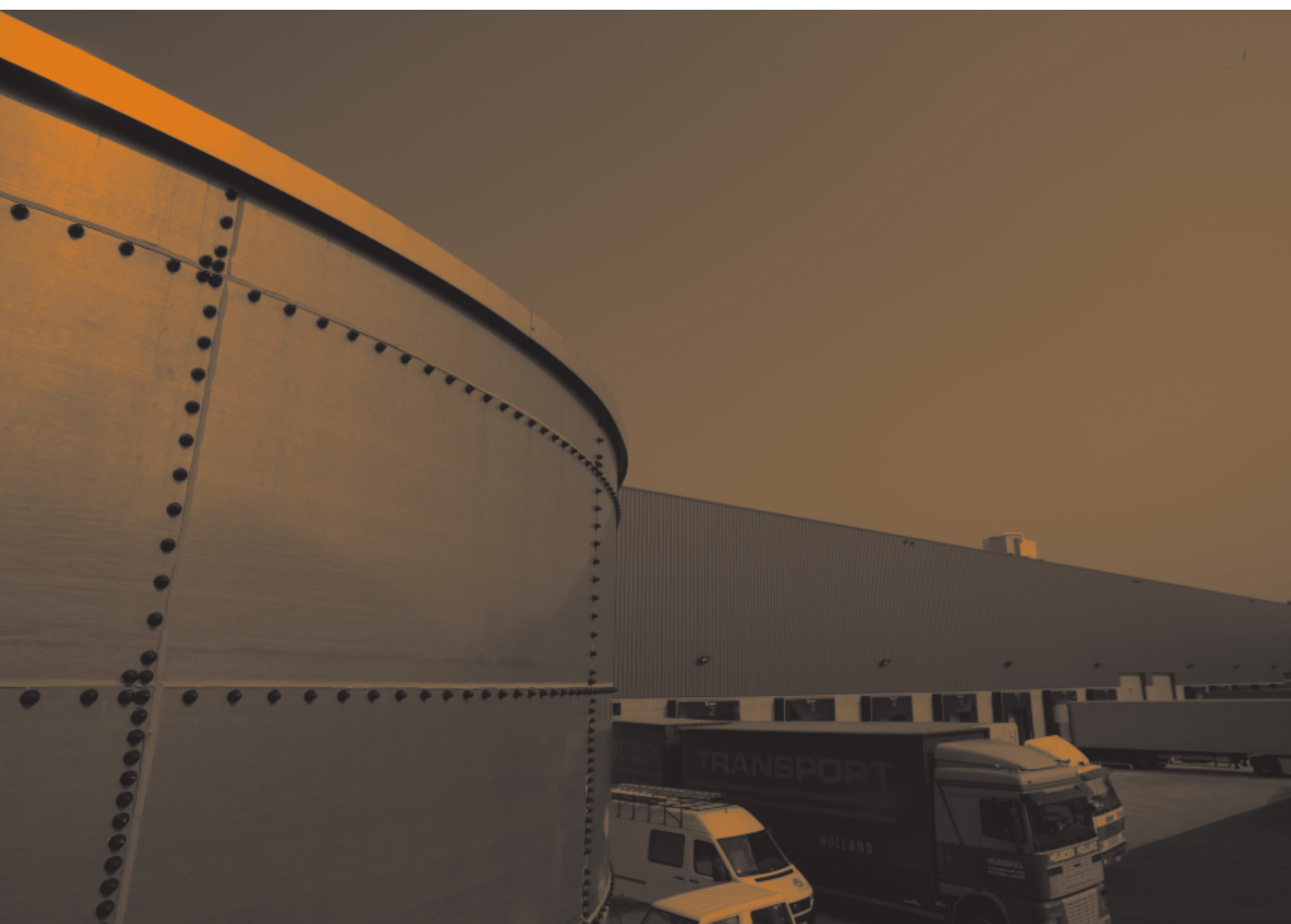
## THE LOGISTIC HEART OF EUROPE





**WDP** Warehouses De Pauw  
SUPPLYING SPACE

**Annual Report 2003**





## Closed-end property investment companies in a nutshell

A closed-end investment company is a company with fixed capital. It can be set up as a limited company (BV) or in the form of a partnership limited by shares (Comm.VA). Thus closed-end investment companies have the same structures as traditional companies. In particular, these have a General Meeting of Shareholders, a Board of Directors and an auditor, whereas the Comm.VA has a General Meeting of Shareholders, a statutory managing director and an auditor.

Unlike an open-end investment company – an investment company with variable capital – the capital of a closed end investment company is fixed. While capital can be brought in or taken out of an open-end investment company without too many formalities, the capital of a closed-end investment company can only be raised in due form. A closed-end investment company's capital is thus raised through public issue of new shares.

Closed-end investment companies can make use of a variety of investment strategies to achieve a return on this capital. In the case of a closed-end property investment company, investments take place directly or indirectly in property assets. They often select a specialist niche, such as offices, commercial premises or semi-industrial spaces.

Closed-end property investment companies have existed in Belgium since 1995. This investment instrument was established by the government to enable private investors to have access to the professional property market and to invest in property projects which had previously been the reserve of institutional investors. Comparable structures also exist abroad, such as Real Estate Investment Trusts (United States), "Fiscale Beleggingsinstellingen" (Netherlands) and since autumn 2003, Sociétés d'Investissement Immobilier Cotées (SIIC), in France. The maximum permitted level of debt for closed-end property investment companies is 50%. They are also obliged to distribute at least 80% of their operating result.

### Closed-end property investment companies offer investors a number of advantages:

- a larger portfolio enabling better cost management and a more balanced spread of risks;
- the portfolio is managed by specialists;
- their liquidity is considerably higher than "real" property;
- the investor is regularly kept informed by the media and the company's website;
- there are also tax benefits for private individuals, as the tax deducted at source, the only tax payable on these dividends, is charged at 15% instead of the usual 25% for shares.

Closed-end property investment companies have now proved themselves to be blue-chip securities in the Belgian investment landscape, as evidenced notably by the presence of Cofinimmo in the BEL 20. Closed-end property investment companies have thus forged themselves a strong position in Euronext Brussels.

By the end of December 2002, there were 11 closed-end property investment companies operating in various sectors of the Belgian property market.

**office buildings:** Befimmo and Cofinimmo.

**commercial premises:** Intervest Retail and Retail Estates.

**residential:** Home Invest Belgium and Serviceflats Invest.

**semi-industrial:** WDP.

**mixed:** Intervest Offices, Leasinvest RE, Warehouses Estates Belgium and Wereldhave Belgium.



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## Warehouses De Pauw: supplying space

Warehouses De Pauw (WDP) is the leading player in the Belgian semi-industrial property market. True to its motto "We give you the space to invest", WDP, the closed-end property investment company specialises in:

- development of storage and distribution premises;
- customised projects at the user's request;
- investment in spaces for customers who wish to engage in sale and leaseback transactions.

The multifunctional nature of the building plays a crucial role for each investment. It is the potential for re-letting after the departure of the current tenant which in fact determines the building's lifetime. Furthermore, after completion, WDP retains the projects within its portfolio, so that the added value achieved by it remains within the Closed-end Property Investment Company.

Most of the properties and projects are in prime locations in Belgium, mainly in the Breda-Antwerp-Brussels-Lille logistical heartland. But WDP is also present in several western and central European countries, always at strategic intersections for storage and distribution.

On 31st December 2003, WDP had 56 sites in its portfolio, spread over five countries: Belgium, France, Italy, the Netherlands and the Czech Republic. The total surface area of land at the sites in the portfolio was 1.4 million m<sup>2</sup>, along with 660.066 m<sup>2</sup> of buildings, to which 36.342 m<sup>2</sup> has to be added for buildings under construction. The total value of the property portfolio was 333,56 million EUR at that time, including transaction costs. WDP's ultimate goal is to achieve European assets to the value of 500 million EUR.

WDP has grown up out of the personal assets of the family firm, Jos De Pauw Group of Merchtem, and will continue to pursue its successful investment strategy of recent decades.

The WDP Closed-End Property Investment Company has been listed on the Euronext Brussels Premier Marché since 29th June 1999, and forms part of the "next prime" segment of the European mid-caps and the VLAM21 index. At the end of 2003, the closed-end property investment company's market capitalisation amounted to almost 250 million EUR.



## Key figures

### Consolidated annual accounts

	million EUR 31/12/2003	million EUR 31/12/2002	million EUR 31/12/2001
<b>ASSETS</b>			
LAND AND BUILDINGS * (including assets under construction)	333,56	310,93	282,62
LIQUID ASSETS	2,45	1,12	1,25
OTHER CURRENT ASSETS	5,88	12,36	10,29
<b>TOTAL ASSETS</b>	<b>341,89</b>	<b>324,41</b>	<b>294,16</b>
<b>LIABILITIES</b>			
EQUITY CAPITAL	214,53	182,22	177,14
PROVISIONS AND DEFERRED TAXES	4,66	4,31	2,18
DEBTS	122,70	137,88	114,84
<b>TOTAL LIABILITIES</b>	<b>341,89</b>	<b>324,41</b>	<b>294,16</b>
NAV**/SHARE before profit distribution	29,52	28,76	27,79
after profit distribution	27,21	26,41	25,67
PRICE	31,40	27,95	26,14
PREMIUM/DISCOUNT before profit distribution	6,37%	-2,82%	-5,94%
DEBT RATIO ***	37,25%	43,83%	39,78%
*: NAV = Net Asset Value **: valuation including transaction costs ***: provisions and deferred taxes included			
	in 1000 EUR 2003	in 1000 EUR 2002	in 1000 EUR 2001
OPERATING INCOME	26.697,30	25.638,77	22.120,00
OPERATING PROFIT	23.663,60	23.145,53	19.258,55
FINANCIAL RESULTS	-4.002,22	-3.695,93	-3.160,69
INCOME TAXES	-47,67	-1.405,47	-77,94
<b>OPERATIONAL RESULTS</b>	<b>19.613,71</b>	<b>18.044,13</b>	<b>16.019,92</b>
<b>UNREALISED NET GAIN ON THE PORTFOLIO</b>	<b>4.063,24</b>	<b>4.124,82</b>	<b>9.264,80</b>
<b>EXTRAORDINARY RESULTS</b>	<b>-681,68</b>	<b>1.121,28</b>	<b>148,75</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>22.995,27</b>	<b>23.290,23</b>	<b>25.433,47</b>
PROPOSED DISTRIBUTION	18.252,00*	16.234,34	14.610,90
DIVIDEND PAYOUT RATIO (in relation to the operational results)	89,98%	89,97%	91,20%
OPERATING PROFIT/SHARE	2,75	2,62	2,37**
	interim	saldo	
GROSS DIVIDEND/SHARE	1,25	1,22	2,12
NET DIVIDEND/SHARE	1,06	1,04	1,80
NAV INCREASE/SHARE	0,76	0,74	1,66
% operating profit compared with NAV at end of previous financial year***	10,39%	10,19%	9,84%
at end of previous financial year	12,18%	13,15%	15,61%

\*: including the supplement to the issue price during the capital increase in 2003.

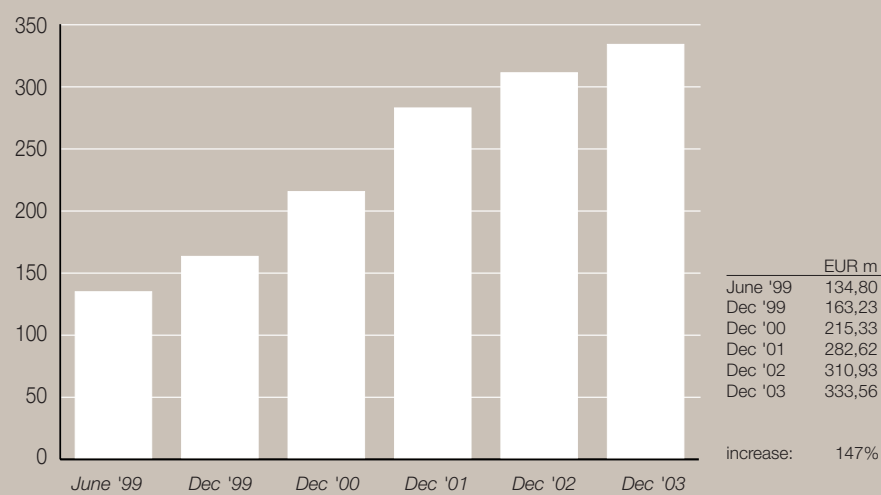
\*\* : taking into account the merger with Caresta NV on 01/07/2001.

\*\*\*: taking into account the capital increase of 10/10/2003.



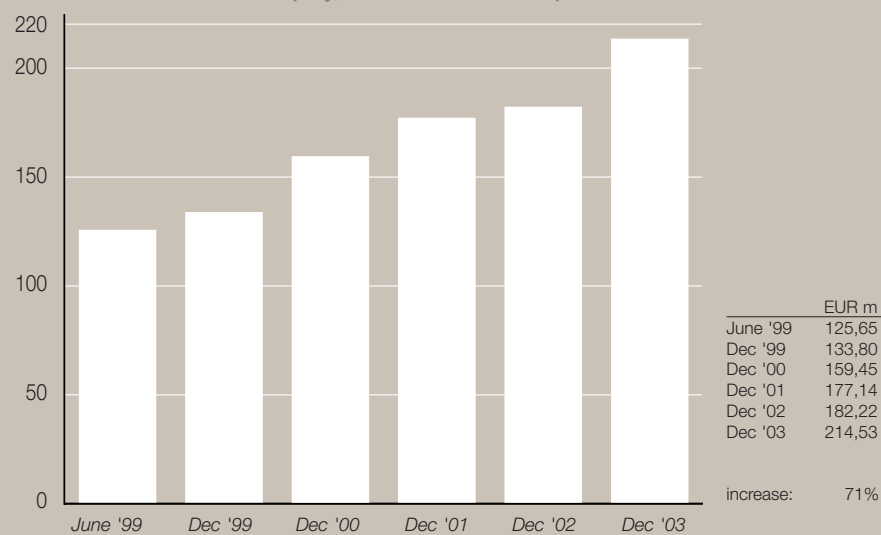
## Evolution of a few key figures

Evolution of the property portfolio



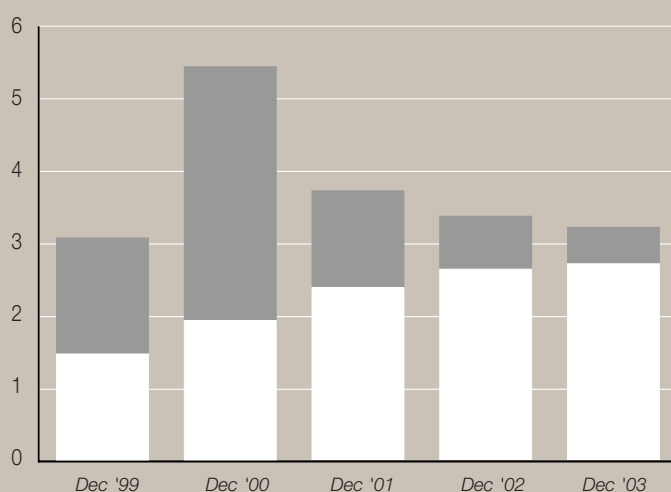
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Evolution of shareholder's equity, after distribution of profits





Evolution of earnings per share



EUR

Operating profit

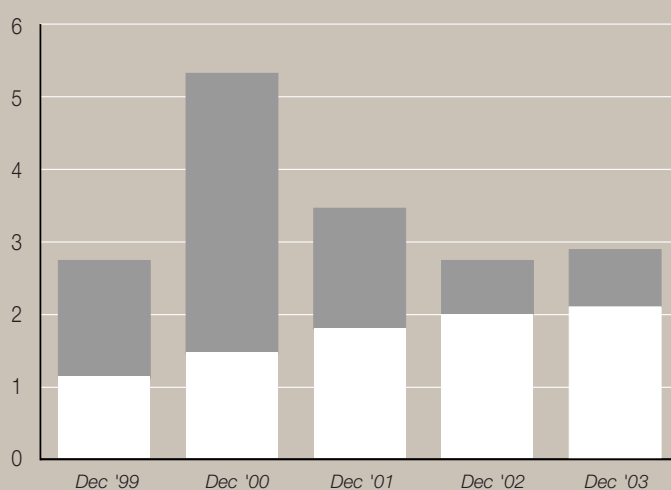
Portfolio capital gains and extraordinary result

Dec '99	1,46	1,62
Dec '00	1,92	3,66
Dec '01	2,37	1,39
Dec '02	2,62	0,76
Dec '03	2,75	0,47

Increase in '03 operating profit compared with '99: +88%

Total portfolio capital gains and extraordinary result (EUR): 7,90

Evolution of net income per share



EUR

net dividend

Growth in intrinsic value

Dec '99	1,12	1,70
Dec '00	1,46	3,86
Dec '01	1,80	1,66
Dec '02	2,00	0,74
Dec '03	2,10	0,76

Increase in '03 net dividend compared with '99: 87%

Total growth in intrinsic value (EUR): 8,72





## Executive Directors' Report

### Chairman's letter to the shareholders

The 2003 financial year was crucial one in WDP's recent history as a closed-end property investment company floated on the stock exchange. The successful capital increase accomplished in September was certainly the highlight, but it was only possible because WDP was able to successfully tackle two major challenges.

On the one hand, new tenants had to be found for the 70.000 m<sup>2</sup> which were vacated in the past year. This was an even more crucial challenge as during difficult times, a high occupancy rate is a "life line" for a closed-end property investment company, whilst it is precisely at such times that clients are least inclined to invest. WDP nevertheless managed to overcome this challenge. At the end of 2003, the occupancy rate was 96%, a level which is very close to the historic record of 99% achieved in 2002.

If WDP has managed to find tenants for the spaces that became vacant, it is certainly owing to the scope of the property portfolio it can offer as market leader, but above all because of the flexible approach by which it strives to serve its clients. Our tenants are themselves forced to be even more flexible with their clients, and WDP aims to support them as far as possible. This flexibility – be it in terms of surface area, location or duration of leases – is the very key to WDP's success.

The second challenge was to identify new projects, which takes us to the subject of the significant stage of capital increase.

The term stage is used for two reasons. First of all, it indicates that part of the journey has already been accomplished. This is indeed the case for WDP. It is no coincidence that the capital increase took place following two new acquisitions, one in Belgium and the other in the Czech Republic. Once all the projects planned for 2003 had been completed, we would have come too close – towards the middle of 2004 – to the maximum permitted debt ratio of 50%. For this reason, additional resources became essential in order to support our growth.

But the term stage also implies that there is still some way to go, and that the objective has not yet been reached. As the capital increase enabled the debt ratio to be brought down to 35% in October, the closed-end property investment company once again has all the margin for manoeuvre it requires to pursue its progress.

In this respect, I am delighted to be able to state that the current shareholders massively subscribed to the new shares during the first subscription period. Thanks to their participation, 96% of all of the new shares were subscribed during this initial phase. This served to encourage WDP and confirmed that its chosen path is indeed the right one. Our shareholders will not regret the trust they have demonstrated to us.

Neither has WDP's performance gone unnoticed by stock market investors. The share's liquidity increased steadily over 2003. WDP shares ended the 2003 financial year at 32 EUR, compared with 28 EUR at the start of the year. The results have also improved. Operating profits increased by 8,7%, from 18 million to 19,6 million EUR, despite the continued sluggishness of the economic climate. The expected earnings per share of 2,74 EUR were achieved, in spite of the creation of 985.656 new shares following the capital increase.



This is where we stood at the beginning of 2004, a year which looks promising. It will bring fewer expiries of leases than in 2003, which will enable WDP to devote its attention more to leasing the projects in progress and investing the new resources generated by the capital increase. After the completion and leasing of the current projects, the company will still have an investment potential of 60 million EUR. Through this investment potential, the portfolio can further expand towards a total value of around 400 million EUR – even if our final objective is the 500 million EUR mark.

WDP will also continue to pursue the same, tried and tested strategy in the future: acquiring buildings and undertaking projects in attractive locations at realistic prices, in order to be able to charge reasonable rents without affecting the return.

Finally, I would briefly like to emphasise once again that WDP's main strength, i.e. its long-term vision – not only with regard to the property portfolio but also its relations with tenants. And of course, I would like to thank the members of the management team and personnel at WDP for their unfailing commitment, and my colleagues on the Board of Directors for their highly appreciated cooperation.

I would like to wish them every success in 2004.

**Marc Duyck**  
*Chairman of the Board of Directors*



### 1. "Corporate governance"

The principle of corporate governance requires that an enterprise is managed properly. This proper management is a basic condition for making the best use of financial resources that the shareholders place at the company's disposal.

WDP attaches great importance to achieving a good balance between the interests of the shareholders and the interests of the other parties who have a direct or indirect stake in the company. Openness and transparency are key concepts here. There has to be good communication of accurate information that is oriented towards the future.

The annual report is just one example of this. Another example is the publication of the quarterly figures, including the quarterly updates of the value of the portfolio and the net asset value per share. Through regular contacts in the specialist financial press and trade publications, WDP ensures that the public remains fully informed. All interested parties can follow the work and activities of WDP permanently and on-line on the website [www.wdp.be](http://www.wdp.be).

The Board of Directors of the management company constantly monitors the situation to make sure that corporate governance rules are being observed, in accordance with the most recent applicable legislation. Thus for example, the majority of the members of the Board of Directors are independent directors.

The WDP closed-end property investment company is also what is known as a 'self-managed fund'. This means that the management of the property assets is not contracted out to third parties, but is undertaken within the company, in consultation with the managing director. Management is therefore not involved in any other property activity: it works exclusively for WDP's shareholders.

### 2. Structure and organisation of WDP

#### 2.1. A limited partnership with share capital

Warehouses De Pauw is a limited partnership with share capital (Comm.VA). A limited partnership has two categories of partner. The first is the 'general' partner, whose name appears in the name of the firm and who has unlimited liability for the obligations of the partnership. The active partner of WDP Comm.VA is De Pauw NV. Then there are the limited or 'sleeping' partners who are shareholders and whose responsibility is limited to the assets they have contributed.

It is characteristic of a limited partnership with share capital (Comm.VA) to be managed by a managing director who needs to hold the competence of limited (general) partner who, for all intents and purposes, can not be dismissed and holds the veto right against all important decisions by the General Meeting. The managing director can at all times resign by his own volition. On the other hand, the managing director's mandate can only be revoked by court decision when so demanded by the General Meeting on legal grounds. The managing director may not participate in the General Meeting's vote on that decision.

The General Meeting can only deliberate and take decisions when the management is present. The management has to give its consent for each and every change in the company articles of association and for all of the decisions by the General Meeting regarding transac-



#### Board of Directors

*Mark Duyck, Dirk Van den Broeck, Alex Van Breedam,  
Tony De Pauw, Joost Uwents*

tions that concern the interests of the company in relation to third parties, such as dividend payments, as well as for every decision that affects the company's assets. The net assets of the De Pauw NV management company amounted to 74.973 EUR on 31st December 2003.

Under the articles of association, De Pauw NV will manage WDP CommVA for an indeterminate duration. At the end of 2002, in accordance with the new legal provisions regarding corporate governance, Tony De Pauw was appointed permanent representative of De Pauw NV in the context of this company's mandate as statutory managing director. This appointment can not infringe Article 18 of the Royal Decree of 10th April 1995. Potential contradictions between the two legislations is being examined, and an appropriate solution will be sought where appropriate. The shareholding of De Pauw NV remains in the hands of the Jos De Pauw family, which is also the reference shareholder of WDP.

## 2.2. The Board of Directors of the management company De Pauw NV

### 2.2.1. Composition on 31st December 2003

The Board of Directors has five members:

- **Mark Duyck** is an independent director and chairman of the Board of Directors. He is an economist and holds an MBA. After various posts as financial director, he is now Chief Operational Officer (COO) of the Brussels International Airport Company (BIAC). Current mandate expires: General Meeting of 2005;
- **Dirk Van den Broeck** is an independent director. He has been a partner of Petercam since 1988 and a director since 1994. He represents the group on various Boards of Directors of property companies involved with the issuing of mortgage debentures. He is also the independent director of several Belgian companies, including the stock exchange listed company, Resilux SA. Dirk Van den Broeck is an economic sciences graduate. Current mandate expires: General Meeting of 2005;
- **Alex Van Breedam** is an independent director. He is a doctor in applied economic sciences and holds several master's degrees. After gaining experience with KPMG, since 2000 he has coordinated the launch of the Flemish Logistics Institute and is an independent expert in Supply Chain Management, specialising in strategic assistance for logistics companies. He also devotes part of his time to teaching and is a guest professor at several Belgian, Dutch and French universities. Current mandate expires: General Meeting of 2009;
- **Tony De Pauw**, managing director, represents the main group of shareholders, the Jos De Pauw family. Current mandate expires: General Meeting of 2005;
- **Joost Uwents**, director, together with Tony De Pauw, completes the WDP management team. He is a commercial engineer and holds an MBA. Current mandate expires: General Meeting of 2008.

The appointment of a majority of independent directors for a single representative of the largest shareholder fits in with the spirit of corporate governance in the company.

### 2.2.2. Tasks

The Board of Directors accomplishes several tasks with respect to the closed-end property investment company:

- outlining its strategy and policy;
- approving all major investments and significant transactions;
- monitoring the quality of its management;

- ensuring that management is in line with the company's strategy;
- responsibility for communication of the company's financial information to the press and analysts;
- dealing with matters that fall within its statutory powers, such as:
  - *approving the budget and the annual and interim accounts;*
  - *proposing the dividend at the General Meeting of WDP Comm.VA;*
  - *allocation of authorised capital;*
  - *calling ordinary and extraordinary General Meetings;*

### 2.2.3. Functioning

The Board of Directors meets at least four times a year, on the invitation of the chairman. In addition to this, meetings are called whenever the interests of the closed-end investment company so require, or if two directors request a meeting.

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

Resolutions of the Board are passed by simple majority of votes. In the event of a tied vote, no decision is taken.

On the chairman's invitation, managers who are not members of the Board of Directors or who are specialists in a particular professional field may attend a meeting of the Board in order to inform or advise the board.

The Board of Directors may also seek advice from an independent expert at any time. The firm of chartered surveyors, Stadim CVBA, Marialei 29-33, 2018 Antwerp, represented by Philippe Janssens, has been appointed as chartered surveyor.

Remuneration of the management company is determined annually by the General Meeting of WDP Comm VA. For the 2003 financial year, it has been proposed to allocate overall remuneration of 247.900 EUR to the management company De Pauw NV. This sum is mainly applied for the remuneration for the directors' responsibilities on a pro rata basis, as well as to contract insurance with regard to their liability as directors.

### 2.2.4. Provisions relating to the composition of the Board and the appointment of directors

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

- the Board of Directors is composed of a minimum of 4 directors – at least 3 of whom should be independent – and a maximum of 10 directors;
- one or more directors can be executive directors. This means they can exercise a managerial function in WDP;
- the powers and experience of the individual directors must be complementary.

The directors must observe agreements relating to discretion and mutual confidentiality. They must also strictly observe all statutory and customary principles concerning conflicts of interest, inside information, etc.

The General Meeting of Shareholders of De Pauw NV appoints the directors, on the recommendation of the appointments committee of the Board of Directors.



Given the small number of directors at the present time, internal audit and appointment and remuneration tasks are carried out by the full board. Its members meet according to the specific needs for each of these tasks. On further expansion of the board, separate committees shall be established of maximum three members each.

## 2.3. Day-to-day management

### 2.3.1. Powers

The WDP management team, under the responsibility of the managing director of the management company, is responsible for:

- preparation, proposal and execution of the strategic objectives of the group's general policy plan, as approved by the Board of Directors;
- defining the standards that must be observed in implementing this strategy;
- implementing the resolutions of the Board and monitoring performance and results;
- reporting to the Board.

### 2.3.2. Composition of the management team and division of tasks

The tasks have been allocated as follows:

*Tony De Pauw is the managing director. His responsibilities include:*

- general management;
- purchase and sale of properties in Belgium and abroad, all operations which have to be ratified by the Board of Directors;
- management of the property portfolio;
- commercial policy.

*Joost Uwents is an executive director. His tasks include:*

- financial policy;
- marketing and external communications;
- internal reporting;
- investor relations.

### 2.3.3. Functioning

The management team works in close consultation on a daily basis. Major decisions are taken unanimously in accordance with agreements with the Board of Directors. If the management team can not reach agreement, the decision is left to the Board of Directors.



### 3. Structures abroad

In order to optimally manage its property assets abroad, WDP Comm.VA has subsidiaries in several European countries:

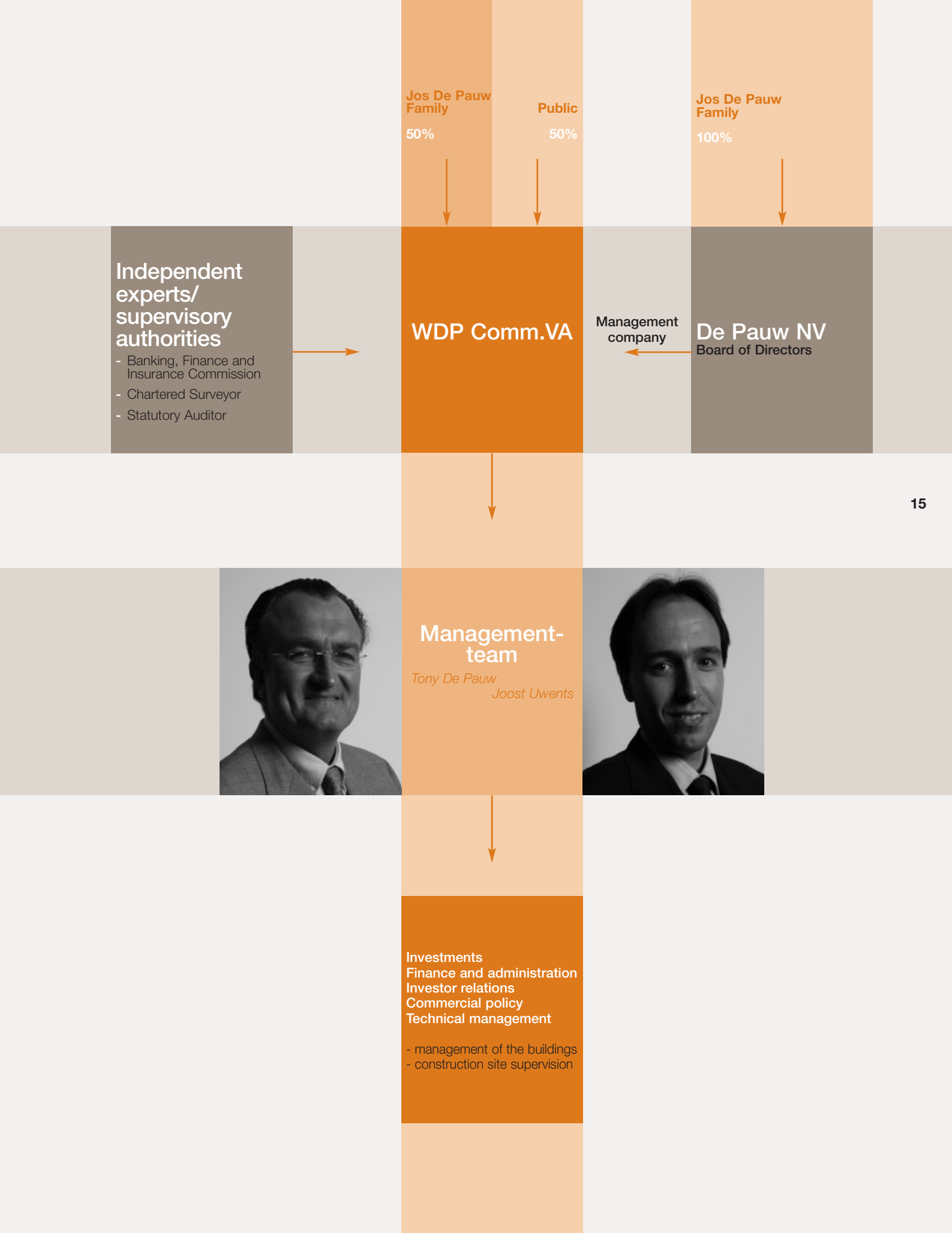
- in the Netherlands: WDP Nederland b.v., Postbus 128, 5300 AC Zaltbommel;
- in the Czech Republic: WDP CZ s.r.o., Belehradská 18, 140 00 Prague;
- in Italy: WDP Italia s.r.l., Via Senato 20, 20121 Milan;
- in France: WDP France s.a.r.l., Rue Cantrelle 28, 36000 Châteauroux (since the merger of WDP France and Flandrinvest).

As well as the uniformity of the companies' names, they have other common characteristics:

- The company structure is the local equivalent of a private company with limited liability (SPRL).
- WDP has a 100% interest in the foreign companies, except for one share, which is held by De Pauw NV, owing to the prohibition of 100% shareholding.
- The subsidiaries' profits are subject to local company tax. Net profits can be paid to WDP, so that exemption from tax deduction at source can be claimed on the grounds of parent-subsidy legislation. The profits of foreign subsidiaries are included in the consolidation, after deduction of depreciation on the property and deferred taxes payable on capital gains.
- The companies are managed by the Belgian management.  
Bookkeeping and administration is undertaken by local accountancy firms:
  - for Italy: *Studio Maurizio Godoli, in Milan;*
  - for the Czech Republic: *VGD, Podzimek & Suma, in Prague;*
  - for France: *Barachet, Simonet, Roquet, in Châteauroux;*
  - for the Netherlands: *Administratiekantoor Witteveen, in Zaltbommel.*
- The financing strategy. In principle, WDP's foreign investments are financed as far as possible with foreign capital, as these companies are subject to local company tax – unlike WDP Comm.VA in Belgium, which is a closed-end investment company. This is arranged through a combination of bank loans and market-conform, direct or indirect subordinated group loans between WDP Comm.VA and the various subsidiaries. Two important tax principles that vary from country to country must be taken into account here:
  - *the rules regarding the "thin capitalisation" obligation of companies;*
  - *the percentage of "withholding tax" to be deducted from the interest on the group's loans which is paid in the country of origin.*



Corporate governance and structure  
WDP organisation chart







### 1. Introduction

In 2003, the planned projects in the investment programme were largely completed. At the same time, two new acquisitions were finalised, leading to a capital increase in September. The only portfolio reduction was the sale of four residential properties which from a strategic perspective were inappropriate within WDPs assets. Various projects in progress were finalised in 2004. Some 53% of these are already pre-let.

### 2. Projects completed

#### 2.1. Belgium

##### *Aalst, Wijngaardveld*

Since 1999, WDP has held a building permit for the construction of a new warehouse in the Wijngaardveld industrial estate, in Aalst. A modular construction of 4.750 m<sup>2</sup> was completed at the end of June 2003. The project, with an investment value of 1.4 million EUR, is entirely leased to Balterio.

##### *Anderlecht, Frans Van Kalkenlaan 9*

Following the sale of the activities of Johnson Controls, the building's tenant, in mid-2002, a contract termination agreement was signed. The 7.000m<sup>2</sup> production area and indoor car park were then entirely renovated, at an investment cost of 750.000 EUR. The renovation work was completed at the end of January 2003. It is now entirely leased to De Post.

##### *Bornem, Rijksweg 19*

In the spring 2003, 2.250m<sup>2</sup> of offices at the front of the building have been renovated, at an investment cost of 400.000 EUR. The ground floor of 550 m<sup>2</sup> has been leased to Azerti since 1st December. WDP has a lease guarantee for the remaining 1.700 m<sup>2</sup> of offices until August 2004 from the shareholders of Caresta, the former owner.

##### *Molenbeek Saint-Jean, Rue Delaunoy ("De Bottelarij") 34-36*

A further investment phase worth 750.000 EUR has been assigned to the development of offices and rehearsal areas on the upper floors for several Flemish cultural groups in Brussels.

##### *Vilvoorde, Havendoklaan 19*

In 2001, WDP acquired a second plot of land at Cargovil. 10.671 m<sup>2</sup> of warehouses and 879 m<sup>2</sup> of offices have been built there. They were completed at the end of June 2003. This was a customised construction project worth 5 million EUR and has been leased to De Post, which uses it as a Taxipost distribution centre.

##### *Zeel, Lindestraat 7*

After the departure of Cabrita in November 2002, which was then renting the site, it was initially decided not to demolish the existing halls and offices in these industrial premises, but instead to renovate them. The first phase of work involved the renovation of 15.000 m<sup>2</sup>, at a cost of 1 million EUR.



### 3. New acquisitions

#### 3.1. Belgium

##### *Mollem (Asse), Assesteenweg 25*

The land and buildings were acquired on 1st August 2003 for 6,1 million EUR. The complex includes 15.332 m<sup>2</sup> of warehouse space, 493 m<sup>2</sup> of offices and 825 m<sup>2</sup> of workshops business areas. The plot, an area of nearly 5 ha, offers further potential for extension. The entire plot belongs to Nestlé, which has discontinued its activities there, but remained the lessee until the end of 2003. Since the departure of Nestlé, the complex has gradually been transformed into a multifunctional platform which could be used by various clients. Two contracts have already been signed: Vemoflex will lease 6.300 m<sup>2</sup> of warehouses and 1.400 m<sup>2</sup> of offices that have been newly developed as from 1st May 2004, and AMP will lease 5.000 m<sup>2</sup> of warehouses with offices as from 1st April 2004.

See also: "5. Projects for 2004 and later years".

#### 3.2. Abroad

##### *Mlada Boleslav, Neprevazka (Czech Republic)*

A plot of 4 ha was acquired in August 2003. An initial project will be conducted there towards mid-2004 for SAS, a subsidiary of Siemens.

See also: "5. Projects for 2004 and later years".

### 4. Sales finalised in 2003

##### *Molenbeek Saint-Jean, Rue Delaunoy 52-56*

Four small residential properties adjoining "De Bottelarij" were sold to a private investor for the sum of 285.000 EUR. The buildings needed to be completely renovated and were inappropriate for WDP's portfolio from a strategic viewpoint.

### 5. Projects for 2004 and later years

#### 5.1. Belgium

##### *Mollem (Asse), Assesteenweg 25*

For 2004, the complete renovation, division of the existing warehouses and the development of offices are envisaged, for a total investment of 1,5 million EUR.

The 2 ha of wasteland alongside the buildings offers an area for potential extension. AMP, the client, has already signed a contract with WDP to lease a new 7.000 m<sup>2</sup> warehouse to be built between now and spring 2005.

##### *Boortmeerbeek, Leuvensesteenweg 238*

In 2004, an existing 10.699 m<sup>2</sup> warehouse will be transformed, alongside the road, into 1.800 m<sup>2</sup> commercial premises with a car park and behind it, 2.500 m<sup>2</sup> of warehouses with offices. The total investment is worth 600.000 EUR.



## Report on activities (continued)

### *Nivelles, Rue de l'Industrie 30*

WDP will undertake a new construction project on this site for WEG, a company which works for the automobile sector. During the initial phase which is to be completed for September 2004, a 4.860 m<sup>2</sup> building will be constructed at a cost of 1,6 million EUR. It could then be subsequently enlarged up to 6.000 m<sup>2</sup>.

### *Rumst-Terhagen, Polder 3*

In spring 2004, the older part of the site (the former Landuyt brickworks) will be demolished. The area thus made available will be used by Stefka to store cranes. A new, 2.800 m<sup>2</sup> multi-functional area worth 500.000 EUR will also be constructed on the same site. The soil remediation imposed by OVAM was completed at the end of 2002. The completion of the new building is planned for the end of 2004.

### *Vilvoorde, Jan Frans Willemsstraat 95*

Half of the 6.000 m<sup>2</sup> building which became vacant at the end of 2003 will be demolished and replaced by a new construction. The other halls will then be renovated. The project represents an investment of 1 million EUR. Walon Nellessen will lease 3.000 m<sup>2</sup> as from 1st April 2004. This company will establish a photography studio there for Toyota and Lexus.

### *Zele, Lindestraat 7*

For mid-2004, the second phase, involving the renovation of 13.000 m<sup>2</sup> of warehouses, will be completed at a total cost of 1,25 million EUR. The plot still has potential for extension. Including the area already renovated in 2003, a total of 30.000 m<sup>2</sup> of warehouses could be offered.

See also: "2. Projects completed".

## 5.2. Abroad

### *Mlada Boleslav, Neprevazka (Czech Republic)*

For 30th June 2004, a semi-industrial complex including 4.000 m<sup>2</sup> of warehouses and 1.000 m<sup>2</sup> of offices will be built on the land acquired by WDP. These include a "Just In Time" warehouse for SAS, a subsidiary of Siemens which supplies automobile cockpits to the car industry. The complex will benefit from an excellent location between the Skoda factories at Mlada Boleslav and a new factory that the manufacturers PSA Peugeot Citroën Group and Toyota are jointly constructing at Colin. The lease runs for 10 years and includes an initial possibility for termination after 7,5 years. The total investment cost, including the acquisition of the land, amounts to 2,5 million EUR.

See also: "3. New acquisitions".



The capital increase in the autumn of 2003 has provided WDP with the necessary margin for manoeuvre to pursue its investments. One of the major challenges of 2004 will be to find worthwhile projects.

The base of 2004 operational results lies in the leases which are already in progress. The future growth of rental income will mainly depend on the following three factors:

### 1. Projects in progress

Projects in progress will probably generate a significant capital gain by the end of 2004, but their impact on the operating results for 2004 will remain limited. Only after 2005 will they fully contribute to operating profits.

In practical terms, there are seven projects accounting for a total surface area of 56.000 m<sup>2</sup>, representing an additional investment of 8 million EUR (on this subject, see also "5. Projects for 2004 and later years" in the activity report on page 17):

- the total renovation and splitting of the existing warehouses from the new building at Asse (Mollem);
- the transformation of a warehouse into a commercial property and offices at Boortmeerbeek;
- the completion of a new construction project at Nivelles;
- the demolition of buildings and the construction of a new, multi-purpose space at Rumst (Terhagen);
- the renovation and construction of a new building at Vilvoorde;
- the renovation of warehouses at Zele;
- the construction of a semi-industrial complex at Mlada Boleslav (Czech Republic).

In early March 2004, 53% of these spaces had already been pre-let.

### 2. The number and speed of new rentals

A second decisive factor for rental income is the number of square metres that WDP will be able to rent out – or for which it will be able to renew the leases – in buildings which have become vacant. Of course, the speed with which these rentals take place is also significant.

Based on its objective of 95% overall occupancy, WDP is confronted with a twofold challenge. First of all, it has to find tenants for the 25.000 m<sup>2</sup> which are still vacant in the seven projects mentioned above, which will be completed in 2004. Secondly, several flexible, short-term leases signed in 2003 will expire and owing to market changes, will not be renewed in 2004. Together with long-term leases expiring this year, this will involve a total of 45.000 m<sup>2</sup>.



### 3. Future investments

The capital increase has given WDP an additional investment potential of 60 million EUR, which will thus enable it to seize opportunities to acquire and/or develop new, worthwhile projects. Faithful to our tradition and the philosophy of the Jos De Pauw family for over 30 years, we shall focus our search on property investments which will enable the creation of capital gains.

In early March 2004, various projects were being examined.

**Thanks to its investment potential, WDP has the requisite resources to pursue its future profitable growth.**

In the medium term, the additional investment potential of 60 million EUR offers the prospect for an additional contribution of around 0,35 EUR per unit of operational profit per share.

The extent to which new projects in 2004 will have a favourable influence on the current year's profits will depend on their nature. For example "sale and leaseback" operations make an immediate contribution. However, renovation or construction projects will probably only become profitable as from 2005.

**Our objective: a sustained or even slightly higher dividend**

Quite soon after the capital increase, 2004 will in some way constitute a transition year. Furthermore, it is difficult to envisage what the future holds in store for us with regard to the aforementioned factors. The Board of Directors has nevertheless fixed an objective – subject to unforeseen or exceptional circumstances – to maintain the net dividend at its current level of 2,10 EUR, and if possible even increase it slightly for the current year.



### 1. General trends in Europe

The economic upturn is slower than had been expected, notably owing to political instability at the international level. Even if the stock markets are gradually winning back some ground, company managers are still putting off their strategic decisions – including property investments – until later. Furthermore, the property market generally only has a somewhat delayed reaction to economic developments: a general increase in demand can not therefore be expected.

Broadly speaking however, the specific market for semi-industrial properties is being maintained, for several reasons. Distribution and logistics companies have thus weathered the difficult economic context quite well. The fallback in the sector's activities and in production has largely been offset by a growth in demand from the mass marketing sector, which is targeting new markets in the East. Furthermore, project managers working in this niche can react with greater flexibility to the variable trends in their customers' needs. Finally, the limited number of available plots has slowed down the supply, which has stabilised the occupancy rate, especially in prime locations.

The sound performance of the semi-industrial market is particularly true for high quality, well located buildings, i.e. those located in areas which correspond to one or several of the



*Because of their location on the map, the top European sites for semi-industrial premises are sometimes referred to as the 'European banana'.*

Source: Cushman & Wakefield Healey & Baker™



following criteria:

- geographic proximity to large markets, which maintains a high level of demand for semi-industrial space;
- presence of a well-developed transport network, making it possible to serve these markets quickly and easily;
- favourable economic growth prospects;
- favourable rents.

As we saw in the paragraph on European intersection points, both economic and political factors determine the value of the sites where activities are established. European Union enlargement, bringing with it some 75 million additional consumers, is gradually moving the centre of gravity towards the East. The main European logistics intersections are maintained as they enable the current markets to be served. But we can already see that the logistics sector is also looking towards the East, and new intersections are going to appear. The map on the previous page illustrates how this expansion towards the east is going to change the characteristic shape of the traditional "European banana" for semi-industrial establishments.

Another major trend is the predominance of outsourcing among companies. Enterprises are increasingly focusing their activities on their main line of business, and prefer to entrust transport and distribution to logistics subcontractors. Certain subcontractors are also beginning to outsource, which is creating an increasingly complex, sophisticated logistics chain. As a result, distributors and logistics companies are making ever greater technological demands, and in turn are expecting even greater flexibility from property companies.

At the same time, we are witnessing a concentration movement in logistics company circles, in order to reduce costs and improve effectiveness. Logistics companies are aiming to develop more extensive European networks, enabling them to respond to demand from multinationals, which no longer organise their distribution chain at a national level, but have become pan-European.

In investment terms, in the current difficult economic climate, semi-industrial property has once again lived up to its reputation as a safe investment vehicle for investors. The relatively low price has also generated interest from institutional investors for semi-industrial properties.

## 2. European supply and demand trends

As a result of the movement towards consolidation and rationalisation in the logistics and distribution sectors, the general demand for semi-industrial property has subsided to a certain extent. It has nevertheless continued to expand in the specific segment of spacious, modern warehouses and distribution centres, especially in strategic regions.

In supply terms, we have seen a decline in speculative construction. For the best establishments, most of the new buildings are even pre-let before the construction work begins. The occupancy rate of these new spaces is therefore very high. Major projects in particular are increasingly carried out on a customised basis, according to the lessee's requirements, ever concerned to keep costs to a minimum by seeking the most effective design and construction techniques.

As the demand from major distributors for semi-industrial spaces in prime locations increases – and is satisfied by customisation – the total surface area of warehouses is increasing. The





downside is that there are too few buildings available in these places, and buildings whose location and installations are less attractive are suffering from higher vacancy rates.

The emphasis placed on outsourcing and flexibility should also benefit the rental market in the future, notably through "sale and leaseback" operations.

### 3. Several major European intersections

If there are signs of a shift towards the east, the traditional European intersections are continuing to perform well. The following table, prepared by Cushman&Wakefield Healey&Baker, presents the strengths and weak points of the 15 main European countries. Belgium is still in the lead, owing to its competitive rents, its highly developed road network and favourable location at the heart of Europe.

France stands in second place. The increasing interest for France as a distribution point for Western Europe is broadly explained by its strategic location and the relatively low prices of land compared with the neighbouring countries. Germany remains in third place, whilst Spain, at the bottom of the league, has overtaken Sweden and Great Britain. A comparison between the "European banana" and the illustration published in the 2002 annual report also reveals that the lowest point is moving further into Spain, going beyond Barcelona to reach Madrid.

In terms of the Central and Western European countries, the Czech Republic is the most popular: it stands in fifth place in Europe. It owes its popularity to its accessibility, its low price of land and its relatively low-cost workforce. Furthermore, Prague lies just on the north-south axis connecting Berlin with Zagreb.

The attraction of the entire Central European area also lies in the savings which can be made in terms of property and salaries. If rail and road infrastructures still do not match up to expectations compared with the rest of Europe, this delay will be gradually made up as the date for entry into the European Union approaches.

Strengths and weak points of the various European countries with regard to the establishment of distribution centres*								
	Costs			Transport				
	Rents	Land	Labour	Road network density	Road network saturation	Rail network	Road transport	Rail transport
Belgium	2	7	12	1	2	4	12	12
France	3	6	7	6	3	9	1	4
Germany	11	14	10	5	6	3	4	2
The Netherlands	10	10	15	2	7	7	8	13
Czech Republic	4	2	2	13	10	2	1	6
Poland	4	1	4	11	14	5	7	3
Austria	4	13	8	3	4	8	10	9
Italy	7	11	13	8	8	10	3	5
Hungary	8	3	2	4	12	1	15	11
UK	15	12	11	6	11	6	5	7
Portugal	1	8	5	12	5	11	11	14
Spain	9	15	6	9	13	12	6	10
Russia	14	4	1	15	15	15	14	1
Ireland	12	8	9	10	9	13	13	15
Sweden	13	5	14	14	1	14	9	8

(Source: Cushman & Wakefield Healey & Baker)

\* 1 refers to the best score, 15 to the poorest result.



#### 4. Trends in the Belgian semi-industrial market


Occupation rates, which have been falling since 2001, reached their lowest level in the first half of 2002. The significant increase in 2003 has therefore brought about a return to the level which existed before the economic recession. To give an example: between the second quarter of 2002 and the second quarter of 2003, occupation increased from around 80.000 m<sup>2</sup> to almost 200.000 m<sup>2</sup>. As the graph below illustrates, distribution accounts for the lion's share, followed to a lesser extent by logistics companies. The areas around Brussels, Mechelen, the Scheldt region, Liège and northern Limbourg are the most sought after. In Antwerp and Campine, occupation has fallen, whereas it has remained at its previous level in Charleroi and Western Limbourg. The Scheldt region, where the gradual renovation of former industrial complexes has created new spaces, has now become the ideal location for logistics platforms.

Generally speaking, vacant properties have increased in Belgium, particularly in Antwerp. In terms of the surface area, buildings of between 500 and 1.500 m<sup>2</sup> have been difficult to let, owing to the economic uncertainty. At the same time, we are seeing an increased demand in the provinces of Brabant and Antwerp for spaces of between 500 and 1.500 m<sup>2</sup> to purchase, which the current supply can not meet for the moment.

On the Brussels-Antwerp axis, rents have remained stable, although they are under pressure in Antwerp. The highest prices are achieved for logistics and distribution space. They can be as much as 48 EUR per m<sup>2</sup> on an annual basis. For the other semi-industrial destinations, Zaventem, in the outskirts of Brussels, performed best, with prices up to 68 EUR per m<sup>2</sup>.

At the same time, the emerging Antwerp-Limbourg-Liège axis is continuing to progress. It looks set to become the second heartland for logistics and distribution companies in the country. Its advantages include its position, alongside the E313 motorway and the proximity of Bierseet airport. In the short term, the supply of semi-industrial buildings is still abundant, but in the longer term, it will have to increase, notably when industrial estates in the outskirts of Liège reach saturation point.

Air transport	River/sea transport	Accessibility			Supply		Total	
		Population density	Access to the heart of Europe	Access to Eastern Europe	New buildings of > 10.000 m <sup>2</sup>	Land	SCORE	Place
8	7	2	1	8	1	5	5.1	1
3	4	10	4	10	1	5	5.3	2
1	6	4	2	4	7	1	5.5	3
4	2	1	3	7	7	1	6.3	4
15	13	7	7	2	7	9	6.5	5
13	11	8	11	1	7	5	6.9	6
9	13	11	6	3	7	14	6.9	7
5	3	5	8	9	1	5	7.2	8
14	13	6	9	5	1	9	7.5	9
2	1	3	5	11	1	9	8.0	10
11	9	9	14	14	1	9	9.4	11
7	5	12	13	13	7	1	9.5	12
6	12	15	15	6	7	1	9.6	13
12	10	13	10	12	7	9	11.0	14
10	8	14	12	14	7	14	11.7	15



## **Trends and developments in the semi-industrial property market (continued)**

Finally, the construction of large industrial estates aimed at logistics and distribution is a new trend. The philosophy of the managers behind these projects is to offer their customers multifunctional sites which also benefit from good connections with various modes of transport, be it by road, rail, river, sea or air.

*Sources: Cushman&Wakefield Healey&Baker™, King Sturge, Jones Lang Lasalle.*





### 1. State of the portfolio on 31st December 2003

The total value of WDP's property portfolio on 31st December 2003 amounted to 333,56 million EUR including transaction costs, or 303,82 million EUR after deducting transaction costs.

Taking into account the pursuit of the 15,67 million EUR investment programme (including VAT, margins and fees), the current portfolio has an estimated gross rental value of 30,51 million EUR, producing a gross return on rents of 8,72%.

### 2. Main properties in the portfolio

The portfolio contains 56 properties. Of these, 45 are in Belgium, with a combined value of 263,51 million EUR. The Belgian properties thus represent 79% of the portfolio. The eleven remaining foreign properties represent 70,05 million EUR or 21% of the portfolio.

The "top three" are Boom-Langelei, San Giuliano Milanese (Italy) and Hazeldonk (the Netherlands). These sites are individually valued at 20 million EUR. Taken together, they account for 59,68 million EUR or 17,89% of the total portfolio.

Nine properties have a value of between 10 and 13,5 million EUR. These are: Aalst - Tragel 11, Leuven - Vaart, Bornem - Rijksweg 19, Nivelles - Rue de l'Industrie, Machelen - Rittwegerlaan, Londerzeel - Nijverheidsstraat 13, Zele - Lindestraat, Anderlecht - Frans Van Kalkenlaan and Ternat - Industrielaan. Taken together, they account for 102,19 million EUR or 30,64% of the total portfolio.

Eight other sites - Vilvoorde - Willem Elsschotstraat, Grimbergen - Eppegemstraat, Aalst - Wijngaardveld, Vilvoorde - Havendoklaan 12, Molenbeek Saint-Jean - rue Delaunoy, Vilvoorde - Havendoklaan 19, Lille - Fretin-Sainghin and Mollem (Asse) - Assesteenweg – are each worth between 7,5 and 10 million EUR. Their total value amounts to 70,22 million EUR, i.e. a 21,05% share of the portfolio.

Thus the twenty principal properties together represent 69,58% of the portfolio.

The 36 remaining properties thus have a total value of 101,46 million EUR, and account for 30,42% of the portfolio.



## Surveyor's evaluation of the portfolio (continued)

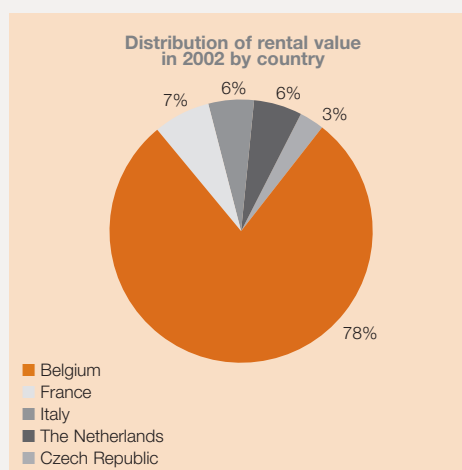
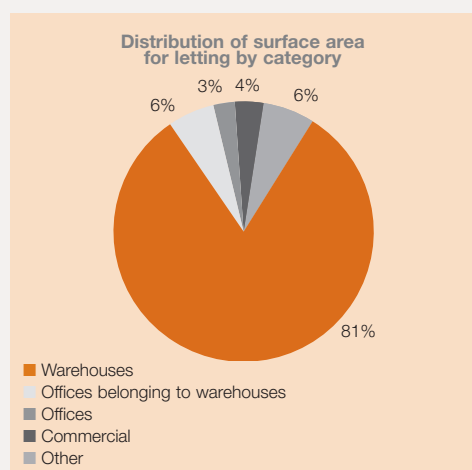
### 3. Value and composition of the rental portfolio

The total surface area in the portfolio is 140,95 hectares, including 8,31 hectares granted in concession. The remaining 132,65 hectares are estimated at 99,05 million EUR, i.e. 29,7% of the total portfolio value. The average value of the land amounts to 74,7 EUR/m<sup>2</sup>, excluding transaction costs.

The total rentable surface area of the buildings is 660.066 m<sup>2</sup>, with a total estimated rental value of 27,12 million EUR. The warehouses form the lion's share (72,4%), with a surface area of 538.251 m<sup>2</sup> and a total rental value of 19,62 million EUR. Their average rental per m<sup>2</sup> is thus 36,45 EUR/m<sup>2</sup>.

Office areas represent 55.931 m<sup>2</sup> or a rental value of 4,61 million EUR, i.e. an average of 82,4 EUR per m<sup>2</sup>. Commercial premises cover 23.332 m<sup>2</sup> and represent a rental value of 1,27 million EUR, i.e. an average of 54,35 EUR per m<sup>2</sup>. Finally, various other uses represent a further 42.552 m<sup>2</sup> or 1,62 million EUR, i.e. a rental value of 38,04 EUR/m<sup>2</sup>.

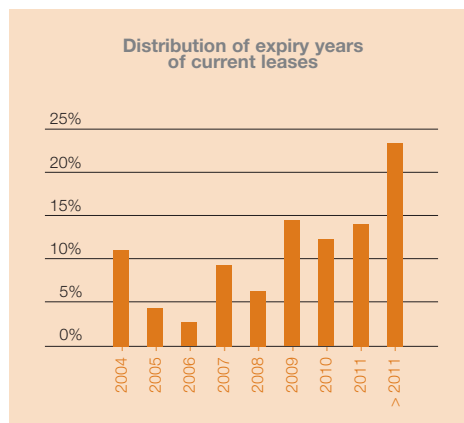
Use	Built surface (m <sup>2</sup> )	Estimated rental value (million EUR)	Estimated average rental value per m <sup>2</sup> (EUR)	% of total value
Warehouses	538.251	19,62	36,45	72,3
Offices belonging to warehouses	38.348	3,15	82,05	11,6
Offices	17.538	1,46	83,18	5,4
Commercial premises	23.332	1,27	54,35	4,7
Other (multi-use premises, car parks and archives)	42.552	1,62	38,04	6,0
<b>Total</b>	<b>660.066</b>	<b>27,12</b>		<b>100%</b>





#### 4. Rental situation of vacant buildings

Based on the leases currently running as at 31st December 2003, the leased buildings generate income of 27,51 million EUR, i.e. an increase of 9,47% compared with the previous financial year. The rental income is the sum of all the lease contracts and charges paid for the management of the buildings or specific work, less the advance property levy and/or charges payable by the owner for concessions. In total, it is therefore almost exactly equivalent to the rental value in line with market prices, mentioned in point 3.



The main clients are: Tech Data with 10,5% of the total rental income, Deventer Logistic Services (6,8%), Belgacom (4,7%), De Post and DHL Solutions (3,8% each) and Interbrew (3,1%). The ten principal clients jointly represent 42,1% of the total rental income. The "top 20" account for 60,3% and the "top 50" for 84,2%.

Leases maturing in 2004 and 2005 represent 11,4% and 4,7% respectively of the total rental value. By contrast, the contracts maturing in 2009 at the earliest account for 64,9%.

The vacant areas represent an additional rental value of 1,16 million EUR, i.e. a vacancy rate of 4.05% in terms of leasing potential, i.e. rental income plus the rental value of vacant spaces.

- vacant warehouses represent 35.727 m<sup>2</sup> or 1 million EUR;
- at the end of December 2003, 2.464 m<sup>2</sup> of offices were available to be rented, i.e. 0,14 million EUR;
- the commercial premises are fully let;
- the 3.776 m<sup>2</sup> of "other" spaces that remain to be let represent 0.02 million EUR.

The vacancy of buildings mainly involves the following sites:

- Aalst - Wijngaardveld, vacated by Amylum in mid-2003 (8.224 m<sup>2</sup> for rent), where a new building was completed and leased in the interim;
- France, Lille - Roncq, where a new warehouse was completed, only half of which is currently leased (3.438 m<sup>2</sup>);
- Lebbeke (Wieze) - Kapittelstraat, where the lease with Ziegler has expired (5.652 m<sup>2</sup>).

#### Overview of vacancy of available buildings

Use	Vacant surface area (m <sup>2</sup> )	Estimated rental value (EUR m)
Warehouses	35.727	1,00
Offices	2.464	0,14
Commercial premises	-	-
Various uses	3.776	0,02
<b>Total</b>	<b>41.967</b>	<b>1,16</b>

### 5. Buildings in the project phase

In seven complexes, a construction or renovation programme is either planned or in progress. All of these programmes together represent an additional investment of some 15 million EUR (including fees, taxes, profit and risk margins and interim interest). This represents an additional rental potential of 3,72 million EUR, i.e. a return of 23% with regard to the outstanding works. Leases have already been signed for 1,10 million EUR, i.e. approximately 30%.

The main immediate investments concern:

- renovation and extension work at Mollem (Asse) - Assesteenweg (4 million EUR);
- an extension at Nivelles - rue de l'Industrie (2,2 million EUR);
- the construction of a new building in the Czech Republic, Mlada Boleslav II (2 million EUR);
- major transformations at Boortmeerbeek - Leuvensesteenweg (1,5 million EUR) and Zele - Lindestraat (1 million EUR);
- the replacement of a warehouse by new premises at Vilvoorde - Jan Frans Willemsstraat (1 million EUR).

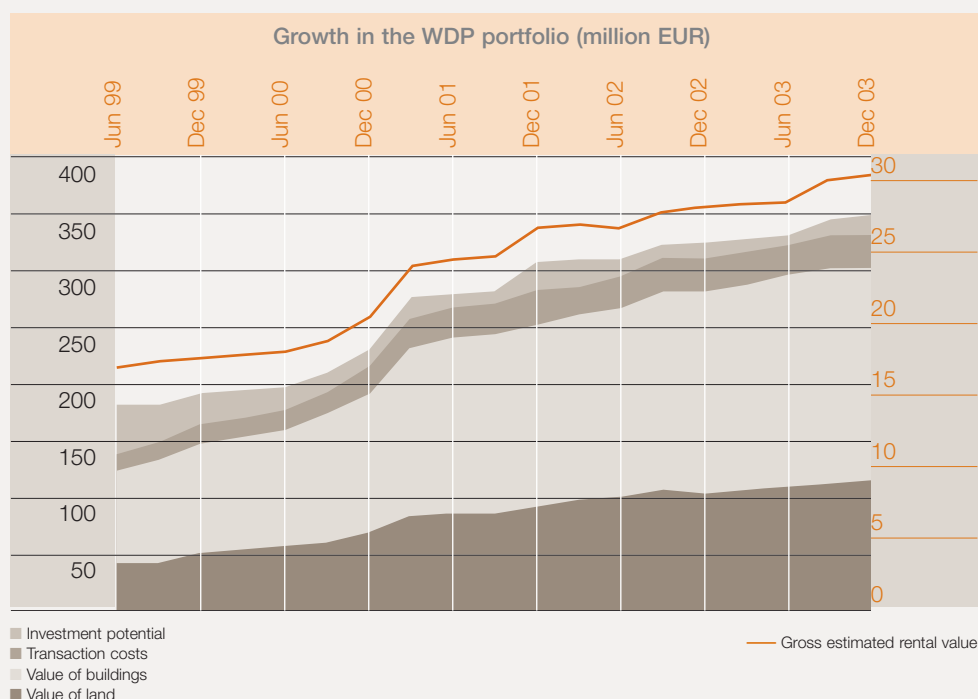
It is planned to undertake this work during the course of 2004, and part of it will continue into 2005.

### 6. Evolution of the portfolio compared with 31st December 2002

Since 31st December 2002, the total portfolio value has increased by 22,63 million EUR (including transaction costs), which amounts to growth of 7,3%.

The value of the Belgian portfolio has increased by 21,41 million EUR (+ 8,8%). The foreign portfolio's value has also increased by 1,17 million EUR (+ 1,7%).

The acquisition of the Nestlé site at Asse (Mollem), and the current project at Mlada Boleslav II (Czech Republic) together represent 8,4 million EUR.





The growth is explained once again by the construction of new buildings, the renovation and/or leases achieved in the sites already in the portfolio:

- Vilvoorde-Havendoklaan 19 (5 million EUR);
- Molenbeek Saint-Jean - rue Delaunoy (2,1 million EUR);
- Aalst - Tragel 11-12 (1,4 million EUR);
- Zele - Lindestraat (1 million EUR);
- Bornem-Rijksweg 19 (1 million EUR);
- Beringen-Industrieweg (0,8 million EUR).
- Aalst - Wijngaardveld (0,8 million EUR);
- Anderlecht – Frans Van Kalkenlaan (0,7 million EUR);
- Boom - Langelei (0,7 million EUR);
- Nivelles - rue de l'Industrie (0,5 million EUR).

This therefore means that the value of the rest of the portfolio – not taking into account any new investments – has been maintained overall at its previous level.

In the longer term, the value, including transaction costs, has increased by 18% over the past two years and by 141% since floatation in June 1999. This represents a cumulative growth percentage of 21,6% per year.

## 7. General economic factors

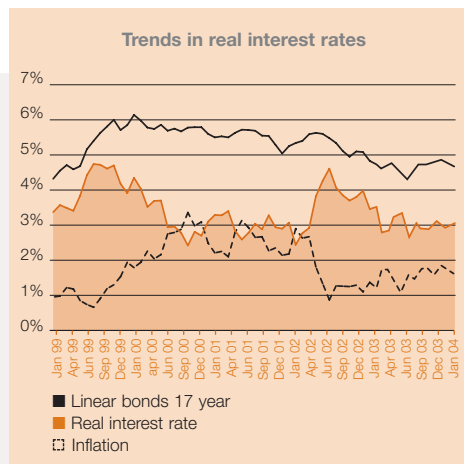
The long term interest rate – for which linear bonds over 15 to 20 years are used as a reference to calculate property investments – fell back slightly in 2003. At the end of December 2003, it stood at 4,73%, compared with 4,84% at the end of December 2002.

The increasingly greater proportion of recent and multifunctional buildings within the portfolio has brought down the "illiquidity margin" – typical of this particular type of property – from 2,27% to 2,20%. This means that expected net rental income are discounted at a forward interest rate of 6,93%, compared with 7,11% last year.

At the same time, the inflation rate rose slightly: from 1,21% in 2002, it increased to 1,60% in 2003. The real interest rate, i.e. the difference between the forward rate including the illiquidity margin and inflation, thus fell from 5,90% to 5,33%.

History has taught us that the real interest rate considered in such terms never remains lower than 4% for long. In terms of this portfolio estimate, in accordance with real interest rates, the future inflation rate is estimated at only 0.75%, compared with 1% last year.

This reduces the impact of the increase in rates expected by analysts for the end of 2004. The real interest rate (including the margin), which plays a predominant role in the financial analysis, thus increased from 5,93% at the end of 2001 to 6,11% at the end of 2002 and 6,18% at the end of 2003 (6,93% - 0,75%). If we subtract the illiquidity margin from these percentages, we see that the real interest rate (excluding the margin) has never fallen below 4% for long.





### Definitions used in the property overview

Return on rents:

*the ratio between potential gross rent and investment value.*

Potential gross rent is calculated as follows:

*the rent stipulated in the contract for the year 2003 plus the estimated value of the unlet parts, less the advance property tax payable by the owner and less the fees payable, e.g. when the land has been granted in concession.*

Investment value is calculated as follows:

*the value of the property in its present state plus transaction costs (registration and legal fees), plus anticipated investments, including VAT and legal fees.*

▲ Value:

*the percentage increase or decrease in value (including transaction costs) on 31st December 2003, compared with the value stated in the annual report for the year 2002, and in the prospectus produced for the share issue of the closed-end property investment company in June 1999. For properties acquired since the share issue, the point of comparison is their value at the time they were entered in the portfolio.*





## 1. Properties with a value of over 7,5 million EUR

### Aalst, Tragel 11-12 - Garenstraat

#### Location

A plot of 44.163 m<sup>2</sup> in the industrial zone, near the centre and the main traffic arteries.

#### Buildings

A new construction built in 1998-1999, with 3.930 m<sup>2</sup> of offices and workshops and 19.755 m<sup>2</sup> of warehouses with headroom of 8 to 12 metres. The warehouses are equipped with air heating and sprinklers.

#### Lettings

The entire site is let until 2007 to Tech Data, which is paying an additional charge for the investment in a cooling system.

#### Changes in 2003

On re-measurement, the surface area of the building was found to be 6% greater than what had previously been accepted, which resulted in an increase in its estimated value.

#### Prospects for 2004

None.

#### Return on capital

8,53%

#### Occupancy on 31/12/2003

100%

#### ▲ Value compared to 31/12/2002

+ 12,22%

#### issue

+ 84,72%

### Aalst, Wijngaardveld 3 - Dijkstraat 7

#### Location

A plot of 39.822 m<sup>2</sup> in the industrial zone of Wijngaardveld, between the Aalst-Dendermonde road and the Dender.

#### Buildings

Two warehouses of 7.800 m<sup>2</sup> and 10.125 m<sup>2</sup> respectively, built in 1992, with a clearance height of 8 metres, including offices and social facilities. Air heating. A new construction project with 4.750 m<sup>2</sup> of warehouses and offices was completed.

#### Lettings

As planned, Amylum left the old buildings. About half has since been re-let to Aldeco and D&C. The new warehouse is entirely leased to VPK Packaging, the town of Alost and Balterio.

#### Changes in 2003

Finalisation of a new warehouse.

#### Prospects for 2004

None.

#### Return on capital

8,43%

#### Occupancy on 31/12/2003

64,16%

#### ▲ Value compared to 31/12/2002

+ 9,51%

#### issue

+ 25,55%

### Anderlecht, Frans Van Kalkenlaan 9

#### Location

A fully-owned plot of 20.638 m<sup>2</sup> and another jointly-owned plot of 2.240 m<sup>2</sup>, both in the Anderlecht-Forest industrial zone, alongside the Brussels-Charleroi canal, between Industrielaan and Bergensesteenweg. This site is close to the goods station, the Brussels Zuid station and the Brussels motorway ring.

#### Buildings

A 1969 construction which is undergoing a general renovation programme. The first plot comprises 15.382 m<sup>2</sup> of warehouses equipped with a heating installation and sprinklers, divided into 8 units. The two main units (9.040 m<sup>2</sup>) have headroom of 7 to 8 metres. The height of the other units varies between 3,5 and 5 metres. The eight-storey "Asar tower" is on the second plot. WDP owns floors 3 to 8 (a total of 2.040 m<sup>2</sup> of offices), along with 40 parking spaces and 253 m<sup>2</sup> of archive space.

#### Lettings

The renovated warehouses have been entirely let. De Post is the main tenant (62%), with a lease until 2012. The seventh and eighth floors are let at market rates for a period of 9 years.

#### Changes in 2003

Except for the 3.600 m<sup>2</sup> which are leased, the warehouse part has been entirely renovated.

#### Prospects for 2004

The finalisation of the offices will be carried out subject to lettings: a budget of approximately 875.000 has been set aside for this.

#### Return on capital

9,04%

#### Occupancy on 31/12/2003

81,92%

#### ▲ Value compared to 31/12/2002

+ 7,56%

#### issue

+ 8,51%

**Asse (Mollem),  
Assesteenweg 25**

**Location**

A plot of land of approximately 47.800 m<sup>2</sup> in the SME park at Mollem, which is currently accessed from the centre of Asse. The plan to build a ring road around Asse will greatly improve accessibility, both to the ring road around Brussels and to the E40.

**Buildings**

A complex built in three phases: 1967, 1988 and 1996. It has been extensively enlarged and renovated. The existing buildings include 15.332 m<sup>2</sup> of warehouses with headroom of 6,8 metres and 9 metres, equipped with 22 (un)loading wharves. There are also 493 m<sup>2</sup> of offices and 825 m<sup>2</sup> of workshops and business areas. Office premises with 1.522 m<sup>2</sup> of offices and 761 m<sup>2</sup> of archive space is under construction just alongside it, together with a new construction of 6.200 m<sup>2</sup> of warehouses and 300 m<sup>2</sup> of offices.

**Lettings**

Vemoflex and AMP have already signed lease contracts which run until 2013 and 2017 respectively. Only a part of warehouse A (± 3.500 m<sup>2</sup>) is still to be let.

**Changes in 2003**

The site's former owner, Nestlé, vacated the buildings at the end of the year, as planned.

**Prospects for 2004**

Work to be undertaken in the first half of the year.

**Return on capital**

8,50%

**Occupancy on 31/12/2003**

-

▲ Value compared to 31/12/2002: -  
portfolio entry on 30/09/2003  
+ 46,9%

**Boom, Langelei 114-120 -  
Industrieweg**

**Location**

A 71.412 m<sup>2</sup> plot of land bordering the A12 in the fully developed Krekelenberg industrial estate, on the former "Boomse Metaalwerken" site. This site is particularly suitable for distribution companies owing to its position on the Antwerp-Brussels axis and its easy access to Sint-Niklaas and Mechelen.

**Buildings**

A complex built in 2000-2001 including 2.129 m<sup>2</sup> of offices equipped with air conditioning and 34.236 m<sup>2</sup> of warehouses. The warehouses have headroom of 10,50 metres and 40 (un)loading wharves. They have been equipped with sprinklers, interior firewall partitions and external fire doors, anti-dust concrete 2,5T/m<sup>2</sup> flooring and air heating.

**Lettings**

The site is entirely let at market rates to No Limit, Alcatel and ODT. A strip of land that had been vacant is now also leased. Some 18.285 m<sup>2</sup> will be vacated before lease expiry in 2004. They are currently subject to negotiations with various potential customers.

**Changes in 2003**

None.

**Prospects for 2004**

None.

**Return on capital**

8,32%

**Occupancy on 31/12/2003**

100%

▲ Value compared to 31/12/2002:  
+ 3,49%  
issue  
+ 595,12%

**Bornem,  
Rijksweg 19**

**Location**

A plot of 38.000 m<sup>2</sup> next to the road alongside the Willebroek-Temse-Sint-Niklaas national trunk road. Easy access to the A12 and the E17. Several large companies are located nearby. Several distribution centres are concentrated in this area, notably for Lidl, H&M, C&A and JVC.

**Buildings**

The former Reco offices, production premises and warehouses. Major alterations and refurbishment have been completed. The industrial premises have headroom of 5,74 to 8 metres. A new building is currently has been constructed at the back of the site. This has brought the total surface area of offices to 1.634 m<sup>2</sup> (1.454 m<sup>2</sup> already exist and 260 m<sup>2</sup> will be new), 343 m<sup>2</sup> of service and technical areas and 20.337 m<sup>2</sup> of warehouses.

**Lettings**

The 3.346 m<sup>2</sup> of existing warehouses are let to DSL Logistics. Part of the new warehouses are let to Disor, the other is let through a short-term lease to Mazda. The existing offices are leased to Caresta until August. 2.350 m<sup>2</sup> of warehouses remain vacant.

**Changes in 2003**

Completion of buildings.

**Prospects for 2004**

None.

**Return on capital**

8,47%

**Occupancy on 31/12/2003**

90,76%

▲ Value compared to 31/12/2002: + 8,76%  
portfolio entry on 31/12/2001:  
+ 156,83%



### Grimbergen, Eppegemstraat 31

#### Location

A plot of land of approximately 121.260 m<sup>2</sup> in concession from the Brussels Inland Port until 2025. WDP's concession covers half of the land. The plot is situated alongside the Willebroek canal, in an industrial area whose access has been greatly improved, which also offers access to the Cargovil SME zone.

#### Buildings

The 5.096 m<sup>2</sup> of offices and social areas were built in 1978 and the 48.017 m<sup>2</sup> of warehouses were built in 1996. The warehouses have a headroom of 7,10 to 10,73 metres and are entirely geared towards wholesale distribution. Also, with regard to the buildings, WDP is a joint owner with a 50% share.

#### Lettings

The entire site is let to Danzas until 2013 and the rent is not index-linked. Current market rents are 20% higher.

#### Changes in 2003

None.

#### Prospects for 2004

None.

### Leuven, Vaart 25-35

#### Location

A 3.170 m<sup>2</sup> plot between the Leuven canal basin, which was redeveloped into a marina, and the raised viaduct which forms part of the Leuven ring road. This plot faces the Interbrew site, and is excellently positioned for advertising.

#### Buildings

The former "Moulins Hungaria" have been completely renovated into a complex with 10.300 m<sup>2</sup> of office spaces, 3.500 m<sup>2</sup> of commercial premises and 1.505 m<sup>2</sup> for other purposes and 63 parking spaces.

#### Lettings

Interbrew accounts for 72% of the lease revenue, with leases that will expire on 31st March 2009. The Department for Employment is the second largest tenant with an 11% share and a lease which expires in 2013.

#### Changes in 2003

None.

#### Prospects for 2004

None.

### Londerzeel, Nijverheidsstraat 13 - 15

#### Location

A 42.115m<sup>2</sup> plot of land in the industrial estate alongside the A12, close to the centre of Londerzeel with direct access to the railway.

#### Buildings

Two industrial buildings constructed in 1989-1991, with a total of 821 m<sup>2</sup> of offices, 25.199 m<sup>2</sup> of warehouses with 6.40 metres headroom, 1.500 m<sup>2</sup> of warehouses with 3,25 metres headroom and 18 (un)loading wharves.

#### Lettings

The two tenants are SSG Europe and Disor. Their leases run until 2005 and 2007. There are 548m<sup>2</sup> of vacant offices.

#### Changes in 2003

None.

#### Prospects for 2004

None.

#### Return on capital

9,19%

#### Occupancy on 31/12/2003

100%

#### ▲ Value compared to 31/12/2002

- 3,54%

#### issue

- 15,04%

#### Return on capital

9,23%

#### Occupancy on 31/12/2003

100%

#### ▲ Value compared to 31/12/2002

+ 1,40%

#### issue

+ 105,87%

#### Return on capital

8,54%

#### Occupancy on 31/12/2003

96,63%

#### ▲ Value compared to 31/12/2002

- 0,21%

#### issue

+ 12,65%

## Property overview (continued)

### Machelen, Rittwegerlaan 91-93 - Nieuwbrugstraat

#### Location

A 12.360 m<sup>2</sup> plot in the Haren-Buda district, between Woluwelaan and the centre of Vilvoorde, immediately next to the Brussels motorway ring. Several construction and renovation projects are currently under way in this area.

#### Buildings

An industrial complex with 7.150 m<sup>2</sup> on the ground floor and the same surface area on the first floor. It has been completely renovated and transformed into an "internet hotel", in accordance with the current tenant's specific requirements. The investment is worth some 6 million EUR.

#### Lettings

Entirely let until 30th June 2013 to Belgacom. Possibility to revise the rent in the event that the lease is contracted for 18 years. The conditions of the lease take into account the specific fittings. The outdoor car park has 50 spaces and is let to Initial Security.

#### Changes in 2003

The KPN Belgium lease has been taken over by Belgacom.

#### Prospects for 2004

None.

#### Return on capital

10,25%

#### Occupancy on 31/12/2003

100%

▲ Value compared to 31/12/2002: - 0,67%  
portfolio entry on 31/3/2001  
+ 162,54%

### Nivelles, Rue de l'Industrie 30

#### Location

A 60.959 m<sup>2</sup> plot in phase two of the "Nivelles-Sud" industrial estate, close to the ringroad. Easy access to the E19. The industrial estate notably includes Westinghouse, Roto, Belgacom, Marklin and Parker installations.

#### Buildings

The buildings date from 1990-1991 and include 2.435 m<sup>2</sup> of offices spread over two floors and 20.633 m<sup>2</sup> of reinforced concrete warehouses equipped with 8 gates, 10 (un)loading wharves, fire doors and air heating systems. A new construction project is under way: it includes 4.195 m<sup>2</sup> of warehouses and 665 m<sup>2</sup> of offices.

#### Lettings

Toyota Belgium continues to rent part of the site until 2005 (20% of the rent). Nine-year leases were also signed in 2002 with Duchesne and Editor Belgium.

#### Changes in 2003

Construction work on the new buildings has begun.

#### Prospects for 2004

Completion of the new buildings in September. They have already been pre-let for a fixed term of 9 years to WEG Europe.

#### Return on capital

8,91%

#### Occupancy on 31/12/2003

100%

▲ Value compared to 31/12/2002: + 4,57%  
portfolio entry on 30/09/2002  
+ 4,60%

### Molenbeek Saint-Jean, Rue Delaunoy 34-36 and 52-94

#### Location

Two plots of 10.271 m<sup>2</sup> and 3.253 m<sup>2</sup> respectively, in a densely built-up district between Ninoofsesteenweg and Gentsesteenweg.

#### Buildings

An industrial building – the former "Belle-Vue" brewery – with approximately 7.500 m<sup>2</sup> of cellars, 8.000 m<sup>2</sup> on the ground floor and 9.352 m<sup>2</sup> spread over six floors. This property has already been partially renovated and reorganised into multi-purpose areas for shows, exhibitions and workshops. It is currently known as the "De Bottelarij" (Bottling shop). The second plot contains a 1.616 m<sup>2</sup> hangar with headroom of 6 metres.

#### Lettings

The main tenants are the Royal Flemish Theatre (KVS), RL-TeX, Brussels Event Brewery (BEB) and the RITS. Further leases have also recently been signed with several cultural associations. The current total rental income stands at 660.000 EUR, together with an additional amount paid by the BEB based on its sales.

#### Changes in 2003

Transformation of other spaces. Four small houses adjacent to the building have been sold to a private investor.

#### Prospects for 2004

KVS will leave "De Bottelarij" in mid-2004 to return to the theatre in rue de Laeken.

#### Return on capital

8,84%

#### Occupancy on 31/12/2003

87,93%

▲ Value compared to 31/12/2002  
+ 32,80%  
issue  
+ 238,43%



### **Ternat, Industrielaan 24**

#### **Location**

A 28.274 m<sup>2</sup> plot in the SME zone near to junction 20 of the E40. The location offers ideal access for distribution companies to the Brussels motorway ring.

#### **Buildings**

One half of the original complex dates from 1977-1978, and the other from 1985. Half of the offices and a warehouse were entirely renovated in 2000-2001. A new building has also been constructed. In total, there are 3.125 m<sup>2</sup> of offices and service areas and 13.913 m<sup>2</sup> of warehouses with headroom of 7 to 9,50 metres equipped with 21 (un)loading wharves.

#### **Lettings**

The main tenants are Carrefour (29%), Exbo (29%) and Pias (27%).

#### **Changes in 2003**

Carrefour has extended its lease for one year.

#### **Prospects for 2004**

None.

### **Vilvoorde, Havendoklaan 12**

#### **Location**

A 27.991 m<sup>2</sup> plot in the Cargovil business park, between Woluwelaan and the Insteekdok, with easy access to the E19 and Luchthavenlaan.

#### **Buildings**

The existing buildings, which were built in 1994, have been renovated and extended. The first phase contains 600 m<sup>2</sup> of offices, 3.484 m<sup>2</sup> of warehouses with headroom of 11 metres and 903 m<sup>2</sup> of (un)loading wharves. The second phase, completed at the end of 2002, involved an additional 850 m<sup>2</sup> of offices and 7.875 m<sup>2</sup> of storage space with headroom of 11 metres.

#### **Lettings**

AMP has leased the phase one premises since their completion, on 1st October 2001. DLS Belgium has rented the phase two buildings since 1st July 2002. Both are fixed-term leases for 9 years.

#### **Changes in 2003**

None.

#### **Prospects for 2004**

AMP will vacate the premises in mid-2004 to move to the new site at Asse (Mollem).

### **Vilvoorde, Havendoklaan 19**

#### **Location**

A 19.189 m<sup>2</sup> plot in the Cargovil business park, between Woluwelaan and the Insteekdok, within easy access of the E19 and Luchthavenlaan.

#### **Buildings**

A construction project with 10.677 m<sup>2</sup> of warehouses with a reinforced concrete structure and headroom of 10,50 metres was completed on this site. The buildings are equipped with air heaters, sprinklers and 10 unloading wharves. It is still possible to construct two further, separate office buildings with a total surface area of 879 m<sup>2</sup>.

#### **Lettings**

Entirely let to Taxipost for a period of nine years as from 1st June 2003.

#### **Changes in 2003**

Completion of the buildings in June.

#### **Prospects for 2004**

None.

#### **Return on capital**

8,87%

#### **Occupancy on 31/12/2003**

99,60%

▲ Value compared to 31/12/2002: + 9,23%  
portfolio entry on 31/12/1999  
+ 95,94%

#### **Return on capital**

8,49%

#### **Occupancy on 31/12/2003**

100%

▲ Value compared to 31/12/2002:  
+ 1,50%  
issue  
+ 267,47%

#### **Return on capital**

7,96%

#### **Occupancy on 31/12/2003**

100%

▲ Value compared to 31/12/2002: + 186,89%  
portfolio entry on 31/12/2001  
+ 579,70%

**Vilvoorde, Willem  
Elsschotstraat 5 -  
Jan Frans Willemsstraat**

**Location**

A 47.203 m<sup>2</sup> plot alongside the Senne. The plot is in a recent industrial estate with easy access to the Brussels motorway ring and the E19, immediately next to the Cargovil land, where several large logistics and distribution companies are based.

**Buildings**

The existing buildings were entirely renovated in 1996-1997. They include 1.289 m<sup>2</sup> of offices and 12.250 m<sup>2</sup> of warehouses with headroom of between 4,75 and 7,50 metres. In 1999, a new building with 286 m<sup>2</sup> of offices and 6.464 m<sup>2</sup> of warehouses was completed.

**Lettings**

The main tenants are Intertrans (31%), KDL Trans (30%), Group 4 Courier (15%) and VBD Express SA (15%).

**Changes in 2003**

None.

**Prospects for 2004**

KDL Trans will vacate the premises at the end of November.

**Zelev, Lindestraat 7 -  
Baaikensstraat**

**Location**

A 71.415 m<sup>2</sup> plot in the industrial estate alongside the road between Lokeren and Dendermonde, near to the E17.

**Buildings**

The complex has been entirely renovated and partially demolished. The project envisages 1.774 m<sup>2</sup> of offices and 29.997 m<sup>2</sup> of warehouses with headroom of between 6,5 and 7,5 metres. It will still be possible to build another warehouse at a later date.

**Lettings**

None.

**Changes in 2003**

After the demolition work, the renovation of the remaining buildings was begun.

**Prospects for 2004**

The completion of the remaining renovation programme is estimated at 1,25 million EUR (including VAT and fees).

**Return on capital**

8,97%

**Occupancy on 31/12/2003**

100%

**▲ Value compared to  
31/12/2002**

+ 4,54%

**issue**

+ 73,44%

**Return on capital**

9,32%

**Occupancy on 31/12/2003**

-

**▲ Value compared to  
31/12/2002**

+ 10,89%

**issue**

+ 26,58%





## FRANCE

**Lille, Fretin - Sainghin-en-Mélantois, Rue des Hauts de Sainghin, plots 179 and 180**

### Location

Two plots with a total surface area of 31.689 m<sup>2</sup> located in an extension of the Centre de Gros de Lesquin (250 ha in total), the main logistics platform to the north of Paris. The Centre de Gros de Lesquin forms part of the Lille Métropole economic pole. The plots are immediately next to the Lille-Valenciennes (A23) motorway junction and are easily accessible from the A1, A22, and A27. The Lille-Lesquin airport is only 4 kilometres away. 60% of the plot can be built on and 25% has to be laid out as a green zone.

### Buildings

The buildings, constructed in 1999, offer 16.720 m<sup>2</sup> of storage space, split into two equal parts. Its headroom is 10 metres. The two parts are separated by a firewall and each have their own structure. The warehouse has sprinklers, 17 (un)loading wharves and a large gate.

### Lettings

The existing building is entirely leased to ABX France until July 2008.

### Changes in 2003

None.

### Prospects for 2004

None.

#### Return on capital

8,27%

**Occupancy on 31/12/2003**  
100%

▲ **Value compared to 31/12/2002:** + 0,68%  
**portfolio entry on 31/03/2001**  
+ 6,03%

## ITALIË

**Milan, San Giuliano Milanese, Via Tolstoj 63-65**

### Location

A plot with a total surface area of 34.529 m<sup>2</sup> in the eastern periphery of Milan, close to the intersection of the motorway ring and the Bologna motorway. This motorway crosses the Po valley and takes traffic to both Florence and Rome and the Adriatic coast.

### Buildings

The site includes existing buildings and new constructions. One half of the existing buildings was constructed in 1970 (179 m<sup>2</sup> of offices and 4.495 m<sup>2</sup> of warehouses with headroom of 7,10 metres), whereas the other dates from 1984 (1.516 m<sup>2</sup> of warehouses with headroom of 5,60 metres). The new constructions include an 8.515 m<sup>2</sup> warehouse (8,50 metres headroom) completed in 1999 and 4.253 m<sup>2</sup> of offices and service areas completed in March 2000.

### Lettings

Entirely let to Tech Data in a fixed-term lease until 2010, with an automatic extension of 6 years.

### Changes in 2003

None.

### Prospects for 2004

None.

#### Return on capital

9,22%

**Occupancy on 31/12/2003**  
100%

▲ **Value compared to 31/12/2002**  
+ 1,60%  
**issue**  
+ 154,47%

## THE NETHERLANDS

**Hazeldonk, Breda Industrieterrein, numbers 6462 and 6464**

### Location

Two plots with a total surface area of 53,172m<sup>2</sup>, bordering on three streets with boundaries of 220, 223 and 226 metres. The plots are in the Hazeldonk SME zone (phase I), alongside the A1-E19, just beside the Belgian-Netherlands border, 8 kilometres from the centre of Breda. The following two phases and the nearby Meer transport zone have also been entirely accepted and/or built. The zone includes several major distribution complexes, mainly rented to Dutch and international transport and logistics companies.

### Buildings

A distribution complex built in the early 1990s, including 1.320 m<sup>2</sup> of offices and 35.998 m<sup>2</sup> of warehouses with headroom of between 8,13 and 10,60 metres, equipped with sprinklers, air heaters, 16 (un)loading wharves and 10 additional access gates for lorries.

### Lettings

Fixed-term lease until early 2011 to Deventer Groep BV, with the option to renew it for 5-year periods.

### Changes in 2003

None.

### Prospects for 2004

None.

#### Return on capital

9,33%

**Occupancy on 31/12/2003**  
100%

▲ **Value compared to 31/12/2002:** - 1,20%  
**portfolio entry on 31/03/2001**  
- 12,73%



## Property overview (continued)

### 2. Properties valued at between 2 million EUR and 7,5 million EUR

#### Aalst, Tragel 5 - Gheeraertstraat 15-16

A plot of 16.546 m<sup>2</sup> in the industrial zone between the Dender, Dendermondsesteenweg and Ringlaan. This is a former industrial complex with 12.514 m<sup>2</sup> of warehouses with headroom of 5 metres.

**Return on capital**  
9,20%  
**Occupancy on 31/12/2003**  
96,60%  
▲ **Value compared to 31/12/2002**  
+ 2,30%  
**issue**  
+ 15,41%

#### Antwerpen, Lefebvredok – Grevendilf – Vrieskaai

A 22.513 m<sup>2</sup> plot of land in concession from the Brussels Inland Port until 2007, with the possibility of a prolongation. The complex has 7 units including a total of 70m<sup>2</sup> of offices 18.747 m<sup>2</sup> of warehouses with headroom of 4,11 to 8,42 metres. Nova Natie and Carga rent the site according to the maximum surface area used each month.

**Return on capital**  
10,08%  
**Occupancy on 31/12/2003**  
95,61%  
▲ **Value compared to 31/12/2002**  
- 2,18%  
**issue**  
+ 7,48%

#### Beersel (Lot), Heideveld 3 - 4

A 21.325 m<sup>2</sup> plot in the Heideveld industrial estate, between the main Brussels – Bergen road, the Brussels-Charleroi canal and the E19. A new construction was completed in 2001. The complex includes 502 m<sup>2</sup> of offices and social areas, a main warehouse of 6.450 m<sup>2</sup> with a clearance height of 8,20 metres and a second one of 253 m<sup>2</sup> with headroom of 6 metres. The site is entirely let until September 2007 to TDS Logistics at market rates.

**Return on capital**  
9,85%  
**Occupancy on 31/12/2003**  
95,45%  
▲ **Value compared to 31/12/2002**  
+ 1,13%  
**issue**  
+ 240,61%

#### Beringen (Paal), Industrieweg 135 - Rijsselstraat

A 21.438 m<sup>2</sup> plot of land in an industrial estate between Beringen-Paal and Tessenderlo. A recent construction including two warehouses. The first one is 870 m<sup>2</sup>, with 336 m<sup>2</sup> of offices, and the second is 4.074 m<sup>2</sup>, with 451 m<sup>2</sup> of offices. A new warehouse complex, with a surface area of 4.564 m<sup>2</sup> divided into 3 hangars, has been completed. It is leased to ISS and Alcoa through two fixed-term leases until the end of 2007.

**Return on capital**  
7,98%  
**Occupancy on 31/12/2003**  
55,15%  
▲ **Value compared to 31/12/2002**  
- 1,71%  
**issue**  
+ 57,46%

#### Boortmeerbeek, Industrieweg 16

Four plots with a total surface area of 40.151 m<sup>2</sup>, in a small SME park alongside the Mechelen-Leuven road. The complex is on one of the largest plots (28.028 m<sup>2</sup>) and dates from the early 1990s. It includes 3.120 m<sup>2</sup> of offices on 3 floors which can be rented separately and 14.335 m<sup>2</sup> of warehouses with a headroom of 7,50 metres, in which there is 130 m<sup>2</sup> of additional built-in office space. Distri-Log rents the warehouses and the 130m<sup>2</sup> of offices through a fixed, nine-year lease which will expire in 2009. Babcock has offered a rent guarantee for the remaining offices until April 2004.

**Return on capital**  
8,95%  
**Occupancy on 31/12/2003**  
100%  
▲ **Value compared to 31/12/2002: - 0,61%**  
**portfolio entry on 31/12/2000**  
- 2,06%

#### Bornem, Rijksweg 17

A plot of 31.100 m<sup>2</sup> next to the road alongside the Willebroek-Temse-Sint-Niklaas national trunk road. The complex was built in 1996. It includes a 1.616 m<sup>2</sup> office building with 323 m<sup>2</sup> of archive space, and 9.973 m<sup>2</sup> of steel-framed warehouses with a headroom of 9,40 metres, equipped with 12 unloading wharves and 3 gates. The entire site is used by Alvo, on the basis of an index-linked lease contract until 2015. At the end of this contract, Alvo will have a preferential right to buy it at 90% of the market value at that time.

**Return on capital**  
8,67%  
**Occupancy on 31/12/2003**  
100%  
▲ **Value compared to 31/12/2002: + 6,63%**  
**portfolio entry on 31/12/2001 :**  
+ 5,86%



**Brussels - Neder-Over-Heembeek, Chaussée de Vilvorde 146 – Rue Meudon**

A total of 8.133 m<sup>2</sup> is fully owned, 3.548 m<sup>2</sup> is jointly owned with a one-third share and 676 m<sup>2</sup> are jointly owned with a 50% share. The plots are situated in an industrial estate alongside the Brussels-Willebroek canal. The constructions were renovated and adapted in 1988. They include three warehouses with a total surface area of 3.695 m<sup>2</sup> and headroom of 7,50 to 8,50 metres, 606 m<sup>2</sup> offices and a separate warehouse of 350 m<sup>2</sup> for commercial purposes. They are entirely let to Entarco until 2009 and Paint Trade Centre until 2006, at market rents.

**Buggenhout, Kalkestraat 19**

A 32.374 m<sup>2</sup> plot of land in a small business area. The buildings mostly date from the 1965-1975 period, but have recently been renovated and some of them have been replaced by new constructions. The project includes 1.774 m<sup>2</sup> of offices and 29.997 m<sup>2</sup> of warehouses with headroom of between 4.6 and 5.9 metres. 12 tenants share the site, 4 of whom have signed leases in 2004.

**Leuven, Kolonel Begaultlaan 9, 17-21, corner of Lefevrelaan**

Plots with a total surface area of 15.420 m<sup>2</sup> alongside the Leuven canal. Former industrial complex that was refurbished and modernised in the mid-1980s. The entire site has ± 21.000 m<sup>2</sup> of rentable space. All of the areas are let to 61 different tenants, at market prices.

**Return on capital**  
9,09%  
**Occupancy on 31/12/2003**  
100%  
**▲ Value compared to 31/12/2002**  
+ 1,36%  
**issue**  
+ 40,13%

**Return on capital**  
9,91%  
**Occupancy on 31/12/2003**  
87,05%  
**▲ Value compared to 31/12/2002**  
+ 2,77%  
**issue**  
+ 82,39%

**Return on capital**  
11,83%  
**Occupancy on 31/12/2003**  
97,21%  
**▲ Value compared to 31/12/2002**  
- 3,28%  
**issue**  
+ 5,07%

**Merchtem, Wolvertemsesteenweg 1 - Bleukenweg 5**

A 13.241 m<sup>2</sup> plot on the road between the A12 and the centre of Merchtem. A former industrial building which has been renovated and transformed into a discount store of 1.160 m<sup>2</sup> with 8.515 m<sup>2</sup> of storage space in the cellar. The main tenants are Kinnarps, Delfipar (Profi) and Alfor; the first leases expire in 2007.

**Puurs, Lichterstraat 31 - Meersmansdreef**

A 23.569 m<sup>2</sup> plot of land on the edge of the "Rijksweg 2" industrial estate. The complex was built in 1974 and has 1.316 m<sup>2</sup> of offices and business spaces and 14.199 m<sup>2</sup> of warehouses with a headroom of between 6,15 and 6,38 metres. The site is fully let to Distri-Log and Fortis Bank.

**Rumst (Terhagen), Polder 3 - Kardinaal Cardijnstraat 65**

A 56.932 m<sup>2</sup> plot of land alongside the Rupel, mid way between the E19 (Rumst) and the A12 (Boom). The complex has a total of 18.936 m<sup>2</sup> of warehouses with headroom of between 4,6 and 6,9 metres, 244 m<sup>2</sup> of offices and 4 residences. The site's redevelopment projects envisage the replacement of the old units with a new warehouse.

**Return on capital**  
9,88%  
**Occupancy on 31/12/2003**  
90,50%  
**▲ Value compared to 31/12/2002**  
+ 1,02%  
**issue**  
+ 65,60%

**Return on capital**  
8,24%  
**Occupancy on 31/12/2003**  
100%  
**▲ Value compared to 31/12/2002**  
+ 1,40%  
**issue**  
+ 13,60%

**Return on capital**  
9,06%  
**Occupancy on 31/12/2003**  
86,42%  
**▲ Value compared to 31/12/2002**  
- 0,32%  
**issue**  
+ 34,29%



## Property overview (continued)

### Temse, Kapelanielaan 10

A 16.419 m<sup>2</sup> plot of land. The buildings, built in 1982, include 1.111 m<sup>2</sup> of offices and 8.457 m<sup>2</sup> of warehouses with headroom of between 6,36 and 7,35 metres. It is entirely let to Sügro until the end of 2007 at market prices, along with a supplement.

### Tienen (Oorbeek), Getelaan 100 - Nieuw Overlaar

A 7.650 m<sup>2</sup> plot alongside the road connecting the E40 to the town and the Tirlmont-Hoegaarden road. The renovated complex consists of two discount stores with a total surface area of 1.852 m<sup>2</sup>, leased to Profi and Fabrimode, and a 1.882 m<sup>2</sup> tower that has been entirely converted into offices, which are leased to Sunnyland Distribution until 2010.

### Vilvoorde, Jan Frans Willemsstraat 95

A 13.853 m<sup>2</sup> plot of land in a recent industrial estate immediately next to the Cargovil land. It is a former industrial complex, half of which has been replaced by new constructions, and the other half has been transformed into storage space (6.198 m<sup>2</sup>) with headroom of between 5,96 metres and 10 metres, and 183 m<sup>2</sup> of offices. The new warehouse, which will be completed at the end of March, is pre-let to Walon Nellessen.

**Return on capital**  
10,70%  
**Occupancy on 31/12/2003**  
100%  
**▲ Value compared to 31/12/2002**  
- 2,46%  
**issue**  
+ 22,70%

**Return on capital**  
8,59%  
**Occupancy on 31/12/2003**  
100%  
**▲ Value compared to 31/12/2002**  
- 0,95%  
**issue**  
+ 171,71%

**Return on capital**  
8,19%  
**Occupancy on 31/12/2003**  
57,83%  
**▲ Value compared to 31/12/2002**  
- 12,01%  
**issue**  
- 2,65%

### Zaventem, Fabriekstraat 13

A 15.509 m<sup>2</sup> plot of land with in easy access of the Brussels ring road. It is a 701 m<sup>2</sup> office building constructed in 1984. The warehouses cover 6.897 m<sup>2</sup> and date from 1980, 1987 and 1993. Their headroom varies from 4,41 to 5,22 metres. Entirely let to the United States Embassy until 2008.

**Return on capital**  
8,16%  
**Occupancy on 31/12/2003**  
100%  
**▲ Value compared to 31/12/2002: + 2,96%**  
**portfolio entry on 30/09/1999**  
+ 5,28%



**FRANCE**  
Aix-en-Provence, ZAC  
Gustave Eiffel II

A 31.179 m<sup>2</sup> plot of land in the Aix-en-Provence activity pole, close to the A15 and the A8. A new construction completed in early 2000. The building includes 894 m<sup>2</sup> of offices, 534 m<sup>2</sup> of technical spaces and 7.555 m<sup>2</sup> of warehouses with headroom of 7 metres. Entirely let to Electricité de France-Gaz de France (EDF-GDF).

**Lille, Roncq, Avenue de l'Europe, plots 33 and 34**

These two plots have a total surface area of 27.948 m<sup>2</sup> and are located in the Centre International de Transport business park, close to the E17.

A 6.315 m<sup>2</sup> warehouse with headroom of 9,80 metres was built in 1994 on plot 33. It also has 310 m<sup>2</sup> of offices. A similar building was constructed on plot 34. It has 5.868 m<sup>2</sup> of warehouses and 504 m<sup>2</sup> of offices and was completed in March 2003.

The existing complex and half of the new warehouses are leased to Frans Maas.

**CZECH REPUBLIC**  
Pruhonice-Praha,  
Uhrineveska 734, 25243

This is a 13.189 m<sup>2</sup> plot of land, in one of the main concentrations of commercial spaces in the outskirts of Prague.

It includes a new 4,608 m<sup>2</sup> building completed in October 1999 with 136 parking spaces.

The premises are fully let to Hilti and Okay.

**Return on capital**

8,20%

**Occupancy on 31/12/2003**

100%

**▲ Value compared to**

**31/12/2002: + 0,10%**

**portfolio entry on**

**30/09/2000**

**+ 7,79%**

**Return on capital**

9,61%

**Occupancy on 31/12/2003**

73,52%

**▲ Value compared to**

**31/12/2002: + 4,29%**

**portfolio entry on**

**31/03/2001**

**+ 80,88%**

**Return on capital**

10,38%

**Occupancy on 31/12/2003**

100%

**▲ Value compared to**

**31/12/2002**

**- 0,20%**

**issue**

**- 2,51%**

## Property overview (continued)

### 3. Properties valued at less than 2 million EUR (all costs included)

	Surface area (m²)				Return on capital (%)	Occupation on 31/12/2003 (%)	▲ Value (%)	
	land	warehouses	offices	commercial			31/12/2002	issue (1)
Belgium								
Aalst								
Dendermondsesteenweg 75	9.145	-	-	4.459	9,18	100	+ 2,96	+ 5,53
Beersel (Lot)								
Stationstraat 230	15.922	3.269	832	-	8,73	100	+ 2,60	- 9,30
Bierbeek								
Hoogstraat 35-35A	12.137	6.443	-	-	10,68	97,92	- 3,78	+ 13,19
Boom								
Groene Hofstraat 13	1.733	-	2.548	-	9,47	92,78	- 15,81	- 3,43
Boom (to be divided								
Kapelstraat into plots)	4.292	-	-	-	-	-	+ 1,66	+ 147,98
Boortmeerbeek								
Leuvensestwg. 238 (project)	11.739	7.503	-	-	8,72	-	- 7,68	+ 19,83 (9/00)
Haacht (Wespelaar)								
Dijkstraat 44	17.229	7.991	1.813	-	13,64	84,49	- 0,02	- 7,50
Lebbeke (Wieze)								
Kapittelstraat 31	8.619	5.652	-	-	11,50	0	- 29,12	- 35,95
Mechelen								
Olivetenvest 4-8	4.272	546	-	2.367	9,65	100	+ 0,44	- 11,23
Merchtem								
Kattestraat 27	7.473	11.678	-	-	11,16	73,16	+ 2,51	+ 16,30
Vilvoorde								
Steenkade 44	5.148	8.745	-	-	12,48	95,92	- 5,32	- 12,80
Willebroek								
Breendonkstraat (land)	45.416	-	-	-	-	-	+ 4,32	+ 65,70
Abroad								
France								
Lille, Templemars								
Route de l'Epinoy 237 bis	12.000	2.496	766	-	8,11	100	+ 0,25	+ 1,68 (3/01)
Czech Republic								
Hradec Kralove								
Pilmarova 410	8.289	-	-	2.403	10,35	100	- 1,88	+ 10,90
Jablonec								
Ostry Roh 466 02	2.750	-	-	1.075	10,54	100	+ 2,75	- 21,48
Mlada Boleslav								
Jicinska 1329	4.477	-	-	1.327	11,35	100	- 0,35	+ 9,82
Mlada Boleslav								
Neprevazka (project)	40.000	-	-	-	11,42	-	-	+ 14,06 (9/03)

(1) If included in the portfolio after June 1999, the date is mentioned in parentheses.



The property portfolio is made up as follows (EUR):

	estimated value*	insured value*	actual cost*
semi-industrial	280.233.673	257.245.392	195.355.760
offices	14.288.572	17.014.526	7.881.003
commercial	10.761.872	10.743.476	9.554.514
various uses	28.273.862	30.676.801	17.976.990
TOTAL	333.557.979	315.680.195	230.768.268

\*estimated value = value incl. land and transaction costs 31/12/03

\*insured value = cost of constructing the new buildings

\*actual cost = original purchase price + investments

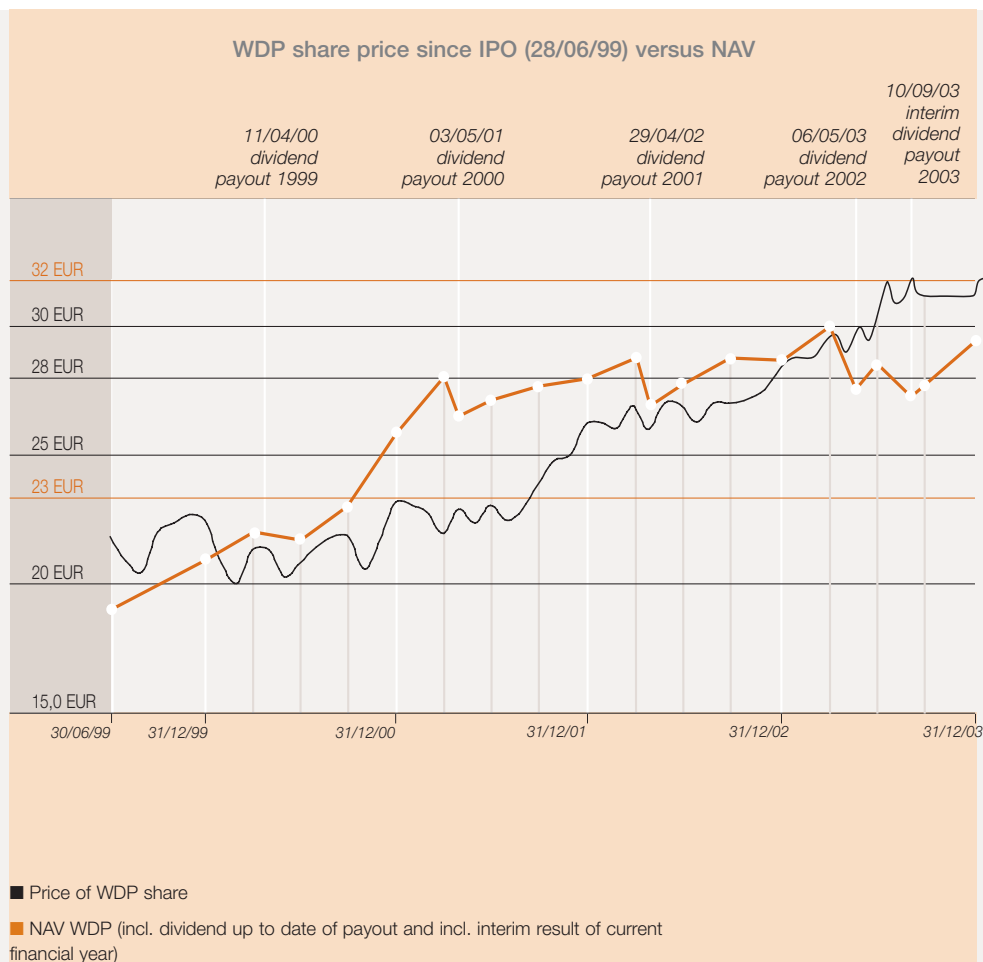


## 1. Share price

The WDP share price has continued to increase in 2003, following the same trend since the company was floated. Quoted at 28 EUR at the end of December 2002, it closed the 2003 financial year at 31,5 EUR.

If we examine the progress over the past year, we nevertheless find a few fluctuations, as a result of the distribution of the dividend, and of course the capital increase undertaken in September.

During the first quarter, the share price faithfully followed the development of the intrinsic value to reach 30 EUR. This value was quickly restored after the distribution of a net dividend payment at the beginning of May, of 2 EUR. This reestablishment resulted from the announcement of the further 5% increase in the net dividend forecast for 2003, which would thus be 2,1 EUR. In the summer, the price peaked at 32,5 EUR, to stabilise at 32 EUR towards the end of August, owing to the prospect of the capital increase and the distribution of the interim dividend (1,06 EUR on 10th September). During the days immediately leading up to and following these financial operations, the price and volumes inevitably fluctuated significantly, but calm was finally restored and the price settled at 31,5 EUR.





For the first time since mid-1999, WDP shares were thus listed with a bonus – which even exceeded 10% at the end of the year.

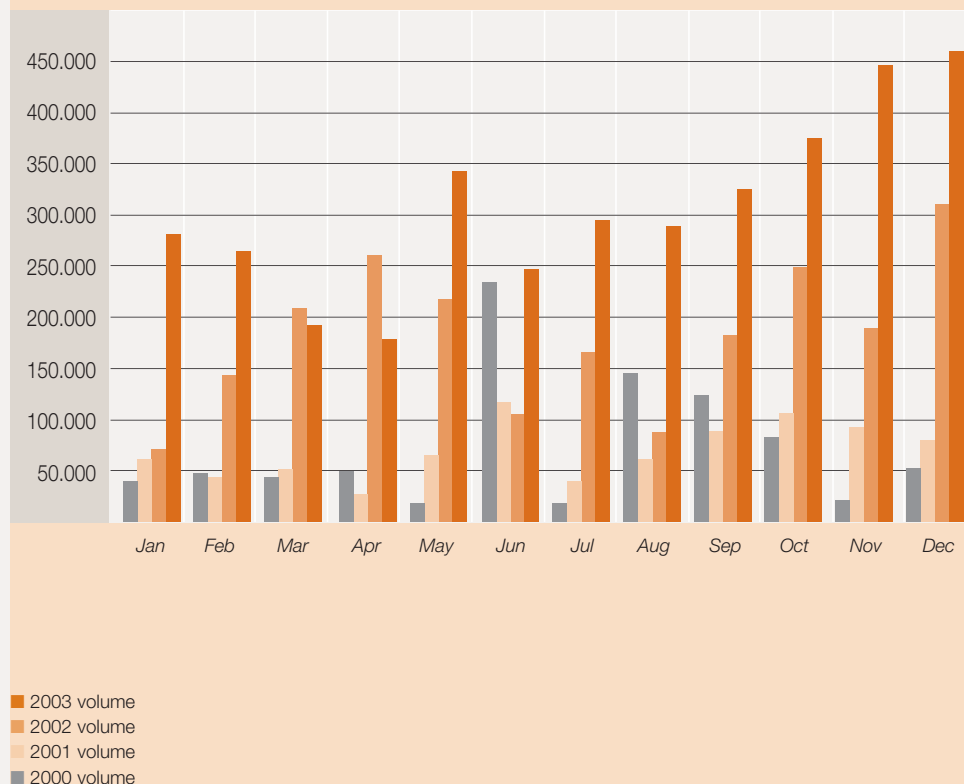
The increase in the share price combined with the capital increase took the stock market capitalisation from 200 million EUR in early 2003 to 250 million EUR at the beginning of 2004.

## 2. Liquidity

After its spectacular 130% increase in 2002, the liquidity of WDP shares progressed once again in 2003. Some 1.235 million WDP shares were thus exchanged during the past year, up by 47% compared with the previous year. In practical terms, this is equivalent to a daily average of 5.400 units, each time representing a volume worth more than 170.000 EUR.

Several explanations can be found for this large number of transactions. The first of these are the poor European economic climate and the interest rate. In this context, closed-end property investment companies combine a low risk with a high dividend return, and are used as safe investment vehicles. Also, closed-end property investment companies are starting to become better known by individual investors, as well as being sought increasingly by institutional investors. Several major operations – the capital increases of Real Estates,

Evolution of the WDP share volume on Euronext Brussels (EUR)





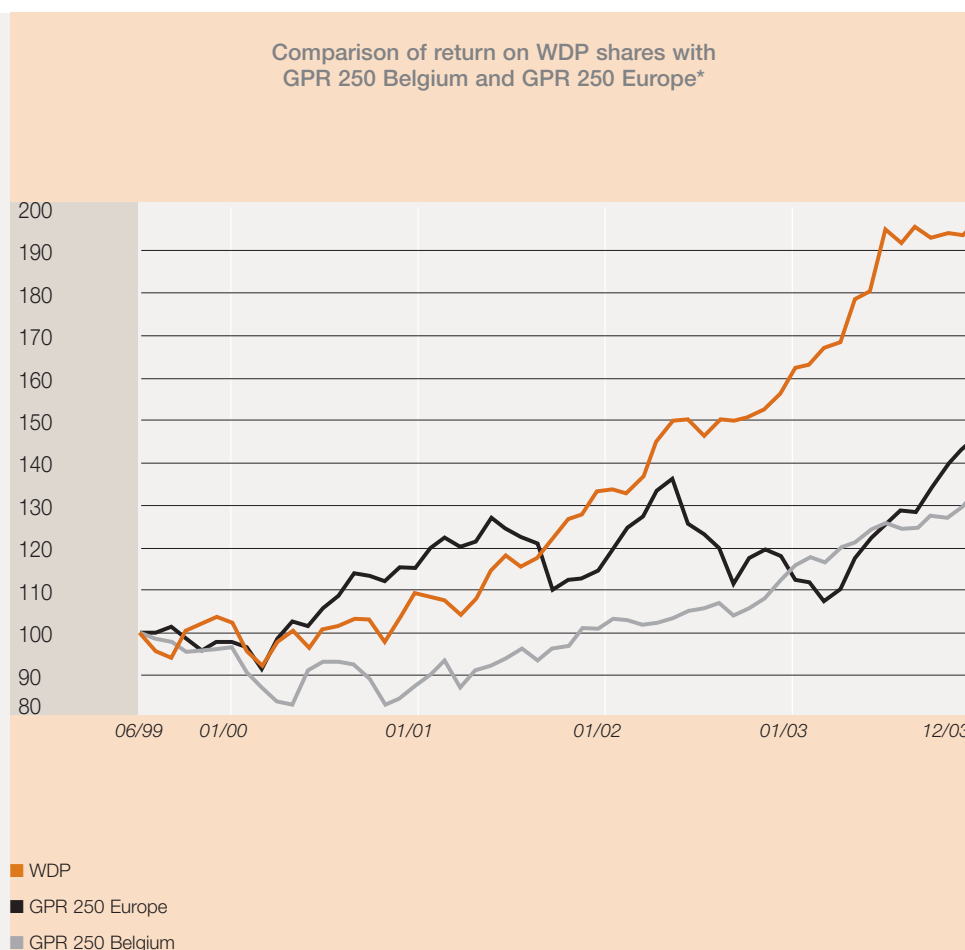
Cofinimmo and WDP for example – have been widely publicised in the press and have thus attracted investors' attention.

### 3. Return

In 2003, the gross return on WDP shares was 24,4%. This figure takes into account the distribution of the dividend for the 2002 financial year in May (2,35 EUR gross, i.e. 2 EUR net per share) and the interim dividend for the first half of they year, distributed in September (1,25 EUR gross, i.e. 1,06 EUR net per share). Excluding this additional interim dividend, the gross return would have fluctuated around 20%.

This gross return is higher than the average return since the stock market floatation (15,6%). With the distribution of the interim dividend, part of the 2003 profits are in fact already included in it. This should normally have an impact on the 2004 return (with a distribution of the balance of profits of just 1,22 EUR gross per share).

By way of comparison: according to the Global Property Research GPR 250 BELGIUM index, the average return on property listed on the stock exchange was 15,4% in 2003 and 5,8% in the period since WDP was floated, in 1999. For European listed property (GPR 250 EUROPE), these figures are 21,1% and 8,1% respectively. (See also the table below and the monthly update on the website [www.wdp.be](http://www.wdp.be))



\*This table compares the return on WDP shares with that on the GPR 250 indexes, using the state on 30/06/99 as reference point (100).



The sound performance of WDP shares currently lies well ahead that of the Bel20 index. Even if the Bel20 achieved a positive return of 10,8% over the last months of 2003, its average return since WDP floatation in June 1999 remains -7% (compared with -15,4 in 2002). See also the graph below.

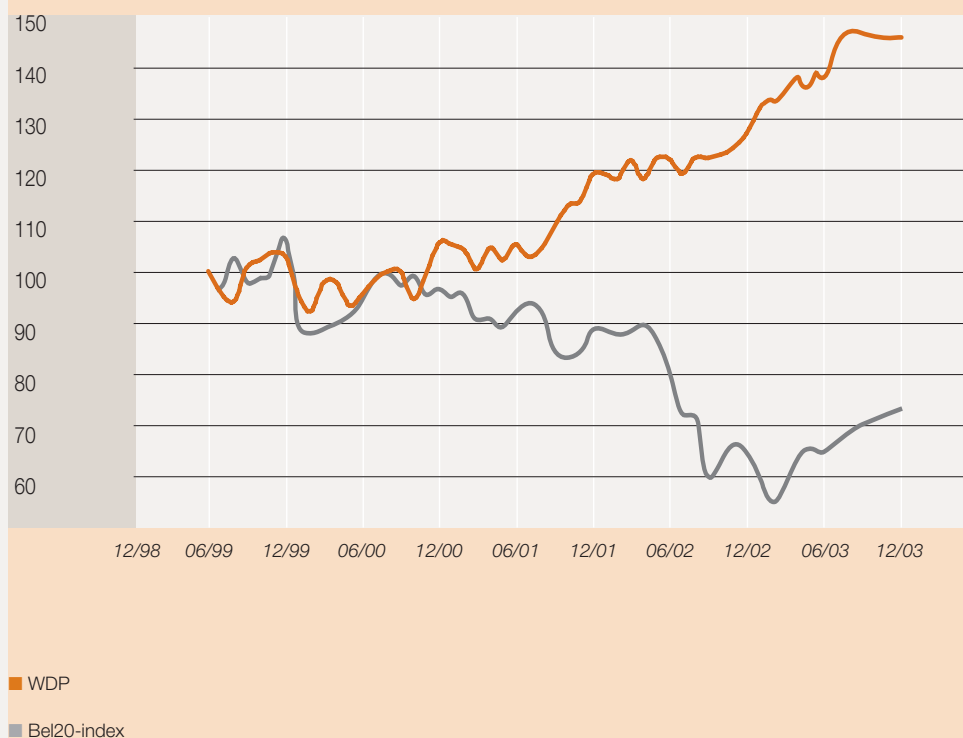
#### 4. Conclusion

In short, we can confirm that WDP shares have progressed magnificently since the stock market floatation, as evidenced during the course of this year by an 87% growth in the net dividend and an increase of 9 EUR in the intrinsic share value.

The future is also looking bright, even if the recent past should remind us that we can not exclude the possibility of international political events having repercussions in the economic sphere. Through the capital increase and the resulting growth in its borrowing capacity, WDP now has an additional investment potential of 60 million EUR. The closed-end property company thus has the necessary instruments to pursue its profitable growth over the coming years.

For many investors during the recent difficult years, WDP shares have provided a safe investment, which even proved to be so profitable that many are now reluctant to part with them. Everything points to the probability that the share will continue to live up to its reputation in the future. Even when the political and economic calm are restored.

Comparison of the WDP share price with the evolution of the Bel20 index\*



\* This table compares the WDP share price to the evolution of the Bel20 index. The reference (100) is the situation on 30/06/99.

## WDP shares (continued)

For the most recent information on WDP, please consult the website [www.wdp.be](http://www.wdp.be). Apart from the information about the property portfolio, you will also find financial analyses and specific information on the performance report.



**EURONEXT BRUSSELS**  
**quotation: continuous**  
**codes:** - BEL: 376377  
 - ISIN: BE0003763779  
**liquidity provider:** Petercam

50

Figures per share  
(in EUR)

	31/12/2003	31/12/2002	31/12/2001
Number of shares	7.885.249	6.899.593	6.899.593
Free float	50%	49%	49%
Market capitalisation	247.596.819	192.843.624	180.355.361
Traded volume in shares per year	1.235.299	841.313	392.346
Average daily volume in EUR	142.643	88.270	36.425
Velocity*	15,67%	12,19%	5,69%
Stock exchange price			
highest	32,50	29,00	26,14
lowest	28,10	25,35	22
closing	31,40	27,95	26,14
Net asset value after profit distribution	27,21	26,41	25,67
Dividend payout ratio	90%	90%	90%
	12m	12m	12m
Operating profit/share	2,75	2,62	2,37
Gross dividend/share	2,47	2,35	2,12
Net dividend/share	2,10	2,00	1,80

\* The number of shares traded per year divided by the total number of shares at the end of the year.

### Agenda (for update: see [www.wdp.be](http://www.wdp.be))

General meeting	Wednesday 28 April 2004 at 10 a.m. (annually on the last Wednesday in April)
Payout of dividend on coupon no 7:	from Wednesday 5 May 2004
Publication of 1st quarter results	week 23
Publication of half-yearly results	week 37
Publication of 3rd quarter results	week 49



**WDP** Warehouses De Pauw  
SUPPLYING SPACE

**Annual accounts**



## Consolidated annual accounts for the financial year 2003

### 1. Balance sheet - Assets

	31-12-2003 EUR (x 1.000)	31-12-2002 EUR (x 1.000)	31-12-2001 EUR (x 1.000)
<b>FIXED ASSETS</b>	<b>334.082</b>	<b>311.469</b>	<b>283.220</b>
I. Formation expenses	5	24	44
II. Intangible assets	38	41	43
IV. Tangible assets	334.029	311.397	283.119
A. Land and buildings	309.494	280.426	272.857
B. Plant, machinery and equipment	284	309	318
C. Furniture and vehicles	160	132	156
E. Other tangible assets	27	28	30
F. Assets under construction and advance payments	24.064	30.502	9.758
V. Financial assets	10	7	14
B. Other enterprises	10	7	14
2. Amounts receivable	10	7	14
<b>CURRENT ASSETS</b>	<b>7.805</b>	<b>12.940</b>	<b>10.939</b>
VI. Amounts receivable after one year	285	1.428	2.656
B. Other amounts receivable	285	1.428	2.656
VIII. Amounts receivable within one year	4.868	9.822	6.300
A. Trade debtors	2.074	3.927	4.118
B. Other amounts receivable	2.794	5.895	2.182
IX. Investments	5	400	131
B. Other investments	5	400	131
X. Cash at bank and in hand	2.448	722	1.119
XI. Deferred charges and accrued income	199	568	733
<b>TOTAL ASSETS</b>	<b>341.887</b>	<b>324.410</b>	<b>294.159</b>

## Consolidated annual accounts for the financial year 2003

### 1. Balance sheet - Liabilities

	31-12-2003 EUR (x 1.000)	31-12-2002 EUR (x 1.000)	31-12-2001 EUR (x 1.000)
<b>CAPITAL AND RESERVES</b>	<b>214.534</b>	<b>182.216</b>	<b>177.141</b>
<b>I. Capital</b>	<b>79.498</b>	<b>51.900</b>	<b>51.900</b>
A. Issued Capital	79.498	51.900	51.900
<b>III. Revaluation surplus</b>	<b>105.273</b>	<b>101.350</b>	<b>103.218</b>
<b>IV. Consolidated reserves (+)(-)</b>	<b>29.763</b>	<b>28.966</b>	<b>22.023</b>
<b>PROVISIONS AND DEFERRED TAXATION</b>	<b>4.655</b>	<b>4.316</b>	<b>2.182</b>
<b>IX.A. Provisions for liabilities and charges</b>	<b>1.531</b>	<b>1.652</b>	<b>2.182</b>
2. Taxation	881	934	
3. Repair and maintenance costs	445	402	1.622
4. Other liabilities and charges	205	316	560
<b>IX.B. Deferred taxes and future taxation</b>	<b>3.124</b>	<b>2.664</b>	
<b>DEBTS</b>	<b>122.698</b>	<b>137.878</b>	<b>114.836</b>
<b>X. Amounts payable after one year</b>	<b>87.348</b>	<b>70.384</b>	<b>43.098</b>
A. Financial debts	87.348	70.384	43.098
4. Credit institutions	87.348	70.328	43.041
5. Other loans	0	56	57
<b>XI. Amounts payable within one year</b>	<b>32.754</b>	<b>64.528</b>	<b>70.283</b>
A. Current portion of amounts payable after one year	2.294	1.562	164
B. Financial debts	16.090	38.293	47.212
1. Credit institutions	16.090	38.293	47.212
C. Trade debts	2.446	3.470	5.163
1. Suppliers	2.446	3.470	5.163
E. Taxes, remuneration and social security	2.035	4.237	4.418
1. Taxes	1.968	4.157	4.306
2. Remuneration and social security	67	80	112
F. Other amounts payable	9.889	16.966	13.326
<b>XII. Accrued charges and deferred income</b>	<b>2.596</b>	<b>2.966</b>	<b>1.455</b>
<b>TOTAL LIABILITIES</b>	<b>341.887</b>	<b>324.410</b>	<b>294.159</b>



## Consolidated annual accounts for the financial year 2003

### 2. Income statement

	31-12-2003 EUR (x 1.000)	31-12-2002 EUR (x 1.000)	31-12-2001 EUR (x 1.000)
<b>CURRENT RESULT</b>			
<b>I. Operating income</b>	<b>30.409</b>	<b>30.441</b>	<b>26.660</b>
A. Turnover	26.078	24.505	21.495
B. Fixed assets - own construction	351	327	246
C. Other operating income	3.980	5.609	4.919
<b>II. Operating charges</b>	<b>-6.745</b>	<b>-7.295</b>	<b>-7.402</b>
A. Services and other goods	3.881	4.490	5.234
B. Remuneration, social security costs and pensions	619	608	668
C. Depreciation	110	112	105
D. Value adjustments to trade debtors (increase +, decrease -)	73	99	120
E. Provisions for liabilities and charges (increase +, decrease -)	-4	-102	-237
F. Other operating charges	2.066	2.088	1.512
<b>III. Operating profit (loss)</b>	<b>23.664</b>	<b>23.146</b>	<b>19.258</b>
<b>IV. Financial income</b>	<b>153</b>	<b>160</b>	<b>323</b>
A. Income from financial fixed assets	0	0	19
B. Income from current assets	82	92	220
C. Other financial income	71	68	84
<b>V. Financial charges</b>	<b>-4.155</b>	<b>-3.856</b>	<b>-3.483</b>
A. Interest and other debt charges	4.112	3.811	3.446
D. Other financial charges	43	45	37
<b>VI. Income taxes (-) (+)</b>	<b>-48</b>	<b>-1.405</b>	<b>-78</b>
A. Income taxes (-)	-371	-1.405	-1.058
B. Adjustments of income taxes and write-back of fiscal provisions	323	0	980
<b>VII. Profit (loss) for the period (+)(-)</b>	<b>19.614</b>	<b>18.044</b>	<b>16.020</b>



	31-12-2003 EUR (x 1.000)	31-12-2002 EUR (x 1.000)	31-12-2001 EUR (x 1.000)
<b>RESULT ON THE PORTFOLIO</b>			
<b>VIII. Gain or loss on disposal of elements of the portfolio (by reference to their historical value)</b>	<b>140</b>	<b>469</b>	<b>244</b>
A. Property assets ( within the meaning of the Royal Decree of 10/04/95))	140	469	244
1. Buildings and real rights on buildings	140	469	244
- Gains	140	469	244
<b>VIIIb. Exit tax related to fluctuation value of elements of the portfolio (-) (+)</b>	<b>-48</b>	<b>-450</b>	<b>-248</b>
- Gains (+) Losses (-)	-48	-450	-248
<b>IX. Change in market value of elements of the portfolio</b>	<b>3.971</b>	<b>4.106</b>	<b>9.268</b>
A. Property assets ( within the meaning of the Royal Decree of 10/04/95)	3.971	4.106	9.268
1. Buildings and real rights on buildings	3.971	4.106	9.268
- Gains	8.500	10.903	14.015
- Losses	-4.068	-6.317	-4.747
- Deferred taxes on unrealised gains	-461	-480	0
<b>X. Profit on the portfolio</b>	<b>4.063</b>	<b>4.125</b>	<b>9.264</b>
<b>EXTRAORDINARY RESULT</b>			
<b>XI. Extraordinary income</b>	<b>0</b>	<b>1.121</b>	<b>850</b>
A. Other extraordinary income	0	0	850
C. Withdrawal of provisions for extraordinary risks and charges	0	1.121	0
<b>XII. Extraordinary charges</b>	<b>0</b>	<b>0</b>	<b>-701</b>
A. Extraordinary depreciation of and extraordinary amounts written off formation expenses, intangible and tangible fixed assets	0	0	4
B. Provisions for extraordinary risks and charges	-63	-238	334
C. Other extraordinary charges	745	238	363
<b>XIII. Extraordinary profit</b>	<b>-682</b>	<b>1.121</b>	<b>149</b>
<b>RESULT FOR APPROPRIATION</b>			
<b>XIV. Profit for the year</b>	<b>22.995</b>	<b>23.290</b>	<b>25.433</b>
<b>XV. Appropriation of the changes in market value of elements in the portfolio</b>	<b>3.923</b>	<b>3.655</b>	<b>9.020</b>
A. Transfer to reserves not available for distribution	3.923	3.655	9.020
<b>XVI. Profit for the year available for appropriation</b>	<b>19.367</b>	<b>19.635</b>	<b>16.413</b>
<b>XVIII. Consolidated profit</b>	<b>19.367</b>	<b>19.635</b>	<b>16.413</b>
B. Share of the group	19.367	19.635	16.413



## Consolidated annual accounts for the financial year 2003

### 3. Notes to the consolidated financial statements

In accordance with current practices in the closed-end property investment sector and a ministerial derogation, the income statement is presented in a different form. The annual result is shown subdivided between the following items:

- the operating results, which include the recurrent operating income from property rental, along with financial results and taxes;
- the portfolio results, which include the variations in the property portfolio's market value, together with the realised gains or losses in the event of the sale of properties, compared with their acquisition value and the recorded value variations noted previously;
- the extraordinary results, which include the extraordinary results arising from the company's ordinary activity, which is of a generally non-recurrent nature.

#### I. CONSOLIDATION CRITERIA

##### Global consolidation criteria

The companies where the group directly or indirectly has a participating interest of at least 50% are fully included in the consolidated financial statements of the group. This means that the assets, liabilities and the results of the group are fully reflected. Intergroup transactions and benefits are eliminated 100% .

#### II. INFORMATION ABOUT THE SUBSIDIARIES

Participating  
interest  
owned

##### A. Subsidiaries fully consolidated

Name and address of the subsidiary's registered office	
WDP CZ s.r.o. - Belehradská 18 - 140 00 Prague - Czech Republic	100%
WDP Italia s.r.l. - Via Senato 20 - 20121 Milan - Italy	99%
WDP France s.a.r.l. - Rue Cantrelle 28 - 36000 Châteauroux - France	100%
WDP Nederland b.v. - Postbus 128, 5300 AC Zaltbommel - The Netherlands	100%

#### VII. STATEMENT OF THE FORMATION EXPENSES (asset item I) (x EUR 1.000)

Amount  
period

Net book value at the end of the previous period	24
Movements of the year	
- New acquisitions during the year	0
- Depreciation (-)	-19
<b>Net book value at the end of the year</b>	<b>5</b>
of which:	
- Formation expenses or cost of capital increase, costs of issuing credits, redemption and other formation costs	5



VIII. STATEMENT OF THE INTANGIBLE FIXED ASSETS  
(asset item II)  
(x EUR 1.000)

Research  
and develop-  
ment costs

Concessions,  
patents  
licences, etc

Goodwill

Prepayment

**a) ACQUISITION COST**

At the end of the previous period

77

Movements of the year

- Acquisitions, fixed assets  
included - own production

6

- Transfers and retirements (-)

0

- Transfers from one item to another (+)(-)

**At the end of the year**

**83**

**c) DEPRECIATION AND AMOUNTS  
WRITTEN OFF**

At the end of the previous bookyear

35

Movements of the year

- Recorded and withdrawn from  
the income statement (+)(-)

10

- Acquired from third parties

- Written off or transferred from  
one item to another (+)(-)

**At the end of the year**

**45**

**d) NET BOOK VALUE  
AT THE END OF THE YEAR**

**38**

57

IX. STATEMENT OF TANGIBLE FIXED ASSETS  
(asset item IV)  
(x EUR 1.000)

Land and  
buildings

Plant,  
machinery  
and  
equipment

Furniture  
and  
vehicles

**a) ACQUISITION COST**

At the end of the previous period

189.069

427

565

Movements of the year

- Acquisitions, fixed assets included

9.591

0

36

- Transfers from one item to another

12.292

- Assets transferred and put out of use

(263)

**At the end of the year**

**210.689**

**427**

**601**

**b) REVALUATION SURPLUSES**

At the end of the previous period

125.265

Movements of the year

- Recorded

6.161

- Taken back (-)

(48)

- Transfers from one item to another

3.653

**At the end of the year**

**135.031**

**0**

**0**

**c) DEPRECIATION AND AMOUNTS  
WRITTEN OFF (-)**

At the end of the previous period

33.908

118

434

Movements of the year

- Recorded and withdrawn from  
the income statement (-)

3.159

25

54

- Transfers from one item to another (-)

(8)

(47)

**At the end of the year**

**37.059**

**143**

**441**

**d) NET BOOK VALUE AT THE END  
OF THE YEAR**

**308.661**

**284**

**160**

## Consolidated annual accounts for the financial year 2003

### 3. Notes to the consolidated financial statements (continued)

#### IX. STATEMENT OF TANGIBLE FIXED ASSETS (asset item IV) (x EUR 1.000)

Leasing and  
other similar  
rights

Other  
tangible  
assets

Assets under  
construction  
and advance  
payments

##### a) ACQUISITION COST

At the end of the previous period		42	26.651
Movements of the year			
- Acquisitions, fixed assets included			8.920
- Transfers from one item to another			(12.292)

At the end of the year

42

23.279

##### b) REVALUATION SURPLUSES

At the end of the previous period			4.176
Movements of the year			
- Recorded			2.327
- Transfers from one item to another			-3.653

At the end of the year

0

2.850

##### c) DEPRECIATION AND AMOUNTS WRITTEN OFF (-)

At the end of the previous period		13	325
Movements of the year			
- Recorded and withdrawn from the income statement (-)		2	899
- Transfers from one item to another (-)			8

At the end of the year

15

1.232

##### d) NET BOOK VALUE AT THE END OF THE YEAR

27

24.897

#### X. STATEMENT OF FINANCIAL FIXED ASSETS (asset item V) (x EUR 1.000)

Companies for  
which the  
equity method  
has been used

Other  
companies

##### 2. Amounts receivable

(item V.A.2)

(item V.B.2)

##### NET BOOK VALUE AT THE END OF PREVIOUS YEAR

7

Movements of the year

- Additions

3

NET BOOK VALUE AT THE END OF THE YEAR

10



<p>XI. STATEMENT OF THE CONSOLIDATED RESERVES AND REVALUATION SURPLUSES (x EUR 1.000)</p>	<p>Amount period</p>	
<p>Consolidated reserves at the end of the previous year</p>	<p>130.316</p>	
<p>Movements of the year</p>		
<p>- Share of the group in the operational and extraordinary result, which is not distributed</p>	<p>820</p>	
<p>- Reversal/assignment of unrealised gains to reserves not available for distribution</p>	<p>3.923</p>	
<p>- Transfer to another item of own equity</p>		
<p>- Direct transfer from revaluation surpluses to deferred payments</p>		
<p>- Other</p>	<p>(23)</p>	
<p>At the end of the year</p>	<p>135.036</p>	
<p>XIII. STATEMENT OF AMOUNTS PAYABLE (x EUR 1.000)</p>	<p>Amounts payable with a residual term of</p> <p>falling due      more than 1 but less than 5 years      more than 5 years</p>	<p>59</p>
<p>A. Breakdown of debt originally contracted for more than one year by their residual maturity (liabilities item X)</p>		
<p>Financial debts</p>		
<p>4. Credit institutions</p>	<p>2.293</p>	<p>34.665      52.683</p>
<p>5. Other</p>	<p>1</p>	<p>0      0</p>
<p>TOTAL</p>	<p>2.294</p>	<p>34.665      52.683</p>
<p>XIII. STATEMENT OF AMOUNTS PAYABLE (x EUR 1.000)</p>	<p>Debts secured against collateral securities</p>	
<p>B. Amounts payable (or the portion thereof) which are guaranteed by real guarantees given or irrevocably promised on the assets of the enterprises included in the consolidation</p>		
<p>Financial debts</p>		
<p>4. Credit institutions</p>	<p>14.062</p>	
<p>TOTAL</p>	<p>14.062</p>	

## Consolidated annual accounts for the financial year 2003

### 3. Notes to the consolidated financial statements (continued)

#### XIV. RESULTS OF THE YEAR (x EUR 1.000)

	Year	Previous year
<b>A2. Global rental income of the group in Belgium</b> <i>(item 70 of the income statement)</i>		
Amount from sales undertaken by the companies in the Group in Belgium	20.134	18.601
<b>B. Average number of persons employed and personnel costs</b>		
<b>1. Within the fully consolidated companies</b>		
<b>Average number of employees</b>	<b>11,7</b>	<b>10,7</b>
a) Workers	5,0	5,0
b) Employees	6,7	5,7
<b>Personnel charges</b>	<b>619</b>	<b>608</b>
a) Wages and direct social benefits	387	378
b) Employer 's contributions for social security	167	165
c) Employer 's contributions for extra-legal insurances	25	27
d) Other personnel charges	40	38

#### XV. OFF-BALANCE-SHEET RIGHTS AND COMMITMENTS

- Commitment in favour of Dexia and Fortis Bank not to further mortgage the assets held in Belgium or establish proxies for this purpose ("negative pledge").
- Existing charges on property – with a view to financing the acquisition of property assets – have continued to be reduced. There currently remains only one mortgage on the Breda building (Netherlands) in the context of specific financing over 20 years.
- Financial securities worth 4,20 million EUR in favour of OVAM and the Italian VAT administration.
- The estimated investment cost for the completion of projects in progress is 8 million EUR.
- In December 2003, the following interest rate insurance was contracted:
  - a forward Interest Rate Swap agreement (IRS) with the following characteristics:
 

amount:	25 million EUR
start date:	02/01/2004
duration:	3 years
interest rate:	3,35%
underlying borrowing (roll-over):	Euribor +0,85%
as of 01/04/04:	Euribor +0,75%
  - a forward Interest Rate Swap agreement (IRS) with the following characteristics:
 

amount:	25 million EUR
start date:	01/06/2004
duration:	1,5 years
interest rate:	3,22%
underlying borrowing (roll-over):	Euribor +0,75%
- In the Netherlands, the following interest rate insurance cover was contracted:
  - a forward Interest Rate Swap agreement (IRS) with the following characteristics:
 

amount:	14,8 million EUR
start date:	31/12/2002
duration:	3 years
interest rate:	3,5%
underlying borrowing (roll-over):	Euribor +0,90%



- In France, the following interest rate insurance cover was contracted:
  - a forward Interest Rate Swap agreement (IRS)

with the following characteristics:

amount:	10,8 million EUR
start date:	31/12/2003
duration:	3 years
interest rate:	3,23%
underlying borrowing (roll-over):	Euribor +0,80%

- During the course of the 2003 financial year, 135.366,64 EUR of property agency commissions on the initial lettings of own projects was capitalised, compared with 587.778,42 EUR in 2002. The relevant valuation rules were altered during the 2002 financial year. Previously, these commissions were distributed over the lease period preceding the initial possibility of termination (generally 3 years).

- As from the 2002 financial year, deferred tax is indicated for taxes payable on capital gains on property located abroad and is included in the individual annual financial statements of the various foreign subsidiaries. This deferred tax, amounting to 460.574 EUR, is calculated at an interest rate of 17,5%, i.e. the average current tax rate for the foreign subsidiaries. Its impact on the 2003 financial year appears in the latent results on the portfolio. In 2002, it had a very similar impact, i.e. 480.204 EUR.

During the 2002 financial year, the expression of a deferred tax burden on capital gains tax modified the valuation rules, as no deferred tax of this kind was offset previously, in accordance with the partial provision method. This method of operating does not take into account deferred taxation, as WDP's strategy does not to involve selling property, but instead pursues the expansion of the existing property portfolio. During the 2002 financial year, with a view to the application this valuation rule in relation to the previous financial years, a direct transfer of 1.998.301 EUR was made from the revaluation surpluses item to deferred taxes.

- WDP has granted the non-profit organisation Ligue d'Entraide Islamique an option to purchase a warehouse with adjacent land at Molenbeek Saint-Jean, rue Delaunoy 34-36, in exchange for a sum of 100.000 EUR. The purchase price has been set at 750.000 EUR and the option expires on 30/06/2005. If the buyer exercises the option, the 100.000 EUR paid will be considered as a down payment on the purchase price.



## Consolidated annual accounts for the financial year 2003

### 4. Discussion of the balance sheet

#### Formation expenses and intangible assets

The formation expenses and intangible assets amount to 43.374 EUR. The 5.263 EUR of formation expenses mainly relate to the setting up of the Italian subsidiary in 1999 and the start-up phase of the building project there. They are being systematically written off at 20% using the straight-line method.

The 38.111 EUR of intangible assets are on the one hand for the specific tax levied on the loan taken out in Italy which is gradually being written off over the period of the loan, i.e. 10 years, (21.304 EUR), and on the other hand for the activation of management and accounting software (16.807 EUR).

#### Tangible assets

The value of property is based on the estimated values, including transaction costs, determined by the independent chartered surveyor, Stadim CVBA on 31st December 2003.

#### Evolution of property assets

	as at 31-12-2003		as at 31-12-2002	
	EUR	%	EUR	%
Belgium	263.505.324	79,0%	242.092.992	77,9%
Italy	19.926.121	6,0%	19.561.857	6,3%
Czech Republic	7.799.684	2,3%	7.033.540	2,3%
France	22.873.880	6,9%	22.550.818	7,3%
The Netherlands	19.452.971	5,8%	19.688.346	6,3%
<b>Total</b>	<b>333.557.979</b>	<b>100,0%</b>	<b>310.927.553</b>	<b>100,0%</b>

The entire property portfolio is thus valued at 333.557.979 EUR, compared with 310.927.553 EUR at the end of 2002. The geographic distribution of this value is as follows:

The portfolio's overall value has thus increased by 22,630 million EUR. For further details, see the chapter "Surveyor's valuation of the portfolio by the chartered surveyor", page 27.

After setting off investments made during the last financial year, amounting to 18.198 million EUR, and after registering the deferred tax for the 2003 financial year (0.461 million EUR), the net unrealised increase in value is 3.971 million EUR.

This relates to a net increase in value which is the balance of the unrealised capital gains (9,488 million EUR) and unrealised losses (4,057 million EUR) recorded on properties in the portfolio.

This net increase is reflected in the equity capital of the closed-end property investment company under the items "Reserves not available for distribution" and "Revaluation surpluses".

The construction and/or renovation projects in progress on the balance sheet date and therefore unavailable for lease are included under a separate item: "Assets under construction and advance payments". At the end of 2003, these items were valued at 24,064 million EUR, including transaction costs.



### Investments and cash at bank and in hand

On 31st December 2003, investments, cash at bank and in hand amounted to 2,453 million EUR. Funds resulting from the capital increase in October 2003 were used to reduce the debt.

### Provisions for liabilities and charges

The remediation of several additional plots of land was undertaken during the course of last year. At the end of 2003, the "provisions" item still included the 0,425 million EUR of provisions specifically reserved for the potential remediation of the plot at Vilvoorde, Willem Elsschotstraat.

Furthermore, there is notably another provision of 0,175 million EUR for current disputes and another 0,704 million EUR for taxes. This last provision results from a supplement concerning the exit tax payable on WDP's floatation on the stock market and its approval as a closed-end property investment company.

### Financial debts

Warehouses De Pauw has a transparent, simple debt structure.

The long-term financial debt still consists of two initial bullet loans, worth 22,310 million EUR in Belgium and 14,006 million EUR in Italy. They were taken out in mid-1999 for 5 and 10 years, at interest rates of 3,8% and 4,50% respectively. A further 5-year bullet loan of 17 million EUR with a roll-over loan was also contracted in Belgium during the course of 2002, and was increased in 2003 to 25 million EUR.

Another part of the long-term borrowing was contracted in France, where WDP still has a degressive loan of 3,757 million EUR over 15 years at an interest rate of 5,1%, and in the Netherlands in the form of investment credit for 14,812 million EUR over 20 years.

Furthermore, a further long-term loan with a roll-over facility was contracted for 11 million EUR in France during the course of 2003. It will mature in 15 years. At the end of 2003, the amount owed stood at 10,817 million EUR. These loans are covered during the next three years by an Interest Rate Swap (IRS) at 4% (including interest margin).

At the end of 2003, short-term financial debts amounted to 16,090 million EUR. They were taken out in the form of straight loans in Belgium (14,5 million EUR), France (1,498 million EUR) and the Netherlands (0,093 million EUR).

At the end of the financial year, the level of debt was 37.25%. Given the legal provision applicable to closed-end property investment companies and in view of the maximum authorised debt ratio of 50%, the company thus still has a potential borrowing capacity of 87,17 million EUR.

At the end of 2003, WDP at consolidated level had 43 million EUR worth of unused lines of credit.





Long-term borrowing accounted for 85% of loans, with the remaining 15% attributed to short-term borrowing. All of the long-term borrowing contracted in the form of roll-over loans which was not hedged against the interest rate risk was covered in early December 2003. The average duration of the interest on loans has almost doubled: it has increased from 1,5 to nearly 3 years. The average rate for the coming year thus amounts to 4,02%, including the short-term rate of 3% (which includes the 0,5% margin on top of the Euribor) for the remainder of uncovered loans.

**Consolidated annual accounts for the financial year 2003**  
**Summary of the results**

	31-12-2003 EUR (x 1.000)	31-12-2002 EUR (x 1.000)	31-12-2001 EUR (x 1.000)
<b>OPERATING INCOME</b>	<b>26.697</b>	<b>25.639</b>	<b>22.120</b>
Net rental income	25.546	23.643	21.214
Other operating income	1.151	1.996	906
<b>OPERATING CHARGES</b>	<b>-3.033</b>	<b>-2.723</b>	<b>-2.710</b>
Property management costs	-962	- 807	- 594
General operating costs	-2.071	-1.916	- 2.116
Management	-203	- 230	- 267
Administration	-407	- 386	- 490
External services	-671	- 607	- 692
Costs related to listing	-551	- 438	- 348
Other charges	-239	- 255	- 319
<b>OPERATION PROFIT</b>	<b>23.664</b>	<b>22.916</b>	<b>19.410</b>
Financial income	154	160	268
Financial charges	-4.156	- 3.856	- 3.432
Income tax	-48	-1.176	- 78
<b>RESULT FOR THE PERIOD (available for appropriation)</b>	<b>19.614</b>	<b>18.044</b>	<b>16.168</b>
<b>RESULT ON THE PORTFOLIO</b>	<b>4.063</b>	<b>4.125</b>	<b>9.265</b>
Of which:			
- realised capital gains less reversal of a provision for previously recorded latent capital gains	140 -48	469 - 450	244 - 247
- latent capital gains or losses			
• on new acquisitions	1.468	816	8.172
• on existing portfolio (incl. projects)	2.964	3.770	1.096
• latent taxation	-461	-480	0
<b>EXTRAORDINARY RESULT</b>	<b>-682</b>	<b>1.121</b>	<b>-</b>
Reversal of provisions for soil cleaning	0	1.121	-
Reversal of a provision for extraordinary liabilities and changes	63		
Expenses in relation to the increase in capital	-745		
<b>TOTAL RESULT</b>	<b>22.995</b>	<b>23.290</b>	<b>25.433</b>



## Consolidated annual accounts for the financial year 2003

### Discussion of the results

#### Operating income

Recurrent rental income – i.e. rental income less the advance property levy and charges for concessions payable by the owner – increased by 8% in 2003 to reach 25.5 million EUR.

WDP also receives two other types of income:

- recurrent management fees and rental supplements paid by way of compensation for specific works undertaken (i.e. a total of 417.365 EUR);
- Non-recurrent fees, such as various payments for cancellation and termination of contracts, the payment of fees for studying certain projects, etc. In 2003, these amounted to 733.088 EUR.

These combined to generate a 4% increase in operating income, amounting to 26,7 million EUR.

#### Operating charges

After remaining unchanged in 2002, operating charges increased slightly during the 2003 financial year as envisaged, to reach a total of 3,033 million EUR.

Portfolio management expenses increased by 19% to 962.435 EUR, mainly owing to the greater level of maintenance work undertaken during 2003. The increase in these costs is explained by the growth in the property portfolio.

General costs increased to 2.070.978 EUR, i.e. an 8% increase compared with the previous year, which is the lowest level ever recorded. This increase is explained firstly by the increase in communication expenses incurred with a view to streamlining action. On the other hand, an increase in fees relating to legal assistance was recorded in relation to the preparation of new leases and current disputes. Various proceedings have been settled satisfactorily in 2003, and several others should also be concluded in 2004.

#### Financial charges

As the level of debt rises, the proportion of financial charges in the WDP's total costs also increases. In 2003, financial charges increased by 8% to account for 57% of total operating charges.

Financial charges are also affected by WDP's cautious interest rate strategy. At least 50% of loans contracted thus have to have a fixed rate for more than two years, in order to achieve maximum benefit from the interest rate curve.

Overall, this has generated a net operating result of 19,614 million EUR, i.e. an additional increase of 9% compared with 2002, which also recorded a 12% increase compared with 2001.



In accordance with WDP's current distribution policy, 90% of this result will be distributed through dividends.

### Portfolio result

The sale of the houses at Molenbeek Saint-Jean, rue Delaunoy, has generated a capital gain of 139.844 EUR in relation to the value recorded since the stock market floatation of June 1999. Compared with the last valuation by the property surveyor at the end of 2002, there was a latent capital gain of 47.500 EUR.

The latent portfolio growth, of 3.970.898 EUR, continues the previous year's trend. It is broken down as follows (see also the table opposite and the "Surveyor's valuation of the portfolio", on page 30):

#### 1. New acquisitions in 2003

Latent capital gains of 1.502.836 EUR relating to:

- the new project in the Czech Republic;
- the acquisition, renovation and extension of the building at Asse (Mollem) - Assesteenweg, whose market value at the end of 2003 exceeded the purchase price and the investment costs already conducted. This capital gain was achieved owing to the rapid lease to Vernoflex and AMP, and the effectiveness of the extension work.

#### 2. The existing portfolio

Capital gains of 3.812.015 EUR on the existing buildings in which WDP undertook renovation work or a new construction in its capacity as the owner-investor. This was notably the case with the buildings at Vilvoorde - Havendoklaan 19, Molenbeek Saint-Jean - Rue Delaunoy, Aalst - Tragel 11-12, Zele - Lindestraat, Bornem - Rijksweg 19, Ternat - Industrielaan, Aalst - Wijngaardveld, Anderlecht - Frans Van Kalkenlaan, Boom - Langelei and Nivelles - Rue de l'Industrie. These latent net capital gains result mainly from the internal margin achieved as an investor. They increased by 3,4% compared with the market value at the end of 2002, plus agreed investments (109.886.951 EUR).

A net capital loss totalling 1.309.489 EUR was recorded for the rest of the existing property portfolio. Belgian property represented a latent capital loss of 1.192.372 EUR. Property assets abroad registered latent net capital gains of 343.458 EUR. After deduction of deferred tax of 460.574 EUR, the balance for abroad is a small latent net capital loss of 117.116 EUR.

We therefore note that for the entire existing portfolio there was a latent net capital gain of 2.502.526 million EUR.

This demonstrates that WDP has not only been able to achieve appreciable internal capital gains on new acquisitions, but on the existing portfolio also, through the optimal exploitation of its constantly increasing investment potential.



## Consolidated annual accounts for the financial year 2003

### Discussion of the results (continued)

#### Extraordinary result

The increase in capital in September 2003 resulted in extraordinary charges amounting to 682.000 EUR, in which charges for distribution and the guarantee fee payable to Petercam and KBC Securities, amounting to 413.951 EUR predominated. A substantial saving was nevertheless achieved through the fact that no remuneration had to be paid for the part representing the Jos De Pauw family's participation, which had previously confirmed its intention to subscribe to the capital increase using all of its pre-emptive rights. Apart from the financial services, the fees of the various consultants involved in the operation should also be taken into account, along with communication expenses.

The resources generated by the capital increase are only being used to reduce the level of debt for the moment, and will only become fully profitable when they are invested in property projects.

In spite of all of this, WDP managed to increase operating profits in 2003 to effectively achieve the 5% increase in the net dividend per share, which it set as an objective last year, without taking the capital increase into account.



**Consolidated annual accounts for the financial year 2003**  
**Financing statement**



	31-12-2003 EUR (x 1.000)	31-12-2002 EUR (x 1.000)	31-12-2001 EUR (x 1.000)
<b>Investments and cash at bank and in hand at the beginning of the year</b>	<b>1.122</b>	<b>1.250</b>	<b>8.177</b>
<b>Cash flows from operating activities</b>			
Operational and extraordinary profits for the year	19.614	19.165	16.169
Cost of increasing the capital	-682	-	-
Income from the sale of land and buildings	140	469	244
Amortisations, provisions and depreciations	703	57	326
Reversal of the provision for environmental remediation	-	-1.121	0
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>19.775</b>	<b>18.570</b>	<b>16.739</b>
<b>Cash flows from investing activities</b>			
Acquisition land and buildings (excl. Caresta nv building)	-18.511	-25.366	-47.544
Acquisition land and buildings because of the merger with Caresta nv	-	-	-10.822
Sale land and buildings	263	1.189	99
Acquisition and sale of other fixed assets	-45	-49	-407
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-18.293</b>	<b>-24.226</b>	<b>-58.674</b>
<b>Cash flow from financing activities</b>			
Increase in own equity (excl. merger with Caresta nv)	27.598	17	0
Acquisition own equity because of the merger with Caresta nv	-	-	6.866
Changes in the amounts payable after 1 year (excl. Caresta nv)	19.257	28.849	676
Acquisition financial debts payable after 1 year because of the merger with Caresta nv	-	-	5.267
Changes in the amounts payable within 1 year (excl. Caresta nv)	-23.766	-9.083	36.940
Acquisition financial debts payable within 1 year because of the merger with Caresta nv	-	-	1
Payable dividends with regard to accounting year 2001	-18.252	-16.234	-14.611
Change in the need for working capital	-4.988	1.979	-131
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-151</b>	<b>5.528</b>	<b>35.008</b>
<b>Investments and cash in the bank and in hand at the end of the year</b>	<b>2.453</b>	<b>1.122</b>	<b>1.250</b>

**Consolidated annual accounts for the financial year 2003**  
**Overview rental income**

EUR

BELGIUM		20.134.078,24
Aalst	Dendermondsesteenweg 75	152.861,82
Aalst	Tragel 5	284.389,64
Aalst	Tragel 11-12	991.961,00
Aalst	Wijngaardveld 3, Dijkstraat 7	521.544,49
Aalst	Wijngaardveld	21.284,27
Anderlecht	Frans Van Kalkenlaan 9	506.462,80
Antwerpen	Lefebvredok, Kaai 59	343.297,09
Beersel (Lot)	Heideveld 3-4-4A	337.897,88
Beersel (Lot)	Stationstraat 230	147.906,69
Beringen (Paal)	Industrieweg 135	361.470,49
Bierbeek	Hoogstraat 35-35A	167.468,87
Boom	Groene Hofstraat 13	128.648,64
Boom	Langelei 114-116	1.612.888,65
Boortmeerbeek	Leuvensesteenweg 238	552.700,17
Boortmeerbeek	Industrielaan 16	46.359,90
Bornem	Rijksweg 17	651.142,02
Bornem	Rijksweg 19	556.775,23
Buggenhout	Kalkestraat 19	190.590,56
Grimbergen	Eppegemstraat 31	1.012.135,92
Haacht (Wespelaar)	Dijkstraat 44	173.379,28
Lebbeke (Wieze)	Kapittelstraat 31	93.279,68
Leuven	Kol. Begaultlaan 9-17-19-21	571.146,67
Leuven	Vaart 25-35	1.168.365,15
Londerzeel	Nijverheidsstraat 13-15	868.395,00
Machelen	Rittwegerlaan 91-93	1.103.638,92
Mechelen	Olivetenvest 4-6-8	124.674,95
Merchtem	Kattestraat 27	171.927,18
Merchtem	Stoofstraat 11	25.872,08
Merchtem	Wolvertemse Steenweg 1	241.136,57
Mollem (Asse)	Assesteenweg 25	224.131,48
Neder-Over-Heembeek	Vilvoordsesteenweg 146	214.699,61
Nijvel	Rue de l'Industrie 30	967.594,23
Puurs	Lichterstraat 31	399.477,84
Rumst (Terhagen)	Polder 3	308.906,01
St-Jans-Molenbeek	Delaunoyststraat 34-36 + 58-94	703.851,57
Temse	Kapelanielaan 10	388.487,84
Ternat	Industrielaan 24	799.504,47
Tienen	Getelaan 100	330.556,56
Vilvoorde	W. Elsschotstraat 5	856.526,26
Vilvoorde	Havendoklaan 12	739.258,74
Vilvoorde	Havendoklaan 19	301.248,00
Vilvoorde	Steenkade 44	171.180,52
Vilvoorde	J.F. Willemsstraat 95	184.866,90
Willebroek	Breendonckstraat, Volvenweg	0,00
Zaventem	Fabriekstraat 13	365.421,15
Zele	Lindestraat 7	48.765,45
FRANCE		1.593.699,77
Aix-en-Provence		580.979,37
Lesquin		626.596,01
Roncq		245.139,85
Templemars		140.984,54
ITALY		1.836.830,73
Milan		1.836.830,73
THE NETHERLANDS		1.768.854,00
Hazeldonk		1.768.854,00
CZECH REPUBLIC		744.197,47
Pruhonice		317.301,60
Hradec Kralové		252.949,39
Jablonec		50.141,40
Mladá Boleslav		123.805,08
TOTAL		26.077.660,21



The unconsolidated profit for the financial year in the parent company annual accounts amounted to 20.361.159,71 EUR. Taking into account the profit brought forward from the previous financial year (3.382.972,56 EUR), this gives a net profit of 23.744.132,27 EUR.

After allocation of the latent net capital gains to the reserves not available for distribution resulting from (1) the evolution of market fluctuations on the portfolio (4.122.478,81 EUR) and (2) from the writeback of latent capital gains mentioned earlier for the sale of the building at Molenbeek Saint-Jean (47.500 EUR), 19.669.153,46 EUR still remains to be appropriated.

On increasing the capital at the end of the third quarter, which led to the issue of 985.656 new shares, it was decided that the existing and new shares would become effective as from closing date for WDP's interim results.

WDP's operating results for the first half of 2003 were thus paid out to existing shareholders. A net interim dividend of 1,06 EUR per share was thus distributed to them in advance as a share in the profits for the first half of 2003.

Benefits from the new shares issued following the capital increase will come into effect as from 1st July 2003. These shares will thus be eligible to take part in the profits from the second half of 2003.

In practical terms, the use of an interim dividend offers the significant advantage of being able to differentiate between existing and new shares. At the end of the year, all of the shares in circulation, be they existing or new, will be attributed the same dividend equivalent to 90% of the consolidated operating results for the second half of 2003. Existing shares will have already received their share of the profits for the first half of the year through the interim dividend.

In order to offset the delay between the date on which the new shares begin to take part in the dividend on the one hand (on 1st July 2003) and the date from which the capital increase was effectively paid (10th October 2003), as from which the sums thus began to represent a financial interest for the company, the new share issue price includes a supplement equivalent to the operating profit for the third quarter. This supplement is currently accounted for in the profit distribution and has thus been attributed to the shareholders.



We propose to allocate the result as follows:

*- Redemption of capital*                      *18.252.032,40 EUR*

i.e. an interim dividend of 8.604.198,33 EUR (6.899.593 shares x 1,06 EUR net dividend, plus the tax deducted at source) and a balance of 9.647.834,07 EUR for the 2003 financial year, to be appropriated at the General Meeting (7.885.249 shares x 1,04 EUR net dividend, plus the tax deducted at source).

*- Profit to be brought forward*              *1.417.121,06 EUR*

The proposed dividend distribution in the Belgian parent company's annual accounts corresponds therefore to 90% of the annual consolidated operating profit, when rounded up, i.e. a net dividend of 2.10 EUR per share. After deduction of the interim dividend already distributed, a net dividend of 1,04 EUR per share remains to be distributed.

The remainder of the profit will be carried forward and reserved to cover the contingencies of major maintenance and buildings standing empty.

This dividend will be paid out as from Wednesday 5th May 2004 at your financial institution on presentation of coupon n° 7 for bearer shares.



## Consolidated annual accounts for the financial year 2003

### Consolidated accounting rules

The accounting rules used for the preparation of the consolidated annual accounts are the same rules as are used for the parent company annual accounts, including the derogation, as permitted by the Minister for Economic Affairs.

In addition to this basic principle, there are a number of accounting rules that are specific to the consolidation, as explained below.

#### 1. Goodwill

Goodwill is recorded when companies acquire new participating interests. Companies are included in the consolidation, according to the size of the interest, using the full method or the equity method.

Consolidated goodwill is amortised over a period of ten years.

Any negative goodwill is retained in the consolidated balance sheet as long as the companies concerned are included in the consolidation and as long as the anticipated costs or losses that gave rise to it have not been realised.

#### 2. Translation differences

Assets and liabilities in foreign currencies and the financial statements of foreign subsidiaries are converted using the monetary/non-monetary method. In this method, non-monetary assets and liabilities and depreciation, decreases in value and adjustments affecting these assets are converted using the historical exchange rate.

Monetary assets and liabilities, rights and obligations are converted using the current exchange rate.

Income and charges are converted using the average exchange rate over the financial year.

Realised exchange gains or losses are recorded in the income statement.

The part that is attributable to third parties is included in the income statement under the item "Share of minority interests in the result".

#### 3. Future taxation

Future taxation is included in the portfolio results for foreign property which is held by a foreign subsidiary. This future taxation is calculated using the difference between the estimated value of property on the balance sheet date and its fiscal value, using an average, current tax rate of 17,5%.



## Consolidated annual accounts for the financial year 2003

### Auditor's report on the annual accounts

#### Statutory auditors' report for the year ended 31st December 2003 to the shareholders' meeting of the company Warehouses De Pauw Comm.VA

In accordance with legal and regulatory requirements, we are pleased to report to you on the performance of the audit mandate which you have entrusted to us.

We have audited the financial statements as of and for the year ended 31st December 2003 which have been prepared under the responsibility of the management and which show a balance sheet total of 341,886,705 EUR and a profit for the year available for appropriation of 22,995,074 EUR. We have also checked the annual report

The annual financial statements of WDP CZ s.r.o., WDP Italia s.r.l., WDP France s.a.r.l. and WDP Nederland b.v., included within the scope of the consolidation, have been audited by other auditors and we have based our opinion on their reports.

#### Unqualified audit opinion on the consolidated financial statements

We conducted our audit in accordance with the standards of the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require us to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, taking into account the legal and regulatory requirements applicable to financial statements in Belgium.

In accordance with those standards, we considered the company's administrative and accounting organization, as well as its internal control procedures. Company officials have responded clearly to our requests for explanations and information.

On a test basis, we examined evidence supporting the amounts in the consolidated financial statements. We assessed the accounting principles used, the consolidation bases and significant estimates made by the company, as well as the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion. On 6th October 1999, the company received the approval to draw up its financial statements according to a scheme different from that provided in article 15 of the Act of 17th July 1975. The purpose of this exception is to allocate the change in market value of element of the portfolio to reserves not available for distribution, taking any negative balance into account in the income statement and therefore to use an adapted scheme for the income statement in which a distinction is made between the operating results, the results on the portfolio and the extraordinary results.

The prolongation of the approval for the financial year 2003 was requested.

In our opinion, taking into account the applicable Belgian legal and regulatory requirements, the consolidated financial statements present fairly the company's net worth and financial position as of 31st December 2002 and the results of its operations for the year then ended, and the information given in the notes to the financial statements is adequate.

#### Additional certifications

The annual report contains the information required by law and is consistent with the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the legal and regulatory requirements.

Brussels, 13th April 2004.

Jos Van der Steen,  
Statutory Auditor

## Unconsolidated annual accounts for the financial year 2003

### 1. Balance sheet- Assets

	Year 31-12-2003 EUR (x 1.000)	Year 31-12-2002 EUR (x 1.000)	Year 31-12-2001 EUR (x 1.000)
<b>FIXED ASSETS</b>	<b>276.968</b>	<b>255.052</b>	<b>228.643</b>
<b>II. Intangible fixed assets</b>	<b>17</b>	<b>17</b>	<b>14</b>
<b>III. Tangible fixed assets</b>	<b>263.723</b>	<b>242.298</b>	<b>216.867</b>
A. Land and buildings	239.407	214.676	207.635
B. Plant, machinery and equipment	31	45	44
C. Furniture and vehicles	160	132	156
D. Leasing and similar rights			
E. Other tangible fixed assets	27	28	30
F. Assets under constructions and advance payments	24.098	27.417	9.002
<b>IV. Financial fixed assets</b>	<b>13.228</b>	<b>12.737</b>	<b>11.762</b>
A. Affiliated enterprises	13.219	12.731	11.749
1. Participating interests	4.850	4.850	4.850
2. Receivables	8.369	7.881	6.899
C. Other financial assets	9	6	13
2. Amounts receivable and cash guarantees	9	6	13
<b>CURRENT ASSETS</b>	<b>5.639</b>	<b>9.876</b>	<b>7.402</b>
<b>V. Amounts receivable within one year</b>	<b>285</b>	<b>992</b>	<b>1.471</b>
A. Trade debtors	0	0	0
B. Other amounts receivable	285	992	1.471
<b>VII. Amounts receivable within one year</b>	<b>3.709</b>	<b>7.762</b>	<b>4.599</b>
A. Trade debtors	1.527	2.808	2.957
B. Other amounts receivable	2.182	4.954	1.642
<b>VIII. Investments</b>	<b>0</b>	<b>400</b>	<b>0</b>
B. Other investments	0	400	0
<b>IX. Cash in the bank and in hand</b>	<b>1.569</b>	<b>353</b>	<b>771</b>
<b>X. Deferred charges and accrued income</b>	<b>76</b>	<b>369</b>	<b>561</b>
<b>TOTAL ASSETS</b>	<b>282.607</b>	<b>264.928</b>	<b>236.045</b>



## Unconsolidated annual accounts for the financial year 2003

### 1. Balance sheet- Liabilities

	Year 31-12-2003 EUR (x 1.000)	Year 31-12-2002 EUR (x 1.000)	Year 31-12-2001 EUR (x 1.000)
<b>CAPITAL AND RESERVES</b>	<b>204.034</b>	<b>174.327</b>	<b>169.900</b>
<b>I. Capital</b>	<b>79.498</b>	<b>51.900</b>	<b>51.900</b>
A. Issued Capital	79.498	51.900	51.900
<b>III. Revaluation surplus</b>	<b>102.259</b>	<b>98.184</b>	<b>98.184</b>
<b>IV. Reserves (+)(-)</b>	<b>20.860</b>	<b>20.860</b>	<b>17.335</b>
A. Legal reserve	25	25	25
B. Non-available reserves			
2. Other	7.954	7.954	4.429
C. Taxfree reserves			
D. Available reserves	12.881	12.881	12.881
<b>V. Accumulated profits</b>	<b>1.417</b>	<b>3.383</b>	<b>2.481</b>
<b>PROVISIONS AND DEFERRED TAXATION</b>	<b>1.335</b>	<b>1.422</b>	<b>2.182</b>
<b>VII. A. Provisions for liabilities and charges</b>	<b>1.335</b>	<b>1.422</b>	<b>2.182</b>
2. Taxation	704	704	
3. Repair and maintenance costs	425	401	1.622
4. Other liabilities and charges	206	317	560
<b>DEBTS</b>	<b>77.238</b>	<b>89.179</b>	<b>63.963</b>
<b>VIII. Amounts payable after more than one year</b>	<b>47.310</b>	<b>39.310</b>	<b>24.286</b>
A. Financial debts	47.310	39.310	24.286
4. Credit institutions	47.310	39.310	24.286
<b>IX. Amounts payable within one year</b>	<b>28.228</b>	<b>48.313</b>	<b>39.236</b>
A. Current portion of amounts payable after one year	1	4	164
B. Financial debts	14.500	25.000	16.611
1. Credit institutions	14.500	25.000	16.611
C. Trade debts	2.105	2.797	4.950
1. Suppliers	2.105	2.797	4.950
E. Taxes, remuneration and social security	1.741	3.928	4.293
1. Taxes	1.677	3.851	4.181
2. Remuneration and social security	64	77	112
F. Other debts	9.880	16.584	13.218
<b>X. Accrued charges and deferred income</b>	<b>1.699</b>	<b>1.556</b>	<b>441</b>
<b>TOTAL LIABILITIES</b>	<b>282.607</b>	<b>264.928</b>	<b>236.045</b>

# Unconsolidated annual accounts for the financial year 2003

## 2. Income statement

	Year 31-12-2003 EUR (x 1.000)	Year 31-12-2002 EUR (x 1.000)	Year 31-12-2001 EUR (x 1.000)
<b>CURRENT RESULT</b>			
<b>I. Operating income</b>	<b>24.528</b>	<b>24.214</b>	<b>21.196</b>
A. Turnover	20.134	18.601	16.126
B. Fixed assets - own production	351	327	246
C. Other operating income	4.043	5.286	4.824
<b>II. Operating charges</b>	<b>-6.133</b>	<b>-6.826</b>	<b>-7.054</b>
B. Services and other goods	3.540	4.220	5.057
C. Remuneration, social security costs and pensions	619	608	668
D. Depreciation	77	78	74
E. Value adjustments to trade debtors (increase +, decrease -)	63	68	120
F. Provisions for liabilities and charges (increase +, decrease -)	-24	-102	-237
G. Other operating charges	1.859	1.954	1.372
<b>III. Operating profit</b>	<b>18.394</b>	<b>17.388</b>	<b>14.142</b>
<b>IV. Financial income</b>	<b>711</b>	<b>799</b>	<b>666</b>
A. Income from financial fixed assets	592	698	450
B. Income from current assets	52	37	144
C. Other financial income	67	64	72
<b>V. Financial charges</b>	<b>-2.274</b>	<b>-1.914</b>	<b>-1.149</b>
A. Interest and other debt charges	2.261	1.903	1.138
C. Other financial charges	13	11	11
<b>VI. Income tax (-) (+)</b>	<b>-4</b>	<b>-727</b>	<b>-48</b>
A. Income tax (-)	-327	-727	-1.028
B. Adjustments of income tax and write-back of provisions	323	0	980
<b>VII. Net current profit (loss) (+) (-)</b>	<b>16.828</b>	<b>15.546</b>	<b>13.611</b>
<b>RESULT ON THE PORTFOLIO</b>			
<b>VIII. Gain or loss on disposal of elements of the portfolio (by reference to their historical value)</b>	<b>140</b>	<b>469</b>	<b>244</b>
A. Property assets ( within the meaning of the Royal Decree of 10/04/95)	140	469	244
1. Buildings and real rights on buildings	140	469	244
- Gains	140	469	244
<b>VIIIb Exit tax related to fluctuation value of elements of the portfolio (-) (+)</b>	<b>-47</b>	<b>-450</b>	<b>-248</b>
- Gains	-47	-450	-248
<b>IX. Change in market value of elements of the portfolio</b>	<b>4.122</b>	<b>3.975</b>	<b>4.677</b>
A. Property assets ( within the meaning of the 10.271 Royal Decree of 10/04/95)	4.122	3.975	4.677
1. Buildings and real rights on buildings	4.122	3.975	4.677
- Gains	7.865	8.790	8.565
- Losses	-3.743	-4.816	-3.888
<b>X. Profit (Loss) on the portfolio</b>	<b>4.215</b>	<b>3.994</b>	<b>4.673</b>



	Year 31-12-2003 EUR (x 1.000)	Year 31-12-2002 EUR (x 1.000)	Year 31-12-2001 EUR (x 1.000)
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<b>EXTRAORDINARY RESULT</b>			
<b>XI. Extraordinary income</b>	<b>0</b>	<b>1.121</b>	<b>850</b>
B. Other extraordinary income	0	1.121	850
<b>XII. Extraordinary charges</b>	<b>-682</b>	<b>0</b>	<b>-701</b>
A. Extraordinary depreciation of and amounts written off formation expenses, intangible and tangible fixed assets		0	4
B. Provisions for extraordinary liabilities and changes	-63	238	335
C. Other extraordinary charges	745	-238	362
<b>XIII. Extraordinary profit (Extraordinary loss) (+) (-)</b>	<b>-682</b>	<b>1.121</b>	<b>149</b>
<b>RESULT FOR APPROPRIATION</b>			
<b>XIV. Profit for the year (+) (-)</b>	<b>20.361</b>	<b>20.661</b>	<b>18.433</b>
<b>XV. Withdrawal from the tax-free reserves</b>			
Roll-over to the tax-free reserves			
<b>XVI. Appropriation of the changes in market value of elements in the portfolio</b>	<b>4.075</b>	<b>3.525</b>	<b>4.429</b>
A. Transfer to reserves not available for distribution	4.075	3.525	4.429
<b>XVII. Profit for the year available for appropriation</b>	<b>16.286</b>	<b>17.136</b>	<b>14.004</b>

Appropriation account	Year 31-12-2003 EUR (x 1.000)	Year 31-12-2002 EUR (x 1.000)	Year 31-12-2001 EUR (x 1.000)
<b>A. Profit (loss) to be appropriated (+) (-)</b>	<b>19.669</b>	<b>19.617</b>	<b>17.092</b>
1. Profit (loss) for the year available for appropriation (+) (-)	16.286	17.136	14.004
2. Profit (loss) brought forward (+) (-)	3.383	2.481	3.088
<b>D. Result to be carried forward</b>	<b>-1.417</b>	<b>-3.383</b>	<b>-2.481</b>
1. Profit to be carried forward	1.417	-3.383	-2.481
<b>F. Distribution of profit</b>	<b>-18.252</b>	<b>-16.234</b>	<b>-14.611</b>
1. Dividends	18.252	16.234	14.611



## Unconsolidated annual accounts for the financial year 2003

### 3. Notes

#### II. STATEMENT OF INTANGIBLE FIXED ASSETS (x EUR 1.000)

Concessions,  
patents,  
licences, etc.

##### a) ACQUISITION COST

At the beginning of the year	38
Movements of the year	
- Acquisitions	7
- Transfers and retirement	

**At the end of the year 45**

##### c) AMORTISATION AND DEPRECIATION (-)

At the beginning of the year	21
Movements of the year	
- Posted	7

**At the end of the year 28**

##### d) NET BOOK VALUE AT THE END OF THE YEAR

**17**

80

#### III. STATEMENT OF TANGIBLE ASSETS (x EUR 1.000)

Land and  
buildings

Machinery  
and  
equipment

Furniture  
and  
vehicles

##### a) ACQUISITION COST

At the beginning of the year	129.019	145	566
Movements of the year			
- Acquisitions, included production of tangible assets	9.327		96
- Assets transferred and put out of use (-)	-122		-61
- Transferred from one item to another (+) (-)	9.355		

**At the end of the year 147.579 145 601**

##### b) REVALUATION SURPLUSES

At the beginning of the year	115.295		
Movements of the year			
- Recorded	5.587		
- Decreased (-)	-48		
- Transferred from one item to another (+) (-)	3.504		

**At the end of the year 124.338 0 0**

##### c) DEPRECIATION AND WRITE-DOWNS

At the beginning of the year	29.640	100	434
Movements of the year			
- Recorded			
- Written-down after transfer and retirements (-)	2.878	14	54
- Transferred from one item to another (+) (-)	-8		-47

**At the end of the year 32.510 114 441**

##### d) NET BOOK VALUE AT THE END OF THE YEAR

**239.407 31 160**



### III. STATEMENT OF TANGIBLE FIXED ASSETS (x EUR 1.000)

Leasing and  
other  
similar rights

Other  
tangible  
assets

Assets under  
construction  
and advance  
payments

#### a) ACQUISITION COST

At the beginning of the year		42	23.500
Movements of the year			
- Acquisitions, included production of fixed assets			8.087
- Assets transferred and retired (-)			
- Transferred from one item to another (+) (-)			-9.355

At the end of the year 42 22.232

#### b) REVALUATION SURPLUSES

At the beginning of the year			4.027
Movements of the year			
- Recorded			2.327
- Transferred from one item to another (+) (-)			-3.504

At the end of the year 0 2.850

#### c) DEPRECIATION AND WRITE-DOWNS

At the beginning of the year		14	110
Movements of the year			
- Recorded		2	865
- Transferred from one item to another (+) (-)			8

At the end of the year 16 983

NET BOOK VALUE AT THE END OF THE YEAR 26 24.098

### IV. STATEMENT OF FINANCIAL FIXED ASSETS (x EUR 1.000)

Associated  
enterprises

Enterprises  
associated by  
participating  
interests

Other

#### 1. Participating interests

##### a) ACQUISITION COST

At the beginning of the year	4.850		
Movements of the year:			
- Acquisitions			

At the end of the year 4.850

NET BOOK VALUE AT THE END OF THE YEAR 4.850

##### 2. Amounts receivable

NET BOOK VALUE AT THE BEGINNING OF THE YEAR 7.881 6

Movements of the year			
- Additions	700		4
- Reimbursements	-213		

NET BOOK VALUE AT THE END OF THE YEAR 8.368 10

## Unconsolidated annual accounts for the financial year 2003

### 3. Notes (continued)

NAME and REGISTERED OFFICE	Social rights held by		Financial statements as	Currency	Information from the last available financial statements	
	Enterprise (directly)	Subsidiaries			Capital and reserves (+) or (-)	Net result (+) or (-)
	Number	%				
<b>WDP CZ s.r.o.</b> Belehradská 18 PRAGUE, CZECH REPUBLIC	100	100,00	31/12/2003	EUR	1.976.504	-105.673
<b>WDP Italia s.r.l.</b> Via Senato 20 20121 MILAN, ITALY	19.999	99,99	31/12/2003	EUR	330.114	129.525
<b>WDP France s.a.r.l.</b> Rue Cantrelle 28 36000 CHÂTEAUROUX, FRANCE	770	100,00	31/12/2003	EUR	472.124	180.347
<b>WDP Nederland b.v.</b> Postbus 128 5300 AC ZALTBOMMEL THE NETHERLANDS	180	100,00	31/12/2003	EUR	304.483	156.120

#### VI. INVESTMENTS: OTHER INVESTMENTS (x EUR 1.000)

Year ended  
31-12-2003

Year ended  
31-12-2002

**Term account by credit institutions**  
with a fixed term or period of notice of:  
- one month

400

818

0

400

#### VII. DEFERRED CHARGES AND ACCRUED INCOME (x EUR 1.000)

Year

Breakdown of item 490/1 of assets if it  
includes important amounts for:

amounts recoverable:

- management fees recoverable

16

- commissions recoverable on re-letting

25

- fees and remuneration recoverable

13

- other amounts recoverable

1

revenues received:

- damages and interest received

21



## VIII. STATEMENT ON CAPITAL

Amounts  
(x EUR 1.000)

Number of  
shares

### A. STATEMENT ON CAPITAL

#### 1. Issued capital (item 100 of the assets)

- At the beginning of the year	51.900	6.899.593
- Movements during the year	27.598	985.656

#### At the end of the year

79.498

7.885.249

#### 2. Number of shares

2.1. Categories of share		
Ordinary shares, without mention of par value	79.498	7.885.249
2.2. Registered or bearer shares		
Registered	45.334	4.496.632
Bearer	34.164	3.388.612

### G. SHAREHOLDER'S STRUCTURE - HOLDING OF THE COMPANY AT THE END OF YEAR

based on declarations which  
the company has received:

	Number of shares	%
Robert De Pauw	985.714	12,5
Anne De Pauw	985.714	12,5
Tony De Pauw	985.714	12,5
Kathleen De Pauw	985.714	12,5

83

## IX. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (x EUR 1.000)

Year

Breakdown of item 163/5 of liabilities if it includes  
important amounts for:

- provisions for disputes	175
- provisions for logistics activities	29
- provisions for the development of the website	2

## DEBTS

### X. STATEMENT OF AMOUNTS PAYABLE (x EUR 1.000)

Falling due  
during the  
year

More than 1  
but less  
than 5 years

More than  
5 years

### A. BREAKDOWN OF AMOUNTS ORIGINALLY PAYABLE AFTER 1 YEAR BY REFERENCE TO THEIR RESIDUAL TERM

<b>Financial debts</b>			
4. Credit institutions	0	25.000	22.310
5. Other	1	0	0

### TOTAL

## Unconsolidated annual accounts for the financial year 2003

### 3. Notes (continued)

X. STATEMENT OF AMOUNTS PAYABLE  
(x EUR 1.000)

Year

#### C. AMOUNTS PAYABLE FOR TAX, REMUNERATION AND SOCIAL SECURITY

1. Tax (item 450/3 of the liabilities)

b) Tax not yet due

1.677

2. Remuneration and social security  
(item 454/9 of the liabilities)

b) Other remuneration and social security

64

XI. DEFERRED INCOME AND ACCRUED CHARGES  
(x EUR 1.000)

Year

Breakdown of item 492/3 of liabilities if it  
includes important amounts for:

- Discount on debts from sale of property

4

- Rental income accrued

75

- Income from damages, interest  
and lease termination compensation accrued

358

- Interest costs accrued

939

- CBI tax and CBF fees

124

- Custody fees accrued

12

- Other amounts accrued

- Expenses to be charged for the  
2003 annual report

125

- Director's remuneration to be inputed

62



## XII. OPERATING RESULTS (x EUR 1.000)

Year

Previous  
year

### C1. WORKERS INCLUDED IN THE PERSONNEL REGISTER

a) Number of workers at the year end	14	13
b) Average workforce calculated in full-time equivalents	11,7	10,7
c) Actual number of hours worked	19.463	18.463

### C2. PERSONNEL CHARGES

a) Remuneration and direct social benefits	387	378
b) Employers' contributions for social security	167	165
c) Employers' premiums for extra-statutory insurance	25	27
d) Other personnel charges	40	38

### D. AMOUNTS WRITTEN DOWN

2. On trade debtors		
- Increased	71	68
- Decreased (-)	-8	0

### E. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (item 635/7)

Additions	123	17
Charges and write-back (-)	-147	-119

### F. OTHER OPERATING CHARGES

Tax related to operations	1.851	1.910
Other	8	44

85

## XIII. FINANCIAL RESULTS (x EUR 1.000)

Year

Previous  
year

### A. OTHER FINANCIAL INCOME (item 752/9)

Discount on invoicing of works	0	53
Discount on debts from sale of property	22	10
Interest on current account	24	0
Other	21	1

### C. ACTIVATED INTEREST

313 297

### D. OTHER FINANCIAL CHARGES

Bank charges	8	9
Other	5	2

## XIII. EXTRAORDINARY RESULT (x EUR 1.000)

Year

Previous  
year

### A. OTHER EXTRAORDINARY INCOME

Expenses for the name promotion campaign, the campaign aimed at logistics companies, management and the website, for which a provision during the previous financial year was reversed (cf. extraordinary result)	63	238
Expenses relating to the capital increase	682	0

# Unconsolidated annual accounts for the financial year 2003

## 3. Notes (continued)

### XV. INCOME TAX (x EUR 1.000)

Year

#### A. BREAKDOWN OF ITEM 670/3

327

#### 1. Income tax of the current year:

##### a. Tax and advance tax payable or paid

11

#### 2. Income tax on prior year

##### a. Additional charges for income tax due or paid

316

##### b. Estimated additional tax payment

### XVI. VALUE ADDED TAX AND TAX SUPPORTED BY THIRD PARTIES (x EUR 1.000)

Year

Previous  
year

#### A. Value added tax

##### 1. To the enterprise

1.665

2.349

##### 2. By the enterprise

4.707

5.902

#### B. Amounts retained on behalf of the third parties for

##### 1. Payroll withholding tax

96

97

##### 2. Withholding tax on investment income

3.703

2.192

### XVII. OFF-BALANCE SHEET RIGHTS AND COMMITMENTS

- Commitment in favour of Dexia and Fortis Bank not to further mortgage the assets held in Belgium or establish proxies for this purpose ("negative pledge").
- Financial securities worth 1,75 million EUR in favour of OVAM.
- In December 2003, the following interest rate insurance was contracted in Belgium:
  - a forward Interest Rate Swap agreement (IRS) with the following characteristics:
 

amount:	25 million EUR
start date:	02/01/2004
duration:	3 years
interest rate:	3,35%
underlying borrowing (roll-over):	Euribor +0,85%
as of 01/04/04:	Euribor +0,75%

with the following characteristics:

amount:	25 million EUR
start date:	01/06/2004
duration:	1,5 years
interest rate:	3,22%
underlying borrowing (roll-over):	Euribor +0,75%

- During the course of the 2003 financial year, 135.366,64 EUR of property agency commissions on the initial lettings of own projects was capitalised, compared with 587.778,42 EUR in 2002. The relevant valuation rules were altered during the 2002 financial year. Previously, these commissions were spread over the lease period preceding the initial possibility for termination (generally 3 years).

- WDP has granted the non-profit organisation Ligue d'Entraide Islamique an option to purchase a warehouse with adjacent land at Molenbeek Saint-Jean, rue Delaunoy 34-36, in exchange for a sum of 100.000 EUR. The purchase price has been set at 750.000 EUR and the option expires on 30/06/2005. If the buyer exercises the option, the 100.000 EUR paid will be considered as a down payment on the purchase price.

[illegible]





The accounts, including the annual accounts, are drawn up in accordance with the spirit and objectives of the provisions of the Royal Decree of 10th April 1995 relating to closed-end property investment companies.

The most important accounting rules, adopted by the board of directors, are summarised below.

#### **Formation expenses**

The formation expenses and costs associated with capital increases, amending the articles of association, etc. are amortised at 20% per year.

#### **Tangible assets**

##### **Real Property**

Tangible property assets are valued on acquisition at their acquisition cost, including additional costs and non-deductible VAT.

Property under construction, undergoing extensions or alterations is valued according to the state of progress of the work, at its acquisition cost, including additional costs, such as: intercalary interest, cost of the actual works, site insurance, agency fees for the initial lease, registration fees and non-deductible VAT.

A surveyor precisely determines the value of the following items of fixed assets at the end of each accounting year:

- real property, fixtures and rights in rem on fixed assets held by the closed-end investment company or, where appropriate, by a property company which it controls;
- the options on property held by the closed-end investment company or, where appropriate, by a property company which it controls, along with the property to which these options pertain;
- contractual rights by virtue of which one or several property assets are leased to the closed-end investment company or, where appropriate, a property company controlled by it, along with the subjacent assets.

The closed-end investment company is obliged to use these valuations in drawing up its annual accounts. At the end of each of the first three quarters of the financial year, the surveyor will also update the total valuation of the closed-end investment company's aforementioned real property and, where appropriate, those of the companies it controls, based on market developments and the specific features of the property in question.

The property will therefore be presented in the annual accounts at the value determined by a chartered surveyor, including transaction costs, i.e. including expenses, registration fees and other fees, unless the Board of Directors has opted for a different valuation.

Contrary to articles 27bis §1, 28 §3 and 34 paragraph one of the Royal Decree of 8th October 1976 relating to the annual accounts of enterprises, increases and decreases in the value upon revaluation of fixed assets, as determined by the surveyor and approved by the Board of Directors, will be included in the inventory.

(see page 91: Derogation)

Contrary to articles 28 §2 and 30 of the Royal Decree of 8th October 1976 relating to annual accounts of enterprises, the closed-end property investment company can not amortise any

## Unconsolidated annual accounts for the financial year 2003

### 4. SOCIAL INFORMATION\*

	Full-time year	Part-time year	Total (T) or total in full-time equivalents year	Total (T) or total in full-time equivalents previous year
<b>I. SCHEDULE OF PERSONS EMPLOYED</b>				
<b>A. STAFF MEMBERS INSCRIBED IN THE PERSONNEL REGISTER</b>				
1. During the current year and the previous year				
Average number of staff members	9,4	4,0	11,2	10,7
Actual number of hours worked	16.528,0	2.934,5	19.462,5	18.463,0
Remuneration (x EUR 1.000)	525	94	619	608
Benefits granted in addition to salary (x EUR 1.000)	23	4	27	27
2. At the year end				
a. Number of staff members inscribed in the personnel register	10,0	4,0	11,7	
b. By type of work contract				
Permanent contract	10,0	4,0	11,7	
c. By sex				
Male	9,0	1,0	9,2	
Female	1,0	3,0	2,5	
d. By staff category				
Employees	5,0	4,0	6,7	
- Workers	5,0	0,0	5,0	
<b>II. SCHEDULE OF PERSONNEL MOVEMENTS DURING THE YEAR</b>				
<b>A. ENTRIES</b>				

buildings, rights in rem on buildings or property which have been rented-leased to the closed-end property investment company.

Provisions are made for major maintenance and repair costs for roofs, paintwork, gates and car parks.

#### **Tangible assets other than real property**

Tangible assets other than real property, whose use is subject to a time limit, are valued at their acquisition cost, minus straight-line depreciation based on their expected life.

During the financial year in which the investment was made, depreciation is charged for 12 months. If the financial year covers a period of more or less than 12 months, depreciation is calculated pro rata temporis.

The following percentage annual depreciation rates apply:

	<b>Straight-line depreciation percentage</b>
Plant, machinery and equipment	10%
Furniture and vehicles	10% - 20%
IT equipment	20%

At the time of sale or retirement of tangible assets other than real property, the acquisition value and associated depreciation are removed from the annual accounts and the capital gains or losses are included in the income statement.

#### **Financial assets**

Financial assets are valued according to their market value. On acquisition, financial assets are valued at their current value, excluding any additional costs, which are charged to the income statement. The Board of Directors will assess whether the additional costs should be capitalised and over what period they should be amortised. Contrary to articles 29 §2 paragraph one and 34 paragraph one of the Royal Decree of 8th October 1976 relating to the annual accounts of enterprises, capital losses and gains from revaluation of financial investments held in affiliated property companies and property investment institutions will be recorded in the inventory each time it is drawn up.

Increases in the value are recorded directly in section III of the liabilities, "Revaluation surpluses". Articles 10 and 14 §1 of the Royal Decree of 8th March 1994 relating to the accounting and annual accounts of certain collective investment institutions with variable participation rights apply to the valuation of financial investments held in affiliated property companies and collective investment institutions.

Article 34, paragraph three of the Royal Decree of 8th October 1976 relating to the annual accounts of enterprises is not applicable.

#### **Receivables**

Amounts receivable after one year and within one year are valued at their nominal value, less provisions for bad and doubtful debts.

#### **Investments**

Investments are valued at their acquisition or market value if this is lower, excluding additional costs, which are charged to the income statement.



### Provisions for liabilities and charges

Each year, the Board of Directors examines the need to establish provisions to cover the liabilities and charges facing the closed-end property investment company.

The provisions for repairs and major maintenance are prepared on the basis of the Board of Directors' decisions to undertake repair and maintenance work.

### Debts

Debts are valued at their nominal value.

### Derogation

A renewed request for derogation was made based on Article 15 of the Act of 17th July 1975 relating to the annual accounts of enterprises, in order to present the annual financial statements in another format, which would make it possible to include the deferred increases and decreases in value owing to market fluctuations as parallel entries in the income statement. If the deferred result on portfolio items is positive, it will not be paid out, but recorded as an undistributable reserve. This specific presentation, applied by most closed-end property investment companies, has been applied by WDP since its quotation on the stock market in 1999. The Minister of Economic Affairs has still not replied to the renewal request.



## **Unconsolidated annual accounts for the financial year 2003**

### **Auditor's report on the annual accounts**

#### **Statutory auditors' report for the year ended 31st December 2003 to the shareholders' meeting of the company Warehouses De Pauw Comm.VA**

In accordance with legal and regulatory requirements, we are pleased to report to you on the performance of the audit mandate which you have entrusted to us.

We have audited the financial statements as of and for the year ended 31st December 2002 which have been prepared under the responsibility of the management and which show a balance sheet total of 282,606,781 EUR and a profit for the year available for appropriation of 20,361,160 EUR. We have also carried out the specific additional audit procedures required by law.

#### **Unqualified audit opinion on the financial statements**

We conducted our audit in accordance with the standards of the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require us to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, taking into account the legal and regulatory requirements applicable to financial statements in Belgium.

In accordance with those standards, we considered the company's administrative and accounting organization, as well as its internal control procedures. Company officials have responded clearly to our requests for explanations and information.

On a test basis, we examined evidence supporting the amounts in the financial statements. We assessed the accounting principles used and significant estimates made by the company, as well as the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

On 6th October 1999, the company received the approval to draw up its financial statements according to a scheme different from that provided in article 15 of the Act of 17th July 1975. The purpose of this exception is to allocate the change in market value of element of the portfolio to reserves not available for distribution, taking any negative balance into account in the income statement and therefore to use an adapted scheme for the income statement in which a distinction is made between the operating results, the results on the portfolio and the extraordinary results.

The prolongation of the approval for financial year 2003 was requested.

In our opinion, taking into account the applicable legal and regulatory requirements, the financial statements of WAREHOUSES DE PAUW Comm.VA present fairly the company's net worth and financial position as of 31st December 2002 and the results of its operations for the year then ended, and the information given in the notes to the financial statements is adequate.



### Additional certifications

We supplement our report with the following certifications, which do not modify our audit opinion on the financial statements:

- The annual report contains the information required by law and is consistent with the financial statements.
- In this annual report, in accordance with Article 523 of the Companies Code, the management have informed you of the conflict of interest identified during the capital increase in the person of Mr. Dirk Van den Broek, director of De Pauw SA (the statutory managing director of WDP Comm. VA) who is also a shareholder and director of Petercam SA, one of the financial institutions which have assisted in the WDP Comm VA capital increase. Remuneration of 3% was paid by way of a distribution and guarantee fee for the part of the capital increase not subscribed by the reference shareholder. As the Lead Manager, Petercam also received a set-up fee of 75.000 EUR. This remuneration is recorded in the "extraordinary charges" item for 2003.
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained and the financial statements have been prepared in accordance with the legal and regulatory requirements applicable in Belgium.
- There are no transactions undertaken or decisions taken in violation of the company's statutes or company law or the legislation concerning "Vastgoed-Bevaks / Sicaf immobilières" which we have to report to you. The appropriation of results proposed to the general meeting complies with the legal and statutory provisions.
- During the course of the year, an interim dividend was distributed, for which we have drawn up a report, in accordance with legal provisions.

Brussels, 13th April 2004.

Jos Van der Steen  
Statutory Auditor

pls. translate **Capital increase assisted by lead manager Petercam**

During the recent transactions, the management company's Board of Directors only once had to apply the regulation on conflicts of interest (Article 523 of the Companies Code and Article 24 of the Royal Decree of 10th April 1995 relating to closed-end property investment companies), with regard to the appointment and remuneration of the financial institutions assisting with the capital increase in autumn 2003.

The following text appears in the minutes of the management company's Board of Director's meeting of 26th June 2003, regarding the nature of the decision, its justification and consequences on the assets.

***Conflicts of interest: notification – explanation – justification***

*Whereas Mr. Dirk Van den Broek, director of De Pauw NV, which in turn manages WDP, has a potentially incompatible, indirect interest of a patrimonial nature with regard to a decision that has to be taken by the Board of Directors and its performance, he previously notified the other members of the Board of Directors of De Pauw NV. Mr. Van den Broek stated more specifically that this potentially and indirectly incompatible interest of a patrimonial nature results on the one hand from the fact that he is a shareholder and director within Petercam SA – a financial institution from which the Board of Directors intends to request assistance for the capital increase that it intends to undertake and, on the other, his mandate as an independent director of De Pauw NV.*

*In this respect, it has been recorded that the potential conflict lies within the managing company's Board of Directors, and not the management company itself. In the interest of WDP and all of its shareholders, the Board has nevertheless opted for a transparent application of Article 523 of the Companies Code.*

*After making his statement, Mr. Dirk Van den Broek left the meeting and took part in neither the deliberations, nor the Board of Directors' vote on this decision, as stipulated in Article 523 §1, paragraph 4 of the Companies Code.*

***Nature of the decision and justification***

*The Board of Directors has to make a decision on the principle described below, which the managers will then be authorised to develop in greater detail and implement. After in-depth market research, reported through a presentation to the Board, followed by explanations from Mr. Uwents in terms of the services proposed, the Board opted for Petercam and KBC Securities to be the financial institutions called upon to assist with WDP's planned capital increase in autumn 2003. These two institutions are both brokers with excellent reputations in the Belgian market. Furthermore, they offer the most equitable, reasonable conditions which correspond entirely with normal market terms.*

*As a result, the Board decided as follows:*

*The syndicate banks assisting WDP will be Petercam as lead manager and KBC Securities as assistant lead manager.*



*Remuneration of 3% will be paid by way of a distribution and guarantee fee for the part of the capital increase up to a maximum 30 million EUR which not subscribed by the reference shareholder (which undertook to fully exercise its pre-emptive right for approximately 51% of the WDP shares in its possession). As the lead manager, Petercam will receive a further commission of 75.000 EUR.*

### **Financial and patrimonial consequences of the decision**

*In order to assist WDP's capital increase as planned for the autumn 2003, Petercam SA and KBC Securities SA, as indicated above, will receive remuneration at market rates intended to guarantee the operation's success as far as possible.*

### **Reimbursement of supplementary tax to the De Pauw family and transfer of the contingent claim**

On 20th November 2002, WDP was ordered to pay supplementary tax of 2.502.212,35 EUR in relation to an "exit" tax supplement. WDP paid this supplementary tax on 15th January 2003, for which it subsequently submitted an appeal on 17th February 2003. Whilst awaiting the outcome of the appeal procedure, WDP paid the tax debt, 1.793.241,28 EUR of which was guaranteed by the De Pauw family.

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On 9th September 2003, the De Pauw family was reimbursed this sum, together with interest at the market rate of 3%.

The minutes of the Board of Director's meeting of the closed-end property investment company's management company, held on 2nd March 2004, presented the issue of this tax dispute and referred to the reimbursement of the De Pauw family for the aforementioned amount, together with interest of 3%. The minutes also mention the agreement in relation to the transfer by WDP Comm VA of its fiscal debt to the De Pauw family, which would enable the De Pauw family to receive the amount claimed if the tax office decided to refund the amount paid.

Given that Tony De Pauw took part in his capacity as a member of the De Pauw family, these minutes were signed by all the directors of the management company, except Tony De Pauw.

These minutes also concern a Board of Director's decision relating to the accomplishment of a current transaction. The Board of Directors confirmed the current nature of this transaction and guaranteed that it had been undertaken under normal market conditions, by means of securities habitually used in the market for such transactions.

This decision is in no way prejudicial to WDP Comm VA.



## 1 Basic information

### 1.1 Company name

"Warehouses De Pauw", abbreviated to "WDP"

### 1.2 Legal form, formation and publication

The company was constituted as a company limited by shares under the name "Rederij De Pauw" by a deed executed in the presence of the notary public, Paul De Ruyver, in Liedekerke, on 27th May 1977, published in the Annexes of the Belgian Bulletin of Acts and Decrees of 21st June 1977, under number 2249-1. This company limited by shares served as a holding in which, by means of a general series of mergers and splits, the property assets of 9 companies were combined. At the same time, the name of the company was changed to "Warehousing & Distribution De Pauw" and it was converted into a limited partnership with share capital. The articles of association were amended conditionally in line with this change by a deed executed on 20th May 1999 in the presence of the notary public, Siegfried Defrancq, in Asse-Zellik, and published in the Annexes to the Belgian Bulletin of Acts and Decrees under numbers 990616-1 to 22 inclusive and confirmed by two deeds dated 28th June 1999 executed in the presence of the same notary public and published in the Belgian Bulletin of Acts and Decrees under numbers 990720-757 and 758. Since 28th June 1999, WDP Comm.VA has been registered with the Banking and Finance Commission as a "closed-end property investment company under Belgian law". Consequently it is now subject to the statutory system for closed-end investment companies provided in article 118 of the Act of 4th December 1999 relating to financial transactions and financial markets, and also the Royal Decree of 10th April 1995 relating to closed-end property investment companies.

The company name was changed to "Warehouses De Pauw" at the General Meeting of 25th April 2001, by a deed executed in the presence of the aforementioned notary public Defrancq, published in the Annexes to the Belgian Bulletin of Acts and Decrees of 18th May under number 20010518-652.

On 12th December 2001, the company took over the company limited by shares NV Caresta, and the articles of association were amended accordingly by deed executed in the presence of the notary public Siegfried Defrancq, at Asse-Zellik, and published in the Annexes of the Belgian Bulletin of Acts and Decrees on 5th January, under the number 20020105-257. An amendment was then published in the Annexes of the Belgian Bulletin of Acts and Decrees on 25th July 2002, under the reference 20020725-299.

On 5th September 2003, the management company decided to increase the capital through a public share issue up to a maximum value of 30.000.000,00 EUR, including the issue premium, with a pre-emptive right and in the context of authorised capital, through a deed executed in the presence of the aforementioned notary public Siegfried Defrancq, published in the Annexes of the Belgian Bulletin of Acts and Decrees on 25th July 2002, under the reference 2003102-0109193. On 10th October 2003, it was recorded that the capital had increased to 27.598.368,00 EUR, including the issue premium, whereby 985.656 new shares were issued. This deed was published in the Annexes of the Belgian Bulletin of Acts and Decrees of 6th November 2003 under the reference 2003106-0116631.



### 1.3 Registered offices of the company and administrative domicile

The company has its registered office at 1861 Meise (Wolvertem), Blakenberg 15. The registered office can be transferred within Belgium without amending the articles of association by decision of the management, provided the language laws are duly respected.

### 1.4 Trade Register and VAT number

The company's file is kept at the commercial courts of Brussels. The company is registered in the trade register under the number 0417.199.869.

### 1.5 Duration

The company has been formed for an indefinite duration.

### 1.6 Corporate object

Article 4 of the articles of association:

"The sole object of the company is the collective investment of publicly raised funds in property as defined in article 122, 1<sup>st</sup> paragraph one, 5° of the Act of the fourth December nineteen hundred and ninety, relating to financial transactions and financial markets.

Property is taken to mean:

1. property as defined in articles 517 ff. of the Civil Code and rights in rem on the said property;
2. voting shares issued by associated property companies;
3. options on properties;
4. participation rights in other property investment companies registered in the list envisaged in article 120 § 1, paragraph two or article 137 of the Act of the fourth December nineteen hundred and ninety, relating to financial transactions and financial markets;
5. mortgage debentures as defined in article 106 of the Act of the fourth December nineteen hundred and ninety, relating to financial transactions and financial markets and article 44 of the Royal Decree of 10th April nineteen hundred and ninety-five relating to closed-end property investment companies;
6. rights arising from contracts giving the company leasehold of one or several properties.
7. and all other assets, shares or rights defined as property by the Royal Decrees implementing the Act of the fourth December nineteen hundred and ninety, relating to financial transactions and financial markets which are applicable to collective investment institutions investing in property. Within the boundaries of its investment policy, as defined in article 5 of the articles of association and in accordance with the applicable legislation for closed-end property investment companies, the company may involve itself in:
  - the acquisition, alteration, fitting out, letting, sub-letting, management, exchange, sale, dividing up, and inclusion of properties as described above into a system of joint ownership;
  - the acquisition and lending of securities without prejudicing the application of article 51 of the Royal Decree of the tenth April nineteen hundred and ninety-five relating to closed-end property investment companies;
  - leased properties, with or without option to buy, in accordance with article 46 of the Royal Decree of the tenth April nineteen hundred and ninety-five relating to closed-end property investment companies;
  - appurtenant leased properties, with or without option to buy, in accordance with article 47 of the Royal Decree of the tenth April nineteen hundred and ninety-five relating to closed-end property investment companies;
  - the company may only occasionally act as a property developer, as defined in article 2 of the Royal Decree of the tenth April nineteen hundred and ninety-five.



In accordance with the applicable legislation on closed-end property investment companies, the company may also:

- *on an incidental or provisional basis, undertake investments in securities other than fixed assets and liquid assets it holds in accordance with article 41 of the Royal Decree of the 10th April 1995 relating to closed-end property investment companies. Ownership of securities must be compatible with the short and medium-term goals of the company's investment policy as defined in article 5 of the articles of association. The securities must be listed on a stock exchange of a European Union member state or be traded on a regulated, regularly trading, recognised European Union market that is accessible to the public. 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 any other securities or guarantees in the context of property financing in accordance with article 53 of the Royal Decree of the 10th April 1995 relating to closed-end property investment companies;*
- *grant loans and stand surety for a subsidiary of the company that is also an investment institution as defined in article 49 of the Royal Decree of the 10th April 1995 relating to closed-end property investment companies.*

The company may acquire, lease or let, sell or exchange all moveable or immovable property, materials and accessory items and generally perform all commercial or financial actions that are directly or indirectly related to its corporate object and the exploitation of all intellectual rights and commercial properties related to it.

In so far as it is compatible with the articles of association of closed-end property investment companies, the company can participate

in all existing or companies and enterprises, or those yet to be formed, in Belgium or abroad, which have an identical corporate object to its own, or which by its nature furthers the accomplishment of its own object, through cash contributions or contributions in kind, merger, subscription or participation.

Any alteration of the corporate object has to be submitted for prior approval by the Banking, Finance and Insurance Commission.

The investment policy with a view to implementing the corporate object is as follows:

"In order to minimise the investment risk and spread risk properly, the company will gear its investment policy to a diversified property portfolio, investing in high-quality projects, principally in semi-industrial buildings intended for distribution, storage and various other logistic functions. The company will also invest to a lesser extent in industrial, commercial and office buildings.

The potential buildings may be geographically spread throughout Belgium, the European Union member states and candidate countries.

Investments in securities will be undertaken in accordance with the criteria stipulated in articles 56 and 57 of the Royal Decree of the 4th March 1991 relating to certain collective investment institutions."



### 1.7 Places where documents can be consulted by the public

The company's articles of association can be consulted at the Commercial Court clerk's office in Brussels.

In accordance with statutory provisions, the company's consolidated and non consolidated financial statements are deposited with the National Bank of Belgium. Financial notices concerning the company, along with notifications of General Meetings which also appear in the financial dailies, newspapers and information magazines. The company's annual reports and articles of association are available at the head offices and can be consulted for information purposes on the website [www.wdp.be](http://www.wdp.be). The printed version is the only legally valid version of annual report. The company declines all liability in terms of the faithfulness or precision of the annual report as it appears on the internet. Other information found on the company's website or on any other Internet site does not form part of the annual report. The electronic version of the annual report can not be reproduced or made available to anyone in whatever location, and neither can the text of this version be printed or circulated. Registered shareholders and any other person who so requests will receive a copy of the annual report every year.



## 2 Capital stock

### 2.1 Subscribed capital

The subscribed capital of Warehouses De Pauw Comm.VA amounts to 79.498.368,00 EUR and is represented by 6,899,593 shares, with no indication of their par value, each representing a 1/7.885.249 of the capital.

The capital is broken down as follows:	
	EUR
Formation of Rederij De Pauw SA	49.579
Capital increase through incorporation of reserves	12.395
Capital increase by public issue (incl. premium on share issue)*	69.557.950
Capital increase through mergers/divisions**	
Industriegebouwen NV	5.627
Union Commerciale Belge NV	2.975
Leuvense Stapelplaatsen NV	6.931
Immobilière du Canal NV	5.172
Tony De Pauw NV	1.200
Olivetinvest NV	1.215
Immobilienvennootschap van Buggenhout NV	337
Immobilienvennootschap van Merchtem NV	29.909
Capital increase through incorporation of reserves to round up in euros	326.710
Capital reduction to defray losses	-20.575.000
Capital increase resulting from the takeover of Caresta SA***	2.429.356,54
Capital increase through incorporation of reserves to round up in euros	45.643,46
Capital increase by public issue (incl. premium on share issue)****	27.598.368
<b>Total</b>	<b>79.498.368,00</b>

\* 3,115,000 shares at the issue price of 22.33 EUR

\*\* Prior to recognition as a closed-end property investment company

\*\*\* 259.593 shares at the issue price of 26,45 EUR (= NAV on 30/06/2001, including interim profit)

\*\*\*\* 985.656 shares at the issue price of 28,00 EUR (including share premium of 20,48 EUR).



## 2.2 Authorised capital

The management is authorised to increase the capital stock on the dates and under the conditions which it will determine, on one or several occasions, to the amount of 49.425.000,00 EUR.

This authorisation is valid for a duration of five years from the publication of the minutes of the General Meeting of 20th May 1999. (Belgian Bulletin of 16/06/1999 under the references 990616-17/20). This authorisation can be renewed.

The capital increase(s) can be undertaken through a cash contribution, a contribution in kind or by converting reserves in accordance with the rules laid down in the Companies Act, Article 11 of the Royal Decree of 10th April 1995 relating to closed-end property investment companies and the current articles of association.

Where appropriate, in the event of a capital increase decided by the management, after charging for any expenses, the share premiums should be placed in a blocked account by the management, which will use it like the capital to guarantee third parties and under no circumstances may it be reduced or funds be withdrawn other than by resolution of the General Meeting subject to the conditions required by article 612 of the Companies Code, except for its conversion into capital as provided above.

## 2.3 Repurchasing of own shares

The company can acquire its own shares that are fully paid-up in cash and retain them following a decision by the General Meeting and in accordance with the provisions of the Companies Act.

The same General Meeting can decide the conditions for the disposal of these shares.

The conditions for the disposal of the securities acquired by the company are, depending on the circumstances, determined in accordance with article 622, paragraph 2 of the Companies Act, by the General Meeting or the management.

On 31-12-2001, WDP Comm.VA did not hold any of its own shares. The De Pauw NV management held 438 WDP shares.

## 2.4 Capital changes

Subject to the possibility of using the authorised capital by a management decision, the increase or decrease in subscribed capital can only be decided by an extraordinary General Meeting in the presence of a notary public with the management's consent. The company should also observe the rules stipulated for a public issue of shares in the company, in article 125 of the Act of 4th December 1990 and articles 28 ff. of the Royal Decree of 10th April 1995 relating to closed-end investment companies.

Furthermore, pursuant to article 11, paragraph 2 of the Royal Decree of 10th April 1995 relating to closed-end property investment companies, the following conditions should be respected:

- 1 the identity of the party making the contribution should be mentioned in the reports required by article 602 of the Companies Act, as well as the notifications of General Meetings which will resolve on the capital increase;
- 2 the issue price can not be lower than the average price over the thirty days prior to the capital contribution;
- 3 the report envisaged in point 1 above should also indicate the repercussions of the proposed contribution on existing shareholders and more specifically, the effect on their share of the profit and in the capital.

In accordance with article 11 paragraph one of the Royal Decree of 10th April 1995 relating to closed-end property investment companies, the pre-emptive rights of shareholders as envisaged in articles 592 and 593 of the Companies Act can not be disregarded in the event of cash contributions.

### **2.5 Controlling interest in the company**

The controlling interest in WDP Comm.VA is held by the De Pauw SA management company, represented by its permanent representative, Tony De Pauw, following a Board of Directors' decision on 20/01/2003, with retroactive effect as from 1st September 2002, in accordance with Article 61§2 of the Companies Act. The shares of De Pauw NV are entirely owned by the Jos De Pauw family, represented on the Board of Directors of De Pauw NV by Tony De Pauw.

For an explanation of the notion of "control", see p. 10: "2.1. A limited partnership with share capital".

## **3 Statutory Auditor**

The annual remuneration of the current auditor is 10.000 EUR for auditing the annual consolidated and non-consolidated financial statements. The mandate runs for a period of three years. It expires at the General Meeting in 2005 and is renewable.

Additional remuneration of 3.100 EUR was paid to the auditor for his report in relation to the interim dividend during the 2003 financial year.

For each of the foreign subsidiaries, a local auditor was appointed, namely:

- for WDP Italia s.r.l.: the company Consulaudit (Bologna), represented by Mr. Spisni;
- for WDP France s.a.r.l.: the company S&W Associés (Paris), represented by Mr. Young;
- for WDP CZ s.r.o.: the companies VGD and Podzimek a Suma-Audit (Prague), represented by Messrs. Uher and Podzimek;
- for WDP Nederland b.v.: la company FSV Accountants (Zaltbommel), represented by Mr. Girbes.

The auditor of WDP Comm. VA for the consolidated and non-consolidated financial statements is Jos Van der Steen, whose offices are located in 2600 Berchem, Potvlietlaan 6. Mr. Van der Steen has requested to be released from his auditing mandate. The next annual meeting will decide on his release and will potentially appoint another auditor upon a proposal from the management.

## **4 Depository bank**

Fortis Bank is the depository bank for WDP Comm.VA. Its annual remuneration is 24.789 EUR.

## **5 Financial services**

The financial services for WDP shares are provided by Petercam and the CBC.





## 6 Chartered Surveyor

### 6.1 Identity

The chartered surveyor appointed by WDP Comm VA is the company Stadim SCRL.

### 6.2 Task

In accordance with article 56 of the Royal Decree of 10th April 1995, the chartered surveyor determines the value of all the buildings belonging to the closed-end property investment company and its subsidiaries at the end of each financial year. The book value of the buildings shown in the balance sheet is adjusted to these values.

At the end of the first three quarters of the year, the surveyor updates the total valuation from the previous year, based on market developments and the specific features of the property in question.

Each property to be acquired or transferred by the closed-end property investment company or a company it controls is valued by the surveyor before the transaction takes place. The valuation conducted by the surveyor is binding for the closed-end investment company when the other party is a promoter or investor in the closed-end property investment company, when the other party is a company with which the closed-end property investment company, promoter or investor is associated or when any of the aforementioned parties will gain any advantage from the proposed transaction.

### 6.3 Valuation methods

The chartered surveyors Stadim SCRL has examined the various properties, taken the necessary measurements, drawn up a description of the properties and the plant and has examined the existing documents and plans sent to them.

The methods used by Stadim SCRL incorporate several, traditional approaches. The gross rental value (30,51 million EUR in 2003) is compared with the investment value (350,92 million EUR), producing an average return on capital of 8,72% for the entire portfolio. This return on capital varies from one property to another, in a range of between 7,96% and 13,64%. The investment cost is calculated including transaction, construction or renovation expenses, fees and VAT.

Alongside this, specific factors for each property are taken into account, including expected expenses and provisions, current lease contracts, the time taken to complete the construction and renovation work and their impact in the effective collection of rent. The net present values of these income flows and resale values ("discounted cash flow") is calculated based on the interest rates in the capital markets (linear bonds over 17 years = 4,75%), plus a specific margin for the individual property investment ("illiquidity margin", 2,27% on average). 2,20% on average). Thus the impact of fluctuations in the forecast interest rates and rate of inflation (0,75% as an assumption) is included in the value calculation.

Finally, points of comparison are used to test the value of each property, the land value and the return on capital.

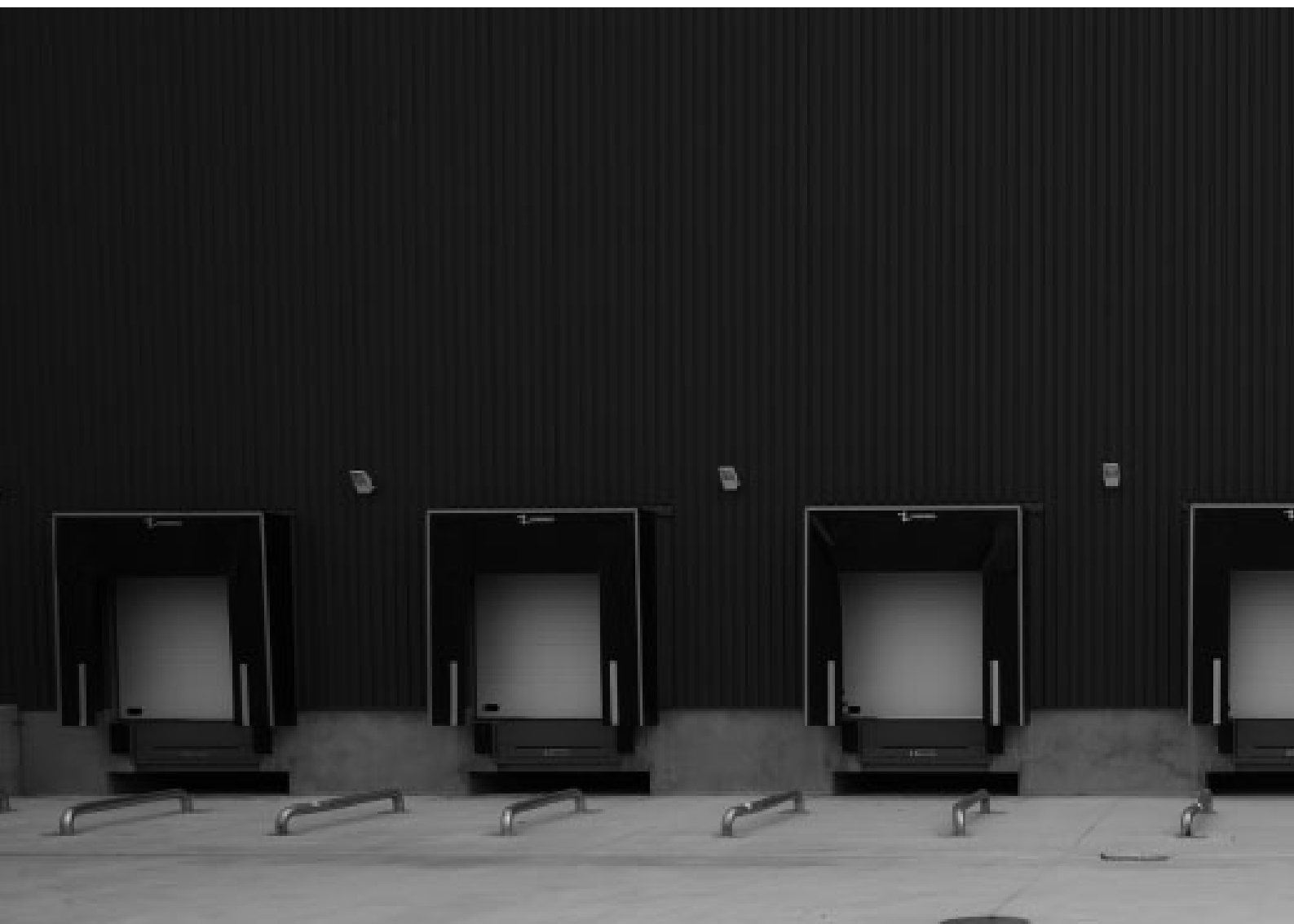
With regard to the properties abroad, the market-rate valuations of the chartered surveyors Cushman & Wakefield & Baker <sup>TM</sup> have been used, and for Milan the architect-sworn surveyor G. Coccozza. Stadim has also subjected these valuations to financial analysis in relation to specific lease contracts.





**Agenda** (for update: see [www.wdp.be](http://www.wdp.be))

General meeting	Wednesday 28 April 2004 at 10 a.m. (annually on the last Wednesday in April)
Payout of dividend on coupon no 7:	from Wednesday 5 May 2004
Publication of 1st quarter results	week 23
Publication of half-yearly results	week 37
Publication of 3rd quarter results	week 49



On March 22, 2004, the Banking, Finance and Insurance Commission gave its consent for this annual report to be used as a reference document for any public offer the company may make via the procedure of separate provision of information until the publication of its next annual report. Under this procedure a memorandum of operation has to be added to this annual report in order to form a prospectus within the meaning of article 129 of the Act of 4 December 1990. The prospectus has to be submitted to the Banking, Finance and Insurance Commission for approval in compliance with article 129 of the aforementioned Act.





