



**WDP**

SUPPLYING SPACE

**Annual Report 2004**







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## Warehouses De Pauw: supplying space

### Strategy

Warehouses De Pauw (WDP) is the leading operator in the Belgian semi-industrial property market. True to its motto “we give you the space to invest”, the WDP Closed-End Property Investment Company focuses its activities on building up a high quality logistics and semi-industrial property portfolio, which is reflected in practice by:

- the development of specific storage and distribution premises;
- customised projects at the user's request;
- investment in existing spaces for customers who wish to engage in “sale and rent back” operations.

The multifunctional nature of the building plays a crucial role for each investment. The lifetime of the building is in fact determined by the potential for leasing it again, after the departure of the existing tenant. 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. In terms of the location of premises, WDP systematically selects strategic centres for storage and distribution.

WDP attaches great importance to the development of a long term relationship with its clients, for whom it above all aims to be a property partner.





### Priority markets

Alongside Belgium, the Netherlands and France constitute WDP's main priority markets. Most of the properties and projects are therefore in prime locations on the Breda-Antwerp-Brussels-Lille logistic axis. WDP aims to have a dominant presence in this **Western European logistic heartland** in order to be able to provide optimal service to its clients. WDP is continuing to develop its portfolio in order to be able to meet the great demand, which will be sustained in the future owing to the presence of major ports such as Antwerp and Rotterdam and the high purchasing power of this densely populated region.

The second pillar of WDP's growth is the Czech Republic, which is developing rapidly as a **logistic heartland for Central and Eastern Europe**.

### Portfolio

On 31st December 2003, WDP had 58 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 1,45 million m<sup>2</sup>, along with 718.900 m<sup>2</sup> of buildings, to which 38.320 m<sup>2</sup> should be added for buildings under construction.





## Warehouses De Pauw: supplying space (continued)

The total value of the property portfolio was 350 million EUR at that time, including transaction costs.

WDP's ultimate goal is to achieve European assets to the value of 500 million EUR.

### Stock market listing and capitalisation

The WDP Closed-End Property Investment Company has been listed on the Euronext Brussels First Market since 28th June 1999, and since 2003 has formed part of the "next prime" segment of the European mid-caps and the VLAM21 index. Since 2004, it has also been included in the EPRA (European Public Real Estate Association) index.

Since 17th December 2004, WDP shares have also been listed on the Euronext Paris Second Market.

At the end of 2004, the Closed-End Property Investment Company's market capitalisation exceeded 275 million EUR.

### Shareholders

WDP developed from the assets of the family group, Jos De Pauw from Merchtem, which remains the reference shareholder with a 30% strategic stake in the Closed-End Property Investment Company.



## Key figures

### Consolidated annual accounts

	million EUR 31/12/2004	million EUR 31/12/2003	million EUR 31/12/2002
<b>ASSETS</b>			
LAND and BUILDINGS* (including assets under construction)	350,02	333,56	310,93
LIQUID ASSETS	3,37	2,45	1,12
OTHER CURRENT ASSETS	5,40	5,88	12,36
<b>TOTAL ASSETS</b>	<b>358,79</b>	<b>341,89</b>	<b>324,41</b>
<b>LIABILITIES</b>			
EQUITY CAPITAL	217,21	214,53	182,22
PROVISIONS AND DEFERRED TAXES	6,89	4,66	4,31
DEBTS	134,69	122,70	137,88
<b>TOTAL LIABILITIES</b>	<b>358,79</b>	<b>341,89</b>	<b>324,41</b>
NAV**/SHARE before profit distribution	30,02	29,52	28,76
after profit distribution	27,55	27,21	26,41
PRICE	35,00	31,40	27,95
PREMIUM/DISCOUNT BEFORE PROFIT DISTRIBUTION	16,59%	6,37%	-2,82%
DEBT RATIO***	39,46%	37,25%	43,83%
*: valuation including transaction costs **: NAV = Net Asset Value ***: provisions and deferred taxes included			
	in 000s EUR 2004	in 000s EUR 2003	in 000s EUR 2002
OPERATING INCOME	27.602,52	26.697,30	25.638,77
OPERATING PROFIT	24.228,94	23.663,60	23.145,53
FINANCIAL RESULTS	-3.857,60	-4.002,22	-3.695,93
INCOME TAXES	-85,07	-47,67	-1.405,47
<b>OPERATING RESULTS</b>	<b>20.286,27</b>	<b>19.613,71</b>	<b>18.044,13</b>
<b>UNREALISED CAPITAL GAIN ON THE PORTFOLIO</b>	<b>2.017,75</b>	<b>4.063,24</b>	<b>4.124,82</b>
<b>EXTRAORDINARY RESULTS</b>	<b>-144,00</b>	<b>-681,68</b>	<b>1.121,28</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>22.160,02</b>	<b>22.995,27</b>	<b>23.290,23</b>
PROPOSED DISTRIBUTION	19.481,20	18.252,00*	16.234,34
DIVIDEND PAYOUT RATIO (in relation to the operational results)	96,03%	89,98%	89,97%
NUMBER OF SHARES AT THE END OF THE PERIOD	7.885.249	7.885.249	6.899.593
OPERATING PROFIT/SHARE	2,57	2,75**	2,62
GROSS DIVIDEND/SHARE	2,47	2,47	2,35
NET DIVIDEND/SHARE	2,10	2,10	2,00
NAV INCREASE/SHARE	0,34	0,76	0,74
% EBIT in relation to intrinsic value at the end of the last financial year	9,46%	10,39%	10,19%
% annual profit in relation to intrinsic value at the end of the last financial year	10,33%	12,18%	13,15%

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

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



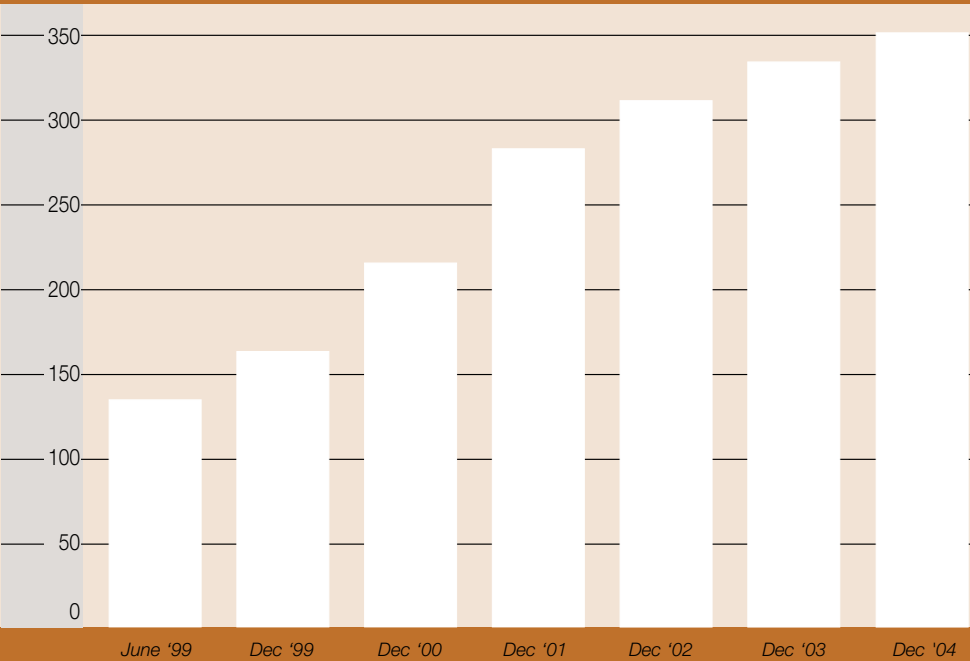
## Evolution of a few key figures

### Evolution of the property portfolio

	M EUR
June '99	134,80
Dec '99	163,23
Dec '00	215,33
Dec '01	282,62
Dec '02	310,93
Dec '03	333,56
Dec '04	350,02

increase: 160%

cumulative annual  
growth: 18,94%

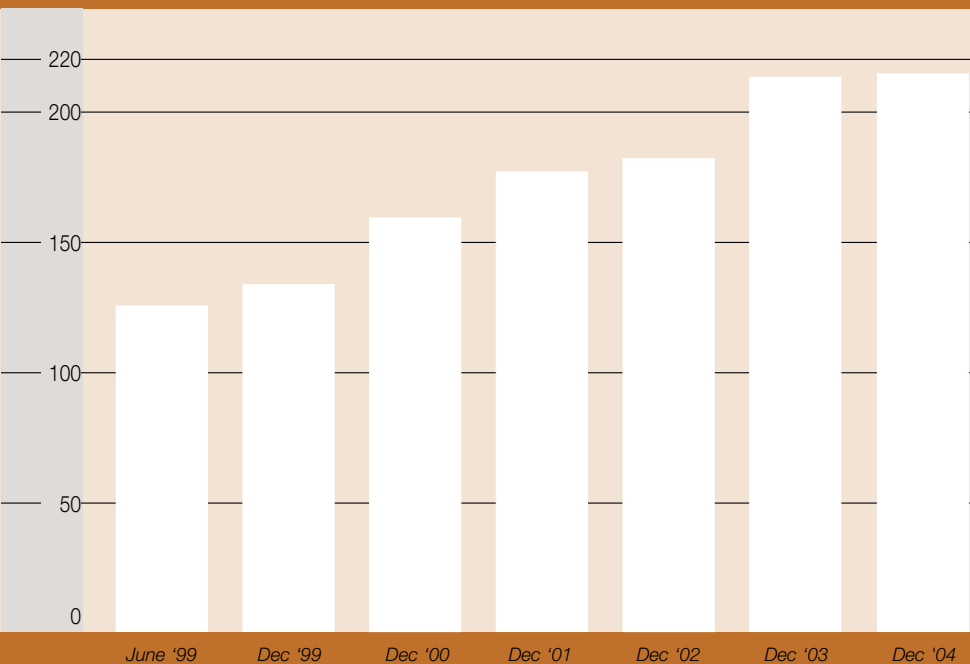


### Evolution of shareholder's equity, after distribution of profits

	M EUR
June '99	125,65
Dec '99	133,80
Dec '00	159,45
Dec '01	177,14
Dec '02	182,22
Dec '03	214,53
Dec '04	217,21

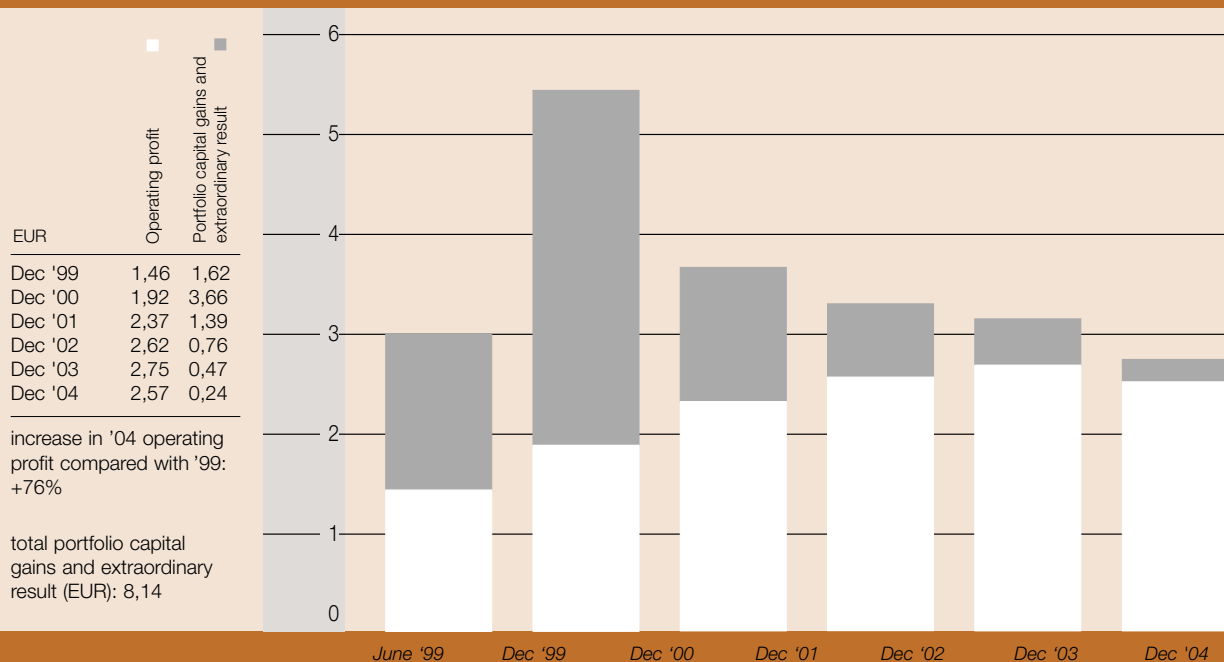
increase: 73%

cumulative annual  
growth: 10,46%



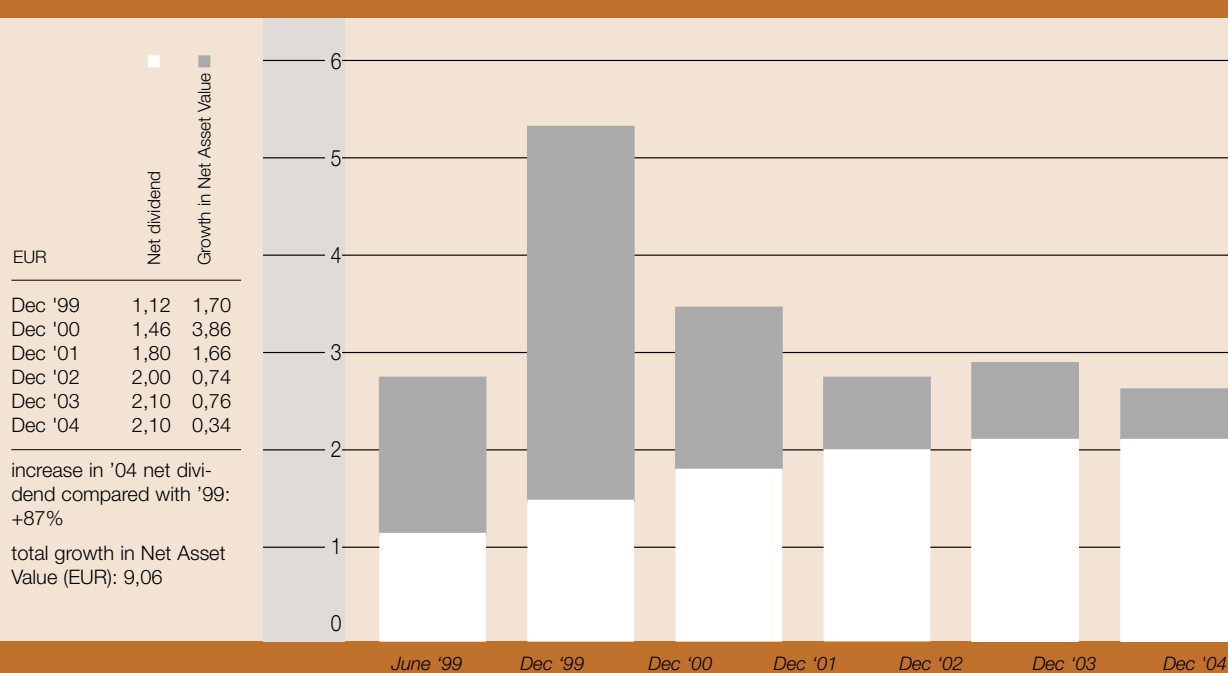


## Evolution of earnings per share



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## Evolution of net income per share



2004 was not the easiest of years for WDP since its stock market floatation in 1999. We nevertheless successfully faced up to the principal challenges, at the same time paving the way for the pursuit of the Closed-End Property Investment Company's growth in 2005. The excellent performance recorded over the past year, in spite of a mediocre economic climate, demonstrates that our strategy is undoubtedly the right one.

The most difficult task of 2004 was certainly to find new projects to make use of the investment potential which the company gained through its capital increase in 2003. Whilst no major project presented itself which complied with WDP's very strict requirements in terms of location, purchase price and rental value, the Closed-End Property Investment Company did not remain idle in 2004.

The extension of the Mlada Boleslav site in the Czech Republic by an additional four hectares was an extremely important acquisition in strategic terms. After the successful delivery of an initial 4.000 m<sup>2</sup> semi-industrial complex for SAS in the summer of 2004, WDP is currently negotiating various contracts, and further effective projects could be announced shortly. WDP is thus strengthening its presence in a new, emerging semi-industrial market. We are convinced that the Czech Republic will rapidly develop as the second logistics heartland in Europe, serving the Central and Eastern European markets.

Elsewhere, a new series of enlargements and renovations within the Belgian and French portfolio are scheduled for 2005, including several minor adaptations for current tenants. The total investment programme for this year is therefore estimated to be worth 6,5 million EUR.

In the mean time, WDP is continuing to actively search for new tenants, which is essential if it is to maintain occupancy rates at a satisfactory level, both in buildings where spaces become available and in the new projects completed by the company. A total of 100.000 m<sup>2</sup> of properties were leased through the signature of new long and short term contracts in 2004. On the other hand, WDP was confronted with the unforeseen liquidation of Deventer Logistic Services in June 2004. DLS, which leased 37.000 m<sup>2</sup> in Breda, paid an annual rental of 1,8 million EUR, i.e. 6,8% of annual rental income. WDP is of course using all the existing legal means at its disposal to ensure that the German Deventer Group respects its guarantee commitments.

I am utterly confident that these existing and future square metres will soon find a new usage. WDP has made great efforts to increase its commercial impact. The commercial support team has been strengthened and WDP has for some time now been working successfully with warehousematch.com, the reference intermediary for semi-industrial property rental on the internet. These various initiatives should begin to generate returns in 2005.

If this proves to be the case, WDP will be once again able to boast excellent occupancy levels, as in 2004 for Belgium, where the company managed to maintain occupancy of its premises at 95%. The Closed-End Property Investment Company therefore recorded better performances than the other operators in the Belgian semi-industrial property market, as revealed by the study conducted recently by King Sturge: "Flanders Office & Industrial Property Market 2004" of 22nd November 2004.

2004 has not only provided its share of challenges: exclusively positive news should be highlighted in a number of areas.



First of all, at the end of October, the Jos De Pauw family sold 20% of the WDP shares in its possession by means of a successful private placement. It considers its remaining 30% stake to be a strategic investment. The sale involved 1,5 million shares, acquired by several national and international institutional investors. This transaction opens various prospects for WDP. Its free float – the number of shares which are available for trading – has thus increased from 50 to 70%. This is not only a significant stock market indicator, but also has a positive impact on share liquidity. At the same time, the operation has considerably stabilised the company's financial position, which could be extremely useful in the event of any future increases in capital. In short, this sale was an additional step in the professionalisation of WDP.

2004 also brought good news in terms of the stock market. Since 17th December, WDP shares have also been listed on the Euronext Paris Second Market. Clearly this is a milestone which will increase WDP's liquidity and visibility. This Paris listing opens the way for new projects in France, and has already enabled WDP France to request the fiscally advantageous status of Listed Property Investment Company (Société d'Investissement Immobilier Cotée or SIIC) in early 2005.

To conclude, I can already announce to you that WDP has nevertheless managed to maintain the net dividend for 2004 at the same level as for the previous year, i.e. 2,10 EUR per share. To achieve this, the dividend distribution rate will be increased to 96%.

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By maintaining its dividend, WDP above all wants to reassert that the pursuit of portfolio growth – accompanied of course by an excellent occupancy rate – remains its primary objective. To achieve this, the company is continuing to rely on its unchanging strategy: acquiring properties and accomplishing projects in attractive locations and at realistic prices, enabling it to fix reasonable rents without affecting return.

In this regard, and in order to respect tradition, let me remind you here once again of WDP's principal asset, its long term vision, not only with regard to the property portfolio, but also in its relations with tenants.

Finally, 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 greatly appreciated cooperation.

May I wish them the greatest success in 2005 and in the coming years.

**Mark Duyck**  
*Chairman of the Board of Directors*

### 1. Corporate governance

The concept of corporate governance is more relevant than ever, and for good reason. A new, extremely strict regulation, the Lippens Code, sets out to guarantee the proper management of businesses. However, such a code of conduct is only meaningful if it is sustained by the integrity of the firm's managers. If the determination to act with integrity is lacking, even the most severe rules will remain ineffective.

WDP's managers are fully aware of this and consider their priority to be to only pursue activities under conditions of utter transparency and correctness. WDP consequently attaches great importance to achieving a good balance between the interests of the shareholders and the interests of the other parties, the "stakeholders" who are directly or indirectly implicated in the company.

Openness and transparency are key concepts here. There thus has to be good communication of accurate information that is oriented towards the future. This annual report is just one amongst many examples of such communication. Apart from the annual publication, there are also the statements 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, notably with regard to corporate governance. On the website [www.wdp.be](http://www.wdp.be), anyone who so wishes can follow WDP's operations and activities step by step.

The Board of Directors of the management company permanently supervises the respecting of corporate governance rules. In this regard, WDP has expressly decided to have a majority of independent directors on the Board and to only have one representative from the reference shareholder. As the importance of corporate governance increases with company expansion, in the autumn of 2004 the Board of Directors notably created an audit committee, an appointments committee and a remuneration committee. A compliance officer has also been appointed.

The WDP Closed-End Property Investment Company is also what is known as a 'self-managed fund'. It does not sub-contract the management of its property assets to third parties, but conducts this itself in consultation with the management board. The 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 firm's commercial name and who has unlimited liability for its obligations. The general partner of WDP Comm.VA is De Pauw NV. Then there are limited or 'sleeping' partners, who are shareholders and whose liability is limited to the extent of their investment, without being jointly or severally liable.

It is characteristic of a limited partnership with share capital (Comm.VA) to be managed by a management board, which needs to have the capacity of limited (general) partner which, for all intents and purposes, can not be dismissed and holds the veto right against all important



#### **Board of Directors**

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

decisions by the General Meeting. The Management Board can decide to resign at any time. It can be revoked by court decision when so demanded by the General Meeting on legal grounds. The Management Board may not participate in the General Meeting's vote on that decision.

The General Meeting can only deliberate and take decisions when the Management Board is present. The Management Board has to give its consent for each and every change in the company's articles of association and for all of the decisions by the General Meeting regarding 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 98.167 EUR on 31st December 2004.

De Pauw NV will manage WDP Comm.VA for an unlimited 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 the Management Board. This appointment can not disregard Article 18 of the Royal Decree of 10th April 1995. The possibility of potential contradictions between the two legislations is currently under examination, and an appropriate solution will be sought where necessary. The shareholding of De Pauw NV remains under the control of the Jos De Pauw family, which is also the reference shareholder of WDP.

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

### 2.2.1. Composition on 31st December 2004

The Board of Directors has five members:

- **Mark Duyck** has been an independent director since 1999 and chairman of the Board of Directors since 2003. He is an economist and holds an MBA. After various posts as financial director, he is now Chief Operating Officer (COO) of the Brussels International Airport Company (BIAC).
- **Dirk Van den Broeck** has been an independent director since 2003. He has been a partner of Petercam since 1988 and a director since 1994. He represents Petercam on various Boards of Directors of property companies which issue property income certificates. He is also the independent director of several Belgian companies, including the stock exchange listed company, Resilux SA. Dirk Van den Broeck graduated in law and economic sciences.
- **Alex Van Breedam** has been an independent director since 2003. He holds a PhD in applied economic sciences and several masters degrees. After gaining experience with KPMG, he coordinated the launch of the Flanders Institute of Logistics, where he became director general in 2003, 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, French and Dutch universities.
- **Tony De Pauw**, managing director since 1999, represents the main group of shareholders, the Jos De Pauw family.
- **Joost Uwents**, director since 2002, together with Tony De Pauw, completes the WDP management team. He is a commercial engineer and holds an MBA.

The directors whose mandates will expire after the General Meeting in 2005, namely Mark Duyck, Dirk Van den Broeck and Tony De Pauw, have all confirmed that they are prepared to have their mandate renewed. The appointments committee will present a proposal for this at the next General Meeting of the Management Board, De Pauw NV.

### 2.2.2. Tasks

The Board of Directors accomplishes several tasks with respect to the Closed-End Property Investment Company. It:

- defines its strategy and policy;
- approves all major investments and significant transactions;
- monitors the quality of its management;
- ensures that management is in line with the company's strategy;
- is responsible for communication of the company's financial information to the press and analysts;
- deals with such matters as:
  - *approving the budget and the annual and interim financial statements;*
  - *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. Additional meetings are convened whenever the interests of the Closed-End Investment Company so require, or if two directors so request. In 2004, the full Board of Directors met four times.





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

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

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

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

Remuneration of the Management Board is determined annually by the General Meeting of WDP Comm.VA. For the 2004 financial year, it has been proposed to allocate a global remuneration of 275.000 EUR to the Management Board, De Pauw NV. This sum shall be used for the remuneration of the directors in proportion to their responsibilities. It is also used to pay for insurance to cover their liability in their capacity 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 5 members – at least 3 of whom should be independent – and a maximum of 10 members;
- one or more directors can be executive directors. This means they can exercise an operational function in WDP;
- the powers and experience of the individual directors must be complementary.

The directors must respect 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.

### **2.3. Specialist committees**

As part of the implementation of the new Lippens Code on corporate governance, the Board of Directors created three specialist committees in autumn 2004.

#### 2.3.1. The audit committee

The audit committee assists the Board of Directors in its control function, more specifically with regard to the financial information provided to the public and for the internal and external audit.

It is made up of three independent directors and an internal auditor, Mr. Hugo Van Geet and his team from the Brussels office.

The audit committee is chaired by the Board of Directors, who organises its operation. The chairman can also request the members of the management team and the statutory auditor to take part in its meetings in their capacity as experts.

The audit committee meets four times per year.

#### 2.3.2. The appointments committee

The appointments committee advises the Board of Directors in terms of the appointments proposed by the General Meeting.

It is made up of the full Board of Directors and is chaired by the Board's chairman.

The appointments committee meets once a year.

#### 2.3.3. The remuneration committee

The remuneration committee is responsible for the recompensing and assessment of the directors and the management team. It also defines the company's wages policy.

It is made up of the full Board of Directors and is chaired by the Board's chairman.

The remuneration committee meets once a year.



## 2.4. External audit

During the 2004 General Meeting, Mr. Luc Van Couter was appointed as the new statutory auditor. Luc Van Couter is a partner at KPMG, but exercises his function as auditor on a personal basis. He provides no other service to WDP. Luc Van Couter is also the statutory auditor of the management company De Pauw NV.

In 2004, the statutory auditor received remuneration of 14.000 EUR. For his work as statutory auditor of De Pauw NV, he received 960 EUR.

## 2.5. Day-to-day management

### 2.5.1. Powers

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

- the 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;
- the implementation of the resolutions of the Board and monitoring performance and results;
- reporting to the Board.

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### 2.5.2. 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 property in Belgium and abroad;
- management of the property portfolio;
- project management;
- commercial policy.

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

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

### 2.5.3. Functioning

The management team works in close consultation on a daily basis. Major decisions on day-to-day management are taken unanimously in accordance with agreements made 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 foreign property assets, 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\*.

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.
- WDP has a 100% stake in the companies abroad, apart from a single share held by De Pauw NV, owing to the prohibition of 100% shareholding.
- Subsidiaries' results are subject to local corporate taxation, except WDP France, if it obtains the requested status of SIIC, which envisages exemption from corporate taxation. 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 are 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 corporate tax – unlike WDP Comm.VA in Belgium, which is a Closed-End Investment Company, and WDP France, when it obtains SIIC status. 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 relating to problems of thin capitalisation of companies;*
  - *the percentage of taxation deducted at source charged on interest for group loans paid to the country of origin.*

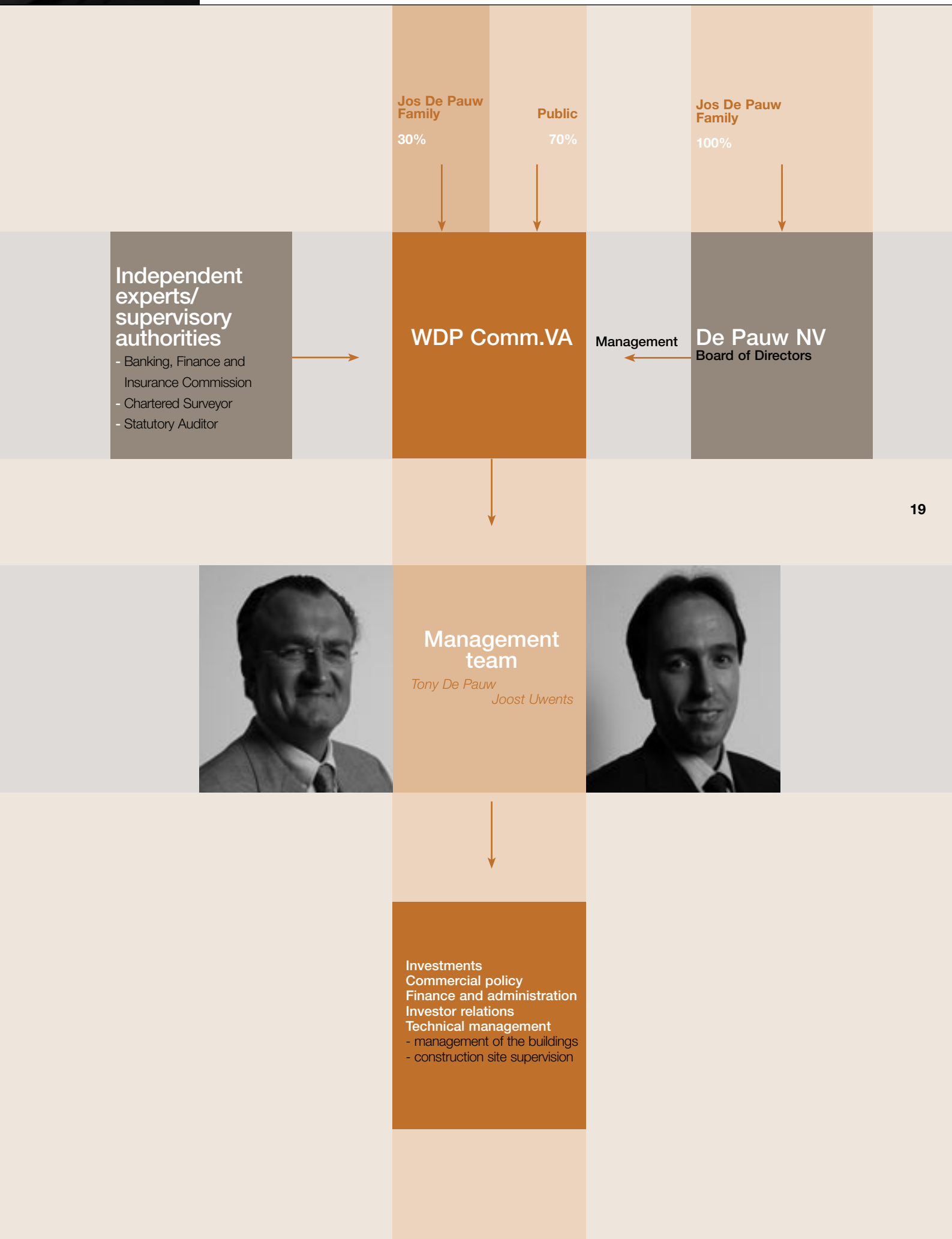
### 4. Shareholders

WDP's reference shareholder is the Jos de Pauw family. At the end of October 2004, the family reduced its stake in WDP from 50 to 30% by means of a private placement. The 1,5 million shares sold were purchased by various national and international institutional investors.

Also with regard to the shareholders, the Board of Directors drew up an article of association which imposes on directors holding more than 1% of the company's shares to inform the compliance officer thereof.

\*In early 2005, an application to obtain the status in France of Listed Property Investment Company (SIIC) was submitted for WDP France. This status should be granted to it by the end of April

Corporate governance and structure  
WDP organisation chart



### 1. Introduction

Most of the projects scheduled for 2004 have been completed. All the work was accomplished as planned, in terms of quality, price, timing and progress. Only three projects were still outstanding at the end of 2004. The acceptance of one project has been postponed for a few months, until early 2006, at the tenant's request.

In order to reach as many potential tenants as possible, a complete range of commercial activities was developed during the year, notably the development of a commercial support team. Joint activity with warehousematch.com, the leading specialist in semi-industrial property rental on the internet, has also been initiated.

Along with the development of flexible rental solutions for the clientele, these initiatives enabled WDP to limit the vacancy rate for the Belgian properties – its principal market – to 4 or 5%. By way of comparison: according to a study conducted recently by King Sturge: "Flanders Office & Industrial Property Market 2004" of 22nd November 2004, the overall vacancy rate for the entire Belgian semi-industrial property market fluctuated between 8 and 9% in 2004.







## 2. Projects

### 2.1. Completed projects

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

The existing warehouses have been entirely renovated and split into several units. Offices have also been created, at a total investment cost of 1,5 million EUR. Since May 2004, Vernoflex has rented 6,300 m<sup>2</sup> of warehouses and 1,400 m<sup>2</sup> of new offices. AMP has rented 5.000 m<sup>2</sup> of warehouses and offices since 1st April 2004. Part of the remaining 3.500 m<sup>2</sup> is let under flexible contracts. Vacant land alongside the buildings still offers potential for an extension of 2 hectares (see also "2.4 projects for 2005 and successive years").

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

WDP has completed a new construction project on this site for WEG, a company which works for the automobile sector. During the first phase, a building of 4.860 m<sup>2</sup> was constructed at a cost of 1,6 million EUR. It was accepted at the end of September. A second phase will potentially bring the total surface area of the building to 6.000 m<sup>2</sup>.



### *Vilvoorde, Jan Frans Willemsstraat 95*

Half of the 6.000 m<sup>2</sup> building which became vacant at the end of 2003 has been demolished and replaced by a new construction, and the remaining halls have been renovated. The project represented an investment of 1 million EUR. 3.000 m<sup>2</sup> have been let to Walon Nellessen, which has installed a photography studio there for Toyota and Lexus, since 1st April 2004. Since this same date, Heytrans, which initially only occupied 1.000 m<sup>2</sup>, rents all of the remaining renovated warehouses, totalling 3.000 m<sup>2</sup>.

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

On the 4 hectares of land acquired in 2003, an initial semi-industrial complex of 4.000 m<sup>2</sup> of warehouses and 1.000 m<sup>2</sup> of offices were completed at the end of June. These include a "Just In Time" warehouse for SAS, a subsidiary of Siemens which supplies automobile cockpits to the car industry. The complex is in an excellent location, between the Skoda factories at Mlada Boleslav and a new factory that the manufacturer PSA Peugeot Citroën Group and Toyota are constructing jointly 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.

Given this region's potential, in the summer of 2004 WDP decided to expand the site by an additional 4 hectares, in order to undertake various other projects. This extension increases the Neprevazka site's development potential to 25.000 m<sup>2</sup>. WDP is currently negotiating further projects with several interested parties.

## 2.2. Projects in progress

### *Boortmeerbeek, Leuvensesteenweg 238*

An existing 10.699 m<sup>2</sup> warehouse alongside the road has been transformed into 1.800 m<sup>2</sup> of 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. Completion of the work is scheduled for the summer of 2005, subject to the various permits being obtained.

### *Rumst (Terhagen), Polder 3*

In spring 2004, part of the site – the former Landuyt brickworks – was demolished. The area thus made available is used by Stefka to store cranes. WDP is also building a 2.800 m<sup>2</sup> multi-functional area on this site, at a cost of 500.000 EUR. The soil remediation imposed by the Public Waste Agency of Flanders (OVAM) was completed at the end of 2002. Acceptance of the new building is scheduled for the end of 2005.

### *Zele, Lindestraat 7*

After the renovation of a part of the building in 2003, 13.000 m<sup>2</sup> of additional warehouses are currently being renovated at a total cost of 1,75 million EUR. The work will be completed in summer 2005 under the terms of a lease contract for the entire surface area concluded in early February with DSC, a local mattress manufacturer which wants to centralise its activities at the site. The plot still has potential for extension.

The areas renovated in 2003, following the bankruptcy of the lessee Bioblue Comfort NV, were rented once again during the first half of 2004 in a long-term lease to the Flanders Opera. The contract involves 7.000 m<sup>2</sup> which will be occupied in successive stages between September 2004 and June 2005. In addition, 5.000 m<sup>2</sup> have been rented in a flexible short-term lease to the company Goodwill. It will be vacating the buildings in April 2005, thus bringing the vacant renovated area to 7.000 m<sup>2</sup>.



## 2.3. Acquisitions

### *Jumet, Allée Centrale, Zoning Industriel*

In Jumet, an existing 3.200 m<sup>2</sup> warehouse has been purchased for 1 million EUR. This is a "sale and rent back" operation for Sügro-Caritas (see also "2.4. Projects for 2005 and successive years").

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

An additional four hectares have been added to the existing site for 600.000 EUR.

## 2.4. Projects for 2005 and successive years

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

In 2003, AMP, the tenant at the site, signed a contract with WDP for the construction of a new 7.000 m<sup>2</sup> building on the unoccupied land alongside the current warehouses. At AMP's request, reception was postponed by a few months, from the end of 2005 to early 2006. The project is worth 1,75 million EUR.

### *Jumet, Allée Centrale, Zoning Industriel*

The warehouse purchased in 2004 will be partially renovated and adapted to Sügro-Caritas' activities (1.768 m<sup>2</sup>). The building behind the warehouse will be demolished and replaced by a new 2.600 m<sup>2</sup> warehouse. Reception of this investment worth 1,5 million EUR is scheduled for the end of September 2005.

### *Lille (Templemars), Route de l'Epinoy, parcelle 237 bis*

The complex, in the Templemars industrial estate, was built in 1997-1998 and currently has 766 m<sup>2</sup> of offices and 2.496 m<sup>2</sup> of warehouses. It is fully let to Polystyl SA, a subsidiary of the Tarquet Group. A new 472 m<sup>2</sup> warehouse will be built between now and the end of 2005, and 780 m<sup>2</sup> of offices will be created in the existing warehouse. Various interior conversions and work around the complex will bring the total investment cost to 600.000 EUR. Following this work, Polystyl's lease, which initially expired at the end of 2006, has been prolonged for 6 years until the end of 2012.

### *Miscellaneous*

Finally, various specific minor renovation and adaptation work is also planned, at the tenants' request. This work, with a total estimated cost of 800.000 EUR, will be carried out on the sites of Vilvoorde - Havendoklaan 12, Vilvoorde - Willem Elsschotstraat, Beersel - Stationsstraat and Asse (Mollem) - Assesteenweg.

### 3. Leases

During the first quarter, 25.000 m<sup>2</sup> of the existing portfolio were vacated, although this was offset by the signing of new contracts for the same surface area during the same period. Thus whilst part of the Boom premises became vacant, the Lebbeke (Wieze) and Aalst - Wijngaardveld properties were entirely let out to the Balta group, VPK and Ziegler. At the Zele site, an initial long-term lease contract was signed with the Flanders Opera (see also "2.2. Projects in progress").

During the second quarter, a short-term lease for an initial 8 months was signed with Goodwill for the rental of 5.000 m<sup>2</sup> in Zele. Frans Maas rented an additional 3.000 m<sup>2</sup> at the Roncq site for 4 months. This contract was signed with a view to consolidating all the leases with Frans Maas in Roncq in a single long-term lease. Since then, Frans Maas has nevertheless abandoned this plan owing to the loss of a major client and has decided to revert to the initial contract for the rental of 6.000 m<sup>2</sup>. At the Boom - Industrieweg site, the automobile manufacturer Renault has been renting 24.000 m<sup>2</sup> for a fixed term of 5 years since 1st September 2004. At the end of June, 80% of the new projects completed in the first half of the year were already leased.





In the second half of the year, 18.800 m<sup>2</sup> were let in three phases for an unlimited duration at the complex in the port area of Antwerp. Since September, the Aalst - Wijngaardveld site has been fully let to three separate tenants, all on a flexible basis through short term leases. At the Vilvoorde - Jan Frans Willemsstraat site, the transport company H. Essers is renting 5.500 m<sup>2</sup> for six months, replacing KDL Trans. In Vilvoorde - Havendoklaan, Zinc, a subsidiary of Umicore, has replaced AMP. Zinc is occupying 4.200 m<sup>2</sup> of warehouses and 800 m<sup>2</sup> of offices under a long term contract (3-6-9 year system). At the Rumst (Terhagen) site, ACB is occupying an additional 1.100 m<sup>2</sup>, and since 1st January 2005, Europe SA and CES are renting 4.000 m<sup>2</sup> of warehouses and 600 m<sup>2</sup> of offices respectively at Neder-over-Heembeek, where they are replacing Entarco. These are both 3-6-9 leases.

A major setback occurred in the Netherlands, where in July, WDP was confronted with the liquidation of Deventer Logistic Services (DLS). DLS, which rented 37.000 m<sup>2</sup> in Breda, was the second largest client in the portfolio. A local industrial operator in the Hazeldonk industrial estate is currently renting a quarter of the area at the site on a flexible basis. This lease has enabled WDP to recover the expenses necessary to maintain the site in an operational condition whilst awaiting a definitive tenant.

In total new long or short term contracts were signed in 2004 for the rental of 100.000 m<sup>2</sup>. The overall occupancy rate for the year amounted to 95% on average, a percentage which nevertheless fell to 90% at the end of the year, following DLS' official receiver definitively vacating the Breda premises.





### Basis of operating results in 2005

The operating results in 2005 will be essentially determined by the current leases in the existing portfolio and by the projects completed in 2004 which have been subsequently leased. These will begin to contribute fully to results as from 2005.

### Growth factors within the existing portfolio and for current projects\*

Apart from rental income from current leases, various factors will have a positive impact on operating results.

#### 1. New leases in currently vacant premises

The 2004 financial year closed with an occupancy rate of 90%\*\* . The principal factor influencing growth of rental income will therefore be the new leases signed for sites which are already in the portfolio.

The most important site in this respect is Hazeldonk, in the Breda industrial estate. Currently a quarter of the 37.000 m<sup>2</sup>, which was leased by Deventer Logistic Services (DLS) before its liquidation, is being leased on a flexible basis whilst awaiting a definitive tenant. This rental income is mainly allocated to maintaining the site in running order. The total leasing of the Hazeldonk site alone would restore the portfolio occupancy rate to 95%.

#### 2. Leases in premises to be completed in summer 2005

Several new buildings will be completed in summer 2005, more specifically at the Zele - Lindestraat (13.000 m<sup>2</sup>), Boortmeerbeek - Leuvensesteenweg (4.300 m<sup>2</sup>) and Rumst (Terhagen) (2.800 m<sup>2</sup>) sites. With the pre-letting of the warehouses at Zele - Lindestraat, 65% of these premises have already found a tenant.

Five extension projects are already in progress, all at the request of the existing tenants, who want to be able to occupy a greater area on their current sites. This is the case for Intertrans (Vilvoorde - Willem Elsschotstraat), Zinc (Vilvoorde - Havendoklaan 12), Lyfra (Beersel - Stationstraat), Sügro (Jumet - Zoning Industriel) and Polystyl (Templemars, in France). These extension projects which have already been assigned, representing an additional 575.000 EUR in rental income per year, will begin to contribute to profits during the second half of 2005.

#### 3. Leases in premises to be completed at the end of 2005 and in early 2006

The 7.000 m<sup>2</sup> extension of the Asse (Mollem) - Assesteenweg site on behalf of the tenant, AMP, will only contribute to operating results as from early 2006, with an additional 295.000 EUR of rental income per year. WDP is also hoping to be able to launch one or even several further projects during 2005, at the Mlada Boleslav - Neprevazka site (Czech Republic).

\* For further details on the various projects and premises, please see the "Report on Activities" section, on page 20

\*\* The occupancy rate is calculated on the basis of the relationship between the rental value of square metres rented out and the rental value of rentable square metres. Projects currently under construction and/or renovation are not included in this calculation. For the list of these projects, see page 38





### Another challenge: new leases for properties which will become vacant in 2005

In 2005, leases will expire which will leave 62.000 m<sup>2</sup> of storage premises vacant: the 40.000 m<sup>2</sup> announced in September's interim statement, along with several short term leases signed subsequently, which will expire during the course of 2005. On the other hand, several existing leases, accounting for 15.000 of the 62.000 m<sup>2</sup> mentioned above have already been extended until the end of 2005 at least. The remaining 47.000 m<sup>2</sup> will become available during the course of the spring, unless of course their leases too are prolonged.

### Future investments

The capital increase in the autumn of 2003 has provided WDP with the necessary margin for manoeuvre to pursue its new investments. WDP is constantly seeking out interesting projects but aside from the current investment programme, worth 11,4 million EUR and relating to 56.000 m<sup>2</sup>, it was limited in 2004 to the acquisitions at Mlada Boleslav - Neprevazka and Jumet.

Property prices are currently high, thus interesting opportunities are rare. WDP has however remained faithful to its ongoing strategy: 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, the additional investment potential of 60 million EUR also offers WDP the instruments it requires to pursue its profit growth. In the medium term, it thus offers the prospects for an additional contribution of some 0,35 EUR per share to operating profits.

### Operating results and dividend

Based on current occupancy rates and the state of progress of current projects in the existing portfolio, WDP's Board of Directors considers that it is possible to achieve the same results on 2005 as in the 2004 financial year.

In thereby taking a cautious line, the Board of Directors is aiming primarily to maintain the dividend at its current net level of 2,10 EUR per share.

It has also decided to revise WDP's dividend policy. Apart from the traditional dividend payout in May, WDP will now be paying out the profits for the previous half year in September by means of an interim dividend. An initial interim dividend has already been paid out in 2003 as a result of the increase in capital. As from 2005, this practice will be systematic.



### 1. General trends in Europe

#### 1.1. Structural changes

The European semi-industrial property market has undergone several structural changes. The first results from the gradual shift of production towards Asia. This movement has had a twofold impact: on the one hand, the demand for warehouses for finished products has increased, whilst there has been a fall in demand for storage areas for raw materials.

A second trend can be seen in supply chain management, which major international companies are constantly seeking to optimise in terms of efficiency. As these same companies have an increasing tendency to concentrate on their core business and entrust the transport and distribution of their products to logistics sub-contractors, the logistics chain is becoming steadily more complex and sophisticated. Logistics and distribution companies consequently make increasingly high technological demands and require a high degree of flexibility from property companies. This evolution is also combined with a concentration movement. Logistics companies would like to develop more extensive European networks that will enable them to respond to demand from multinationals, which no longer organise their distribution chain at a national level, but have become pan-European.

### European semi-industrial prime locations

*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™)*



Finally, heads of companies who in recent years have become accustomed to postponing their strategic decisions, also with regard to property, owing to the unfavourable economic climate and the prospect of the adhesion of ten new European Union member states, are beginning to depart from their wait-and-see attitude. Two obstacles have disappeared: on the one hand, European Union enlargement is now a reality and has given rise to no drastic social or economic repercussions, and on the other, recovery is envisaged in European economic growth. This growth will nevertheless take place at a very different pace in each country, with repercussions which are just as variable on demand for properties. All the analysts agree however that growth rates will be highest in the Central European economies.

### 1.2. Supply and demand remain balanced...

The specific market for semi-industrial property has remained stable over recent years, in spite of a difficult economic climate. Falling activity in the production sector was offset by an increase in demand from the volume retailing sector, which is seeking to position itself in the new, Eastern European markets. Furthermore, project developers operating in this niche can respond more flexibly to customers' requirements.

Supply and demand remain balanced overall, albeit with one reservation: the level has scarcely increased over recent years. More generally, European demand for semi-industrial property was moderate in 2004, notably owing to the consolidation and rationalisation





movement in the logistics and distribution sectors. Central Europe and certain regions of France have performed better than the rest of Europe. In the specific segment of premises under 5.000 m<sup>2</sup>, Belgium, the Netherlands, France and Central Europe registered better results than in other countries. Supply has remained steady almost everywhere in Europe, except for in certain regions of France and Central Europe, owing to the fall in demand and limited availability of land.

In the mean time, occupancy rates have been maintained at an honourable level. The percentage of vacant buildings in Europe stands at around 6%, which is quite a low figure given the relatively poor economic climate and considering the far higher vacancy rates in the early 1990s, another period of economic stagnation. Semi-industrial property also performed satisfactorily compared with the office premises market, where it is not rare to have a vacancy rate of 10% or more.

### 1.3. ...essentially owing to the better sites

If we go beyond the general analysis stage to examine the situation at closer range, it would seem that the semi-industrial property market has above all been able to remain stable thanks to the good performances of the best sites, that is to say those located in areas which match up to one or several of the following criteria:

### Strengths and weaknesses of the various European countries with regard to the establishment of distribution centres

Costs*						Transport*					
		Rents	Land	Labour	Sub-total	Road network density	Road network saturation	Rail network	Road transport	Rail transport	Air transport
	Weight %	38%	38%	25%	23%	27%	7%	7%	20%	13%	7%
	Belgium	2	7	12	6,4	1	2	4	12	12	8
	Germany	11	14	10	11,9	5	6	3	3	2	1
	France	3	6	7	5,1	6	3	9	1	4	3
	The Netherl.	10	10	15	11,3	2	7	7	8	13	4
	Austria	4	13	8	8,4	3	4	8	10	9	9
	Czech Rep.	4	2	2	2,8	13	10	2	7	6	15
	UK	15	12	11	12,9	6	11	6	4	7	2
	Hungary	4	3	2	3,1	4	12	1	15	11	14
	Poland	4	1	4	2,9	11	14	5	6	3	13
	Italy	8	11	13	10,4	8	8	10	2	5	5
	Portugal	2	8	5	5,0	12	5	11	11	14	11
	Spain	9	15	6	10,5	9	13	12	5	10	7
	Ireland	12	8	9	9,8	10	9	13	13	15	12
	Sweden	14	5	14	10,6	14	1	14	9	8	10
	Russia	13	4	1	6,6	15	15	15	14	1	6

(Source: Flanders Institute of Logistics, based on Cushman & Wakefield Healey & Baker™)

\*The number 1 signifies the best result, 15 is the worst

\*\*Score varies between 1 (great supply) and 5 (no supply)



- 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 prospects in terms of economic growth;
- favourable rents;
- attractive returns.

It is also these same sites which will sustain future growth in the semi-industrial property market. At these strategic locations, specific demand for spacious, modern storage and distribution premises continues to grow. In terms of supply, it is clear that project developers have less of a tendency to build speculatively. At the best sites, the majority of new buildings are pre-let even before construction work begins, bringing occupancy rates for these new areas to a high level. Very large projects in particular, are increasingly frequently completed with a view to immediate letting and aimed at keeping costs down to a minimum by seeking design and construction techniques as effective as possible. At the same time, project developers are keen to ensure that buildings are sufficiently multifunctional, so as to be suitable for subsequent tenants.

As demand from volume retailers for semi-industrial premises on the best sites continues to rise and is progressively satisfied, the total surface area of top grade warehouses is rising.

River/sea transport	Sub-total	Accessibility*				Supply**			Total		
		Population density	Access to the heart of Europe	Access to Eastern Europe	Sub-total	New buildings of > 10.000m <sup>2</sup>	Land	Sub-total	SCORE	Ranking 2004	
20%	31%	33%	50%	17%	31%	25%	75%	15%			
4	6,0	2	1	8	2,5	3	5	7,8	5,28	1	
7	4,3	4	2	4	3,0	5	5	8,9	6,35	2	
4	4,1	10	4	10	7,0	3	3	12,2	6,48	3	
2	5,5	1	3	7	3,0	5	5	8,9	6,57	4	
13	8,0	11	6	3	7,2	5	2	2,8	7,02	5	
13	10,1	7	7	2	6,2	5	3	11,6	7,41	6	
1	4,8	3	5	11	5,3	3	5	11,5	7,85	7	
13	9,9	6	9	5	7,3	3	3	12,6	7,97	8	
11	8,9	8	11	1	8,3	1	3	13,4	8,02	9	
3	5,3	5	8	9	7,2	3	4	13,1	8,26	10	
9	10,9	9	14	14	12,3	4	3	19,4	11,27	11	
6	8,1	12	13	13	12,7	4	4	20,6	11,97	12	
10	11,5	13	10	12	11,3	5	3	18,3	12,10	13	
8	9,9	14	12	14	13,0	5	1	19,0	12,41	14	
12	11,7	15	15	6	13,5	5	4	21,9	12,66	15	

There is a down side: there is a shortage of vacant buildings in these areas, whilst buildings whose location and installations are less attractive are subject to higher vacancy rates.

The increasing interest in outsourcing and flexibility should also benefit the rental market in the future, notably through “sale and rent back” operations.

### 2. The emergence of a second European logistic heartland

As mentioned previously, Central Europe is forecast to have the highest economic growth. Since May 2004, the European Union has several tens of millions of additional consumers whose purchasing power will only increase. Europe's economic centre of gravity is therefore gradually shifting towards the East.

This phenomenon has of course had an impact on distribution models and consequently, the semi-industrial landscape. But it does not mean that the current logistic heartland in Europe is losing its importance. The current trend to relocate which we are seeing in industry in fact implies that more finished products are imported from countries where wages are lower. Belgium and the Netherlands, which have very large ports, will remain in the future the main gateways to continental Europe. Furthermore, the presence of a public with strong purchasing power in Western Europe offers assurance that distributors will continue to establish premises in the region.

Europe will nevertheless see a second logistic heartland developing, as we can see from the “European banana” on page 29. The Czech Republic in particular, which benefits from a central location, is increasingly emerging as a new logistic crossroads in Central and Eastern Europe.

### 3. The main European centres

The Cushman & Wakefield Healey & Baker™ table on page 30 and published in the reference report by the Flanders Institute of Logistics (VIL series n° 2004.004) illustrates the sound performance of traditional European centres, in spite of the forecast shift eastwards. This table shows the relative strengths and weaknesses of the fifteen main European countries.

The top of the league table remained the same as in previous studies. Belgium is still in the lead, mainly owing to its favourable location in the heart of the European purchasing power centre and the openness resulting from its road, rail and navigable waterways networks. It is followed by Germany, France and the Netherlands, with Russia lying at the very bottom of the table.

France's position should be explained, for when we apply the same table to forty or so European provinces, Belgium and France are neck-and-neck. Broadly speaking, the French regions of Ile-de-France, Nord Pas de Calais and Alsace performed best, in fifth, eighth and ninth place respectively.

With regard to Central and Eastern European countries, the Czech Republic is the most attractive overall, standing in sixth position in the league table of European countries. It owes its popularity to ease of access, attractive prices of building land and the relatively low cost of labour. Furthermore, Prague lies just on the north-south axis connecting Berlin with Zagreb. Hungary and Poland are also beginning to develop and have overtaken Italy.





The attraction of central Europe lies in the savings which can be made in terms of property and salaries in this region. If rail and road infrastructures still leave room for improvement compared with the rest of Europe, they will soon make up this backwardness now that many of the countries in the region have joined the European Union.

#### 4. The Belgian semi-industrial market in greater detail

##### 4.1. The most interesting provinces from the point of view of establishing logistic operations

We have already mentioned in point 3 the classification of various European provinces according to the Cushman & Wakefield Healey & Baker™ table. The top four places are held by Belgian provinces: Limbourg, Liège, Antwerp and Hainaut. Liège and Limbourg obtain an excellent score for all the criteria. If the province of Antwerp has a cost handicap, it makes up for this drawback by its advantages in terms of productivity and transport. Antwerp remains the Flemish province which is developing the greatest logistic activity, but is overtaken by Limbourg as an ideal location.

The provinces of Western and Eastern Flanders are also ranked favourably, in sixth and seventh position respectively. Flemish Brabant, in twelfth place, is held back by the high cost of building land and labour, even though its location and road and rail networks are excellent.

All of the Flemish provinces achieved a high score for the know-how criterion, both in terms of knowledge of languages and of logistics. To conclude, Flanders owes its dominant presence in the European top 12 to its location, accessibility, its rents and high level of knowledge.

It should be noted that this classification relates to the provinces taken as a whole. In practice, we can see major differences from one place to the next within the same province, as illustrated in the following point.

##### 4.2. Supply and demand trends

Occupancy rates, which picked up again in 2003 after the very poor results of the first half of 2002, have continued to rise, essentially owing to logistics companies and more specifically, in the Ghent-Brussels-Antwerp “golden triangle”. In Flemish Brabant, demand is increasing especially around the outskirts of Brussels and in the part of the province within the golden triangle. On the Brussels-Antwerp axis, the Scheldt region is particularly prized, whereas in Antwerp, SMEs are seeking premises of under 1.500 m<sup>2</sup>. Campine and Limbourg however are less sought after, except the Antwerp-Limbourg-Liège axis along the E313 and next to the Albert Canal.

Belgian supply is anticipating a steady increase in demand. In early 2004, construction of some 270.000 m<sup>2</sup> of storage and distribution premises is planned in the golden triangle and around 700.000 m<sup>2</sup> in the rest of Belgium. Although most of the projects are on the Brussels-Antwerp axis, construction is also widespread in the Hainaut, Liège and Luxembourg provinces.

In 2004, vacancy levels remained the same or decreased slightly. This particularly involved buildings which are over ten years old and smaller complexes, for which it is difficult to find a tenant. Significant variation can be seen from one region to the next.

In Brussels, for example, occupancy rates reached almost 100%, and were also very high in Antwerp. In Campine however, vacant premises have quadrupled since 2002, and the market has also declined sharply in Limbourg. Forecasts however point to long term development of the Antwerp-Limbourg-Liège axis as a second centre for logistics and distribution companies in Belgium, notably owing to its location alongside the E313 and the Albert Canal and its proximity to the airport at Bierseet. In the short term, supply is still excessive for semi-industrial premises, but in the long term, and notably when the industry parks in the Liège area reach saturation point, supply should be developed.

Rents have remained relatively stable, at around 68 EUR per m<sup>2</sup> in Brussels and 48 EUR per m<sup>2</sup> in Antwerp. They are slightly depressed in Antwerp however, owing to the traffic difficulties caused by the roadworks on the bypass in 2004 and 2005, which temporarily discouraged potential tenants.

### 5. Semi-industrial property as an investment instrument

Property in general and semi-industrial property in particular has retained its popularity among investors. Even at a time when the economic climate is improving and share prices are starting to rise, investors are continuing to consider property as a safe investment. This interest is also shared by institutional investors, as demonstrated by the success of the private placement operation of WDP shares in October 2004, owing to forecasts that long term interest rates will remain low for some time to come.

*(Sources: Cushman & Wakefield Healey & Baker™, King Sturge, Jones Lang Lasalle, Flanders Institute of Logistics)*



## **1. Portfolio Statement as at 31st December 2004**

The total value of WDP's property portfolio on 31st December 2004 amounted to 350,02 million EUR including transaction costs, or 318,92 million EUR after deduction of transaction costs.

Taking into account a potential development valued at an investment of 10,61 million EUR (including VAT, margins and fees), the current portfolio has an estimated gross rental value of 31,09 million EUR, producing a gross return on rents of 8,67%.

## **2. Main properties in the portfolio**

The portfolio contains 58 properties. Of these, 46 are in Belgium, with a combined value of 277,15 million EUR. The Belgian properties thus represent 79% of the portfolio. The twelve remaining foreign properties represent 72,87 million EUR or 21% of the portfolio.

The "top three" are Boom - Langelei, San Giuliano Milanese (Italy) and Hazeldonk (the Netherlands). These three sites alone account for 57,68 million EUR or 16,48% of the total portfolio.

Eleven properties have a value of between 10 and 15 million EUR. These are: Nivelles - Rue de l'Industrie 30, Leuven - Vaart 25-35, Aalst - Tragel 11, Machelen - Rittwegerlaan, Bornem - Rijksweg 19, Londerzeel - Nijverheidstraat 13, Zele - Lindestraat 7, Anderlecht - Frans Van Kalkenlaan 9, Ternat - Industrielaan 24, Vilvoorde - Willem Elsschotstraat 5 and Asse (Mollem) - Assesteenweg 25. Taken as a whole, these properties account for 129,54 million EUR or 37,01% of the total portfolio.

Six other sites are each valued at 7,5 to 10 million EUR: Grimbergen - Eppegemstraat 31, Vilvoorde - Havendoklaan 12, Aalst - Wijngaardveld 3, Molenbeek Saint-Jean - Rue Delaunoy, Vilvoorde - Havendoklaan 19 and Lille - Fretin-Sainghin. Their total value amounts to 53,17 million EUR, i.e. a 15,19% share of the portfolio.

The twenty main sites thus account for 68,68% of the portfolio.

The 38 remaining properties thus have a total value of 109,63 million EUR, and account for 31,32% of the portfolio.

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

The total surface area in the portfolio is 144,56 hectares, including 8,30 hectares granted in concession. The remaining 136,26 hectares are estimated at 106,22 million EUR, i.e. 30,3% of the total portfolio value. The average value of the land amounts to 78,0 EUR/m<sup>2</sup>, excluding transaction costs.

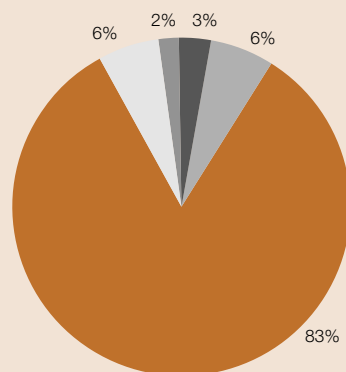
The total rentable surface area of the buildings is 718.901 m<sup>2</sup>, with a total estimated rental value of 29,57 million EUR. The warehouses form the lion's share (73,0%), with a surface area of 588.149 m<sup>2</sup> and a total rental value of 21,58 million EUR. Their average rental per m<sup>2</sup> is thus 36,70 EUR.

## Valuation of the portfolio by the chartered surveyor (continued)

Office areas, either separate or adjoining the warehouses, represent 61.061 m<sup>2</sup> or a rental value of 4,92 million EUR, i.e. an average of 80,63 EUR per m<sup>2</sup>. Commercial premises cover 24.402 m<sup>2</sup> and represent a rental value of 1,39 million EUR, i.e. an average of 56,98 EUR per m<sup>2</sup>. Finally, various other uses represent a further 45.289 m<sup>2</sup> or 1,67 million EUR, i.e. a rental value of 36,90 EUR/m<sup>2</sup>.

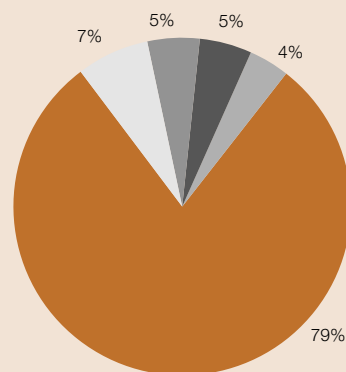
Use as at 31/12/2004	Constructed surface area (m <sup>2</sup> )	Estimated rental value (M EUR)	Estimated average rental value per m <sup>2</sup> (EUR)	% of total rental value
Warehouses	588.149	21,58	36,70	73,0
Offices adjoining warehouses	45.651	3,52	77,12	11,9
Offices	15.410	1,40	91,04	4,7
Commercial premises	24.402	1,39	56,98	4,7
Other (multi-use premises, car parks and archives)	45.289	1,67	36,90	5,7
<b>Total</b>	<b>718.901</b>	<b>29,57</b>		<b>100,0%</b>

Breakdown of rentable surface  
area by category



■ Warehouses  
■ Offices adjoining warehouses  
■ Offices  
■ Commercial premises  
■ Other

Breakdown of 2004 rental value  
per country

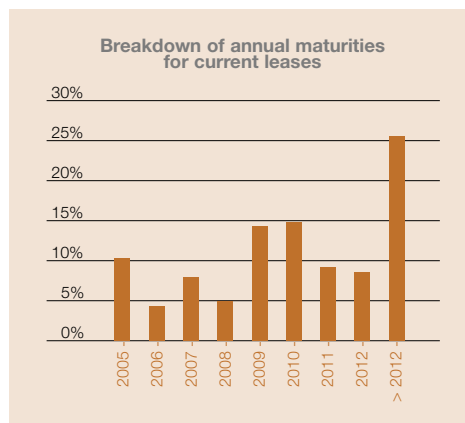


■ Belgium  
■ France  
■ Italy  
■ The Netherlands  
■ Czech Republic



#### 4. Rental situation of vacant buildings

Based on the leases currently running as at 31st December 2004, the leased buildings generate income of 26,44 million EUR, i.e. an increase of 3,9% 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 equivalent to 89% of the rental value in line with market prices, mentioned in point 3.



The main tenants are: Tech Data at 11,0% of total rental income, Belgacom (4,9%), La Poste (4,0%), DHL Solutions (3,8%) and Renault (3,6%). The ten principal clients jointly represent 40,9% of total rental income. The "top 20" account for 59,9% and the "top 50" for 82,3%.

Leases maturing in 2005 and 2006 represent 10,3% and 4,2% respectively of the total rental value. By contrast, contracts expiring in 2009 at the earliest account for 58,1%.

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The vacant areas available for immediate letting represent an additional rental value of 2,89 million EUR, i.e. a vacancy rate of 9,8% for the entire portfolio:

- vacant warehouses represent 58.418 m<sup>2</sup> or 2,09 million EUR;
- at the end of December 2004, 8.068 m<sup>2</sup> of offices were available for let, i.e. 0,47 million EUR;
- a commercial area of 567 m<sup>2</sup> is available, i.e. 0,02 million EUR;
- the 7.139 m<sup>2</sup> of "other" spaces that remain to be let represent 0,31 million EUR.

Vacancy of premises mainly involved the following sites:

- Hazeldonk (The Netherlands), following the bankruptcy of Deventer Logistic Services (DLS), with 35.237m<sup>2</sup> of buildings;
- Bornem - Rijksweg 19, with 6.731 m<sup>2</sup> of buildings;
- Molenbeek Saint-Jean - Rue Delaunoy, with a total available surface area of 6.763 m<sup>2</sup>.

These three properties together account for 71,6% of portfolio vacancies in terms of rental value.

#### Overview of vacancy of available buildings

Use	Vacant area (m <sup>2</sup> )	Estimated rental value (M EUR)
Warehouses	58.418	2,09
Offices	8.068	0,47
Commercial premises	567	0,02
Other	7.139	0,31
<b>Total</b>	<b>74.192</b>	<b>2,89</b>

### 5. Sites with potential for extension

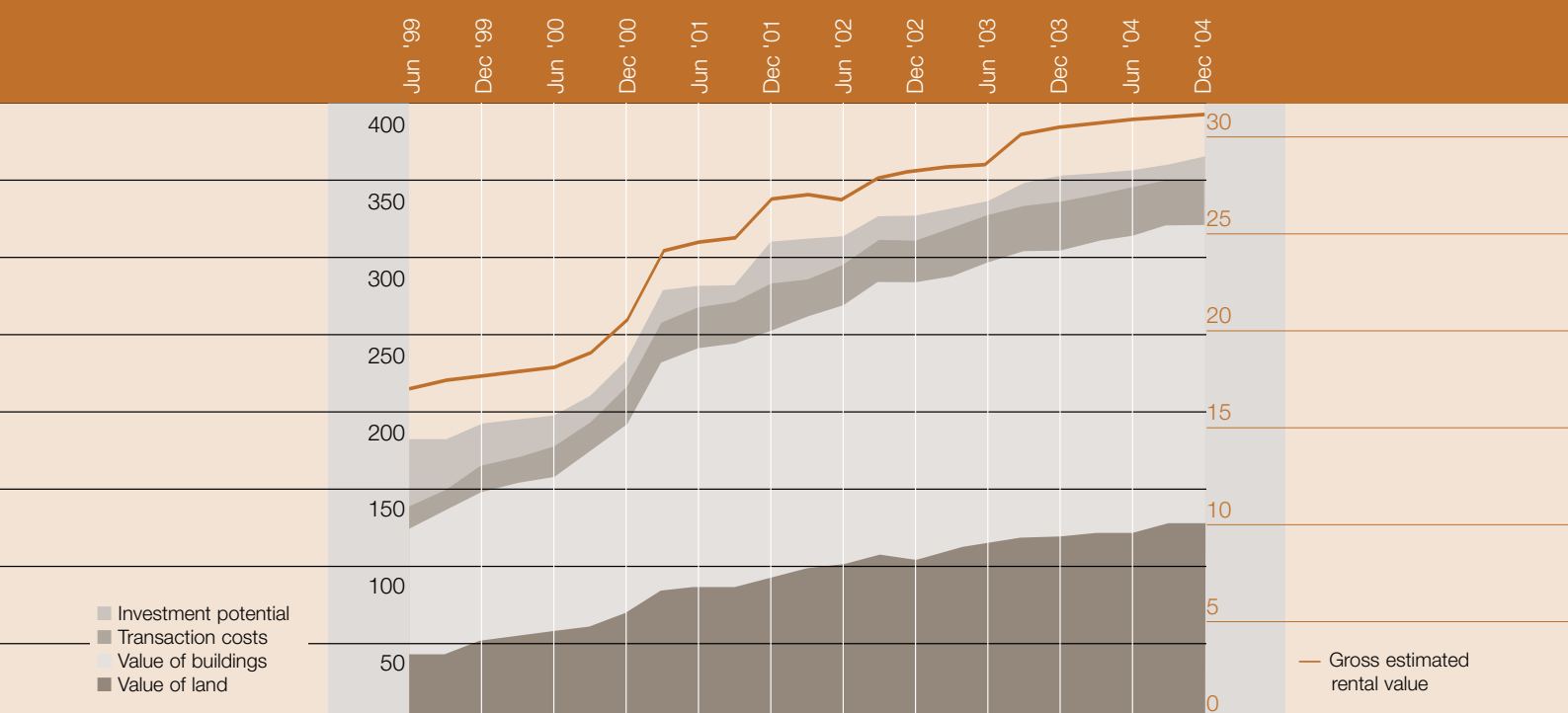
The estimates cover eight complexes of a potential new construction or renovation programme. All of these programmes together represent an additional investment of some 12,88 million EUR (including fees, taxes, margins and interim interest). This represents an additional rental potential of 2,16 million EUR, i.e. a return of 16,8% with regard to the outstanding works. Leases have already been signed for 0,73 million, i.e. one third of the surface area.

The principal potential investments concern:

- two new construction projects in Mlada Boleslav - Neprevazka, Czech Republic (6,95 million EUR);
- an extension at Asse (Mollem) - Assesteenweg (2,4 million EUR);
- office conversions in the Asar Tower in Anderlecht (0,9 million EUR) subject to lettings;
- a major transformation of the buildings at Boortmeerbeek - Leuvensesteenweg (0,7 million EUR);
- extensions at Rumst (Terhagen) (0,9 million EUR), Zele - Lindestraat (0,7 million EUR) and Beersel - Stationstraat (0,3 million EUR).

This investment potential relates to a major extent to projects which have been actually planned by WDP (see also point 2.4. in the "Report on Activities" chapter on page 23).

**Evolution of the WDP portfolio (in million EUR)**





The principal differences are that WDP envisages an additional project in Jumet, and is only currently envisaging one specific project in Mlada Boleslav (Czech Republic).

## 6. Evolution of the portfolio compared with 31st December 2003

Since 31st December 2003, the total portfolio value has increased by 16,46 million EUR (including transaction costs), which amounts to growth of 4,9%.

The value of the Belgian portfolio has increased by 13,64 million EUR (+5,2%).

The foreign portfolio's value has also increased by 2,82 million EUR (+4,0%).

The acquisition of the Jumet site and the additional plot in Mlada Boleslav - Nprevazka, in the Czech Republic, have a joint value of 2,0 million EUR.

Growth is further accounted for – and valued at 9,84 million EUR – by new constructions, renovation and/or leases completed for sites already in the portfolio:

- Czech republic, Mlada Boleslav - Nprevazka (3 million EUR);
- Nivelles - Rue de l'Industrie (2,4 million EUR);
- Asse (Mollem) - Assesteenweg (2,4 million EUR);
- Vilvoorde - Jan Frans Willemsstraat (1,4 million EUR);
- Zele - Lindestraat (0,7 million EUR).

Vacant premises and the general market situation have resulted in a fall in the value of the Hazeldonk property (The Netherlands), which has reduced by 1,78 million EUR.

This therefore means that the value of the rest of the portfolio – not taking into account any new investments – has been increased overall by 6,43 million EUR.

In the longer term, the value (including transaction costs) has already increased by 160% since the floatation in 1999, which represents cumulative growth of 18,9% per year.

## 7. General economic factors

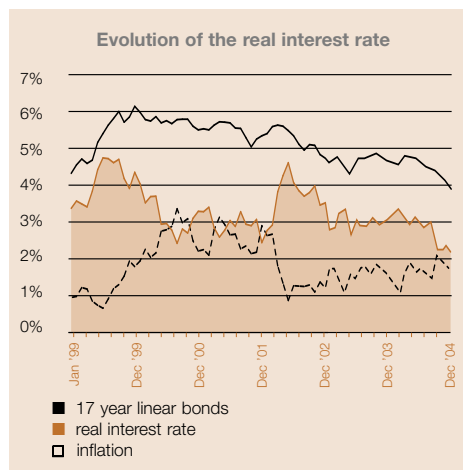
The long term interest rate – for which linear bonds over 15 to 20 years are used as a reference to calculate property investments – fell back once again in 2004. At the end of December 2004, it stood at 4,00%, compared with 4,73% at the end of December 2003.

At the same time, the inflation rate increased slightly, from 1,60% in 2003 to 1,72% in 2004.

The real interest rate, i.e. the difference

between the forward rate and inflation, thus fell again: from 3,13 to 2,28%. This is an all-time low. This portfolio estimate is nevertheless based on a future inflation rate of just 0,50%, compared with 0,75% last year, in accordance with current interest rates. We also include an additional financial risk margin of 0,30 to 0,50%, according to whether the property is more or less likely to be sold to third party, institutional investors. A second specific margin for each property is defined according to the illiquidity risk. These two margins combined amount to 2,55% of the portfolio.

In this way, the impact of a potential rise in interest rates can be reduced. The real interest rate, which plays a preponderant role in financial analysis and rose from 5,93% at the end of 2001 to 6,11% at the end of 2002 and to 6,18% at the end of 2003, has now fallen back to 6,05% at the end of 2004.





### 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 2004 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 2004, compared with the value stated in the annual report for the year 2003, 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 2004

None.

#### Prospects for 2005

None.

#### Return on capital

8,03%

#### Occupancy on 31/12/2004

100%

#### ▲ Value compared to

31/12/2003

+ 1,93%

#### issue

+ 88,29%

### Aalst, Wijngaardveld 3 – Dijkstraat 7

#### Location

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

#### Buildings

Two warehouses of 8.800 m<sup>2</sup> and 8.844 m<sup>2</sup> respectively, built in 1992, with headroom 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 on a plot which remained vacant.

#### Lettings

Part of the second warehouse has been rented out through a short-term lease. The first and the third warehouses have been rented out on a long-term basis to Alldeco and Spanolux respectively.

#### Changes in 2004

None.

#### Prospects for 2005

None.

#### Return on capital

8,08%

#### Occupancy on 31/12/2004

100%

#### ▲ Value compared to

31/12/2003

- 1,37%

#### issue

+ 23,83%

### 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 estate, 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. La Poste is the main tenant (64%), with a lease until 2012. The renovated seventh and eighth floors are let at market rates until June 2011.

#### Changes in 2004

None.

#### Prospects for 2005

In the offices, finishing work will be carried out as and when they are let. A budget of approximately 875.000 EUR has been set aside for this.

#### Return on capital

9,71%

#### Occupancy on 31/12/2004

96,44%

#### ▲ Value compared to

31/12/2003

+ 2,75%

#### issue

+ 11,49%

## Property overview (continued)

### 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 ringroad 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 15.508 m<sup>2</sup> of warehouses with headroom of 6,8 metres and 9 metres, equipped with 22 (un)loading wharves. There are also 2.111 m<sup>2</sup> of offices and 905 m<sup>2</sup> of workshops and business areas. A new construction with 6.200 m<sup>2</sup> of warehouses and 300 m<sup>2</sup> of offices has been completed alongside it.

#### Lettings

Vemoflex and AMP have already signed leases which run until 2013 and 2017 respectively. Only a part of the Warehouse A (± 3.500 m<sup>2</sup>) remains to be let.

#### Changes in 2004

The renovated part and the first phase of extension works have been completed and let.

#### Prospects for 2005 and successive years

A new 7.000 m<sup>2</sup> construction will be completed by early 2006.

#### Return on capital

7,96%

#### Occupancy on 31/12/2004

83,44%

▲ Value compared to 31/12/2003 + 31,06%  
portfolio entry on 30/09/2003  
+ 92,53%

### Boom, Industrieweg 1b-c-d, Langelei 114-120

#### 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 and Renault. A strip of land that had been vacant is now also leased. The main leases run until 2009 and 2010.

#### Changes in 2004

The prematurely vacated area has been leased to Renault.

#### Prospects for 2005

None.

#### Return on capital

7,48%

#### Occupancy on 31/12/2004

100%

▲ Value compared to 31/12/2003  
+ 2,42%  
issue  
+ 611,97%

### 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. Various distribution centres are concentrated in this area, notably for Lidl, H&M, C&A and JVC.

#### Buildings

The former Reco offices, production workshops and warehouses, have been entirely renovated and converted. The industrial premises have headroom of 5,94 to 8 metres. A new building has been constructed at the back of the site, increasing the total surface area of the offices to 1.714 m<sup>2</sup> (1.454 m<sup>2</sup> existing and 260 m<sup>2</sup> new), with 343 m<sup>2</sup> of service areas and technical areas and 20.337 m<sup>2</sup> of warehouses and (un)loading wharves.

#### Lettings

The 3.346 m<sup>2</sup> of existing warehouses are let to DSL Logistics and 566 m<sup>2</sup> are let to Aserti. Part of the new warehouses are let to Disor, the other is let through a short-term lease to Mazda. The Caresta lease for the existing offices has expired. Some 5.500 m<sup>2</sup> of warehouses and 1.231 m<sup>2</sup> of offices still have to be let.

#### Changes in 2004

None.

#### Prospects for 2005

None.

#### Return on capital

7,79%

#### Occupancy on 31/12/2004

67,14%

▲ Value compared to 31/12/2003 + 1,07%  
portfolio entry on 31/12/2001  
+ 159,57%



### Grimbergen, Eppegemstraat 31

#### Location

A plot of land of approximately 121.260 m<sup>2</sup> in concession from the Brussels Inland Port until 2017. WDP's concession covers half of the land. The plot is situated alongside the Willebroek canal, in an industrial estate whose access has been greatly improved, and forms an extension of the Cargovil SME park. The estimate takes account of a prolongation of the concession, but includes a risk premium.

#### Buildings

The 5.096 m<sup>2</sup> of offices and business 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. WDP is also the joint owner of the buildings, holding a 50% share.

#### Lettings

The entire site is let to DHL Solutions until 2013 and the rent is not index-linked. Current market rents are approximately 16% higher.

#### Changes in 2004

The concession will expire in 2017 rather than in 2025.

#### Prospects for 2005

None.

#### Return on capital

9,57%

#### Occupancy on 31/12/2004

100%

#### ▲ Value compared to 31/12/2003

+ 0,30%

#### issue

- 14,78%

### 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 ringroad. The plot faces the Interbrew site, and is excellently positioned for advertising.

#### Buildings

The former "Molens 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

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

#### Changes in 2004

None.

#### Prospects for 2005

None.

#### Return on capital

8,81%

#### Occupancy on 31/12/2004

100%

#### ▲ Value compared to 31/12/2003

+ 5,38%

#### issue

+ 116,95%

### Londerzeel, Nijverheidsstraat 13-15

#### Location

A 42.115 m<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 548 m<sup>2</sup> of vacant offices.

#### Changes in 2004

None.

#### Prospects for 2005

The SSG Europe lease will expire in May.

#### Return on capital

8,35%

#### Occupancy on 31/12/2004

96,85%

#### ▲ Value compared to 31/12/2003

+ 3,97%

#### issue

+ 17,12%

## 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 alongside 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. The rent takes into account the specific conversions. The outdoor car park has 50 spaces and is let to Initial Security.

#### Changes in 2004

None.

#### Prospects for 2005

None.

#### Return on capital

10,12%

Occupancy on 31/12/2004  
100%

▲ Value compared to  
31/12/2003 + 20,46%  
portfolio entry on  
31/3/2001  
+ 216,27%

### 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 building with 4.243 m<sup>2</sup> of offices have been constructed on the site.

#### Lettings

Toyota Belgium continues to rent part of the site until 2005 (20% of the rental income). In 2002, 9-year leases were also signed with Duchesne and Editor Belgium. WEG Europe is renting the new building until 2013.

#### Changes in 2004

Completion of the new building in September.

#### Prospects for 2005

Toyota will vacate the premises in September. There is still potential for a further 6.000 m<sup>2</sup> of warehouses.

#### Return on capital

9,53%

Occupancy on 31/12/2004  
98,76%

▲ Value compared to  
31/12/2003 + 19,78%  
portfolio entry on  
30/09/2002  
+ 25,28%

### Molenbeek Saint-Jean, Rue Delaunoy 34-36 and 58-94

#### 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 21.100 m<sup>2</sup> of rentable surface area in the basement (931 m<sup>2</sup>), ground floor (7.128 m<sup>2</sup> + 2.040 m<sup>2</sup> car park) and six floors. Most of this property has already been renovated and reorganised into multi-purpose areas for shows, exhibitions and workshops. It is currently known as "De Bottelarij" (Bottling shop). The second plot contains a 1.616 m<sup>2</sup> hangar with headroom of 6 metres.

#### Lettings

The principal tenants are RL-Tex and Brussels Event Brewery (BEB). Further leases have also been signed in 2004 with cultural associations.

#### Changes in 2004

KVS has vacated the site as planned.

#### Prospects for 2005

None.

#### Return on capital

8,58%

Occupancy on 31/12/2004  
65,57%

▲ Value compared to  
31/12/2003  
- 0,10%  
issue  
+ 238,08%



#### **Ternat, Industrielaan 24**

##### **Location**

A 28.274 m<sup>2</sup> plot in the SME park close to junction 20 of the E40. The location offers distribution companies ideal access 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 9,5 metres, equipped with 21 (un)loading wharves.

##### **Lettings**

The main tenants are Carrefour and Exbo, each accounting for around 30%.

##### **Changes in 2004**

None.

##### **Prospects for 2005**

None.

#### **Vilvoorde, Havendoklaan 12**

##### **Location**

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

##### **Buildings**

The existing buildings, which were built in 1994, have been renovated and extended. The first phase involved 600 m<sup>2</sup> of offices, 4.241 m<sup>2</sup> of warehouses with headroom of 11 metres and 304 m<sup>2</sup> for other purposes. 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**

The buildings completed in the first phase will be leased by Zinc, a subsidiary of the Umicore group, as from June 2005. DLS Belgium is renting the buildings in the second phase since 1st July 2002. Both leases are for a fixed term of 9 years.

##### **Changes in 2004**

Buildings in the first phase were enlarged and adapted to Zinc's specific requirements.

##### **Prospects for 2005**

Handover of buildings to Zinc.

#### **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 14 (un)loading wharves. The site also includes two separate office buildings with a total surface area of 879 m<sup>2</sup>.

##### **Lettings**

Entirely let to La Poste for a fixed term of nine years as from 1st June 2003.

##### **Changes in 2004**

Completion of the buildings in June.

##### **Prospects for 2005**

None.

##### **Return on capital**

8,63%

##### **Occupancy on 31/12/2004**

100%

▲ Value compared to 31/12/2003 + 2,01%  
portfolio entry on 31/12/1999  
+ 99,88%

##### **Return on capital**

8,36%

##### **Occupancy on 31/12/2004**

100%

▲ Value compared to 31/12/2003  
+ 0,03%  
issue  
+ 267,59%

##### **Return on capital**

7,87%

##### **Occupancy on 31/12/2004**

100%

▲ Value compared to 31/12/2003 + 3,60%  
portfolio entry on 31/12/2001  
+ 604,13%



## Property overview (continued)

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

#### Location

A 47.203 m<sup>2</sup> plot of land alongside the Senne. The plot is in a recently developed industrial estate within easy access of 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 1.609 m<sup>2</sup> of offices and 19.180 m<sup>2</sup> of warehouses with headroom of between 6 and 8 metres.

#### Lettings

The main tenants are Intertrans (32%), H. Essers (22%), Group 4 Courier (16%) and VBD Express SA (16%).

#### Changes in 2004

Completion of the enlargement work.

#### Prospects for 2005

None.

### Zelee, 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 2.174 m<sup>2</sup> of offices and 29.921 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

The Flanders Opera is renting 7.000 m<sup>2</sup> for a fixed term of nine years. It will enter the building progressively between September 2004 and June 2005. Goodwill is renting 5.000 m<sup>2</sup> in a short-term lease.

#### Changes in 2004

A remaining 12.150 m<sup>2</sup> have to be completed, involving the renovation works and a new construction project.

#### Prospects for 2005

Completion of the remaining 12.150 m<sup>2</sup> as part of an investment programme worth 736.000 EUR, including VAT and fees.

#### Return on capital

8,53%

#### Occupancy on 31/12/2004

95,54%

#### ▲ Value compared to 31/12/2003

+ 2,94%

#### issue

+ 78,54%

#### Return on capital

9,40%

#### Occupancy on 31/12/2004

100%

#### ▲ Value compared to 31/12/2003

+ 6,60%

#### issue

+ 34,93%





## FRANCE

**Lille, Fretin - Sainghin-en-Mélantois, Rue des Hauts de Sainghin, parcelles 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 alongside the Lille-Valenciennes (A23) motorway junctions 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 area.

### 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 let to MGF Evolutions, which has taken over ABX France, until July 2008.

### Changes in 2004

None.

### Prospects for 2005

None.

#### Return on capital

8,21%

**Occupancy on 31/12/2004**  
100%

**▲ Value compared to 31/12/2003 + 2,73%**  
**portfolio entry on 31/03/2001**  
**+ 8,92%**

## ITALY

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

### Location

A plot with a total surface area of 34.529 m<sup>2</sup> to the East of Milan, close to the intersection of the motorway ring and the Bologna motorway. This motorway crosses the Po valley and takes traffic to Florence and Rome, as well as 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 until 2010, with an automatic renewal for 6 years.

### Changes in 2004

None.

### Prospects for 2005

None.

#### Return on capital

9,22%

**Occupancy on 31/12/2004**  
100%

**▲ Value compared to 31/12/2003 - 3,56%**  
**issue**  
**+ 145,40%**

## THE NETHERLANDS

**Hazeldonk, Breda Industrieterrein, n° 6462 and 6464**

### Location

Two plots with a total surface area of 53.172 m<sup>2</sup>, bordering on three streets with boundaries of 220, 223 and 226 metres respectively. The plots are in the Hazeldonk SME park (phase I), alongside the A1-E19, close to the Belgian-Netherlands border, 8 kilometres from the centre of Breda. The following two phases and the nearby Meer transport area have also been entirely accepted and/or built. The area has several major distribution complexes, mainly rented to Dutch and international transport and logistics companies.

### Buildings

A distribution complex built in the early 1990s, with 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

Deventer Logistic Services (DLS) has gone bankrupt.

### Changes in 2004

Since they were vacated by the receiver, a quarter of the buildings have been let on a flexible basis.

### Prospects for 2005

None.

#### Return on capital

9,05%

**Occupancy on 31/12/2004**  
25%

**▲ Value compared to 31/12/2003 - 9,17%**  
**portfolio entry on 31/03/2001**  
**- 20,73%**

## Property overview (continued)

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

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

A plot of 16.546 m<sup>2</sup> in the industrial estate between the Dender, Dendermondsesteenweg and Ringlaan. This is a former industrial complex with 12.317 m<sup>2</sup> of warehouses with headroom of 5 metres.

**Return on capital**  
9,21%  
**Occupancy on 31/12/2004**  
83,96%  
**▲ Value compared to 31/12/2003**  
- 1,94%  
**issue**  
+ 13,17%

#### 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 for its renewal. The complex has 7 units including a total of 70 m<sup>2</sup> of offices 18.677 m<sup>2</sup> of warehouses with headroom of 4,11 to 8,42 metres. Steinweg leases practically the entire site.

**Return on capital**  
11,48%  
**Occupancy on 31/12/2004**  
95,44%  
**▲ Value compared to 31/12/2003**  
+ 1,49%  
**issue**  
+ 9,09%

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

A 22,459 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 456 m<sup>2</sup> of offices and business 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 a clearance height of 6 metres. The site is entirely let until September 2010 to TDS Logistics at market rates.

**Return on capital**  
10,12%  
**Occupancy on 31/12/2004**  
100%  
**▲ Value compared to 31/12/2003**  
+ 1,73%  
**issue**  
+ 246,51%

#### 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 third warehouse complex, with a surface area of 4.564 m<sup>2</sup>, was completed in 2002. The first two warehouses are let to ISS and Alcoa until the end of 2007. The new building is vacant.

**Return on capital**  
8,03%  
**Occupancy on 31/12/2004**  
62,93%  
**▲ Value compared to 31/12/2003**  
+ 0,50%  
**issue**  
+ 58,26%

#### 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 3.250 m<sup>2</sup> of offices on three 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 130 m<sup>2</sup> of offices through a fixed, nine-year lease which will expire in 2009. The other offices are vacant.

**Return on capital**  
7,93%  
**Occupancy on 31/12/2004**  
70,88%  
**▲ Value compared to 31/12/2003 + 1,54%**  
**portfolio entry on 31/12/2000**  
- 0,56%

#### 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**  
8,48%  
**Occupancy on 31/12/2004**  
100%  
**▲ Value compared to 31/12/2003 - 1,77%**  
**portfolio entry on 31/12/2001**  
+ 3,99%

**Brussels - Neder-Over-Heembeek, Vilvoordsesteenweg 146 - Meudonstraat**

Two fully-owned plots with a total surface area of 7.140 m<sup>2</sup> and another 3.548 m<sup>2</sup> plot owned jointly with a one third 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 3.998 m<sup>2</sup> and headroom of 7,50 to 8,50 metres, 676 m<sup>2</sup> of offices and 221 m<sup>2</sup> available for other purposes. The area used for commercial purposes was sold to the tenant in 2004. It has been entirely let to CES and Europe SA until 2013.

**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 were renovated in 2002 and some of them have been replaced by new constructions. The project includes 320 m<sup>2</sup> of offices and 12.520 m<sup>2</sup> of warehouses with headroom of between 4.6 and 5.9 metres. The site is shared by 12 tenants; most of the contracts will expire in 2012-2013.

**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. A former industrial complex which was refurbished and modernised in the mid 1980s. The complex has a rentable surface area of ± 21.200 m<sup>2</sup>. All of the plots are let to 62 different tenants, at market prices.

**Return on capital**  
8,39%  
**Occupancy on 31/12/2004**  
100%  
**▲ Value compared to 31/12/2003**  
- 8,88%  
**issue**  
+ 27,69%

**Return on capital**  
9,77%  
**Occupancy on 31/12/2004**  
84,24%  
**▲ Value compared to 31/12/2003**  
+ 2,15%  
**issue**  
+ 86,30%

**Return on capital**  
12,39%  
**Occupancy on 31/12/2004**  
100%  
**▲ Value compared to 31/12/2003**  
+ 3,28%  
**issue**  
+ 8,52%

**Merchtem, Wolvertsesteenweg 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 warehouses and cellars. The main tenants are Kinnarps, Delfipar (Profi) and Alfor; the leases expire in 2007 at the earliest.

**Puurs, Lichterstraat 31 - Meersmansdreef**

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

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

A 47.435 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 17.673 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. It is planned to continue the refurbishment of the site. Former units will be replaced by a new warehouse.

**Return on capital**  
10,05%  
**Occupancy on 31/12/2004**  
90,02%  
**▲ Value compared to 31/12/2003**  
+ 0,21%  
**issue**  
+ 65,95%

**Return on capital**  
8,50%  
**Occupancy on 31/12/2004**  
100%  
**▲ Value compared to 31/12/2003**  
- 0,78%  
**issue**  
+ 12,72%

**Return on capital**  
9,87%  
**Occupancy on 31/12/2004**  
97,46%  
**▲ Value compared to 31/12/2003**  
- 0,35%  
**issue**  
+ 33,82%

## Property overview (continued)

### Temse, Kapelanielaan 10

A 16.419 m<sup>2</sup> plot of land. The buildings, built in 1982, include 1.212 m<sup>2</sup> of offices and 8.347 m<sup>2</sup> of warehouses with headroom of between 6,36 and 7,35 metres. As part of the agreement with Sügro, the site will be adapted in accordance with the new tenants.

### 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 Tienen-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 alongside the Cargovil land. It is a former industrial complex, half of which has been replaced by new constructions, and the other half has been renovated and transformed into storage space (6.200 m<sup>2</sup>) with headroom of between 5,96 metres and 10 metres, and 180 m<sup>2</sup> of offices. The new warehouse was completed at the end of March and let to Walon Nellessen. The renovated part of the site is let to Heytrans.

#### Return on capital

10,95%

#### Occupancy on 31/12/2004

100%

#### ▲ Value compared to 31/12/2003

+ 1,20%

#### issue

+ 24,18%

#### Return on capital

8,54%

#### Occupancy on 31/12/2004

100%

#### ▲ Value compared to 31/12/2003

+ 0,64%

#### issue

+ 173,46%

#### Return on capital

9,25%

#### Occupancy on 31/12/2004

100%

#### ▲ Value compared to 31/12/2003

+ 64,53%

#### issue

+ 60,17%

### Zaventem, Fabriekstraat 13

A 14.501 m<sup>2</sup> plot of land within easy access of the Brussels ring road. It has a 701 m<sup>2</sup> office building constructed in 1984. The warehouses cover 6.811 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

8,96%

#### Occupancy on 31/12/2004

100%

#### ▲ Value compared to 31/12/2003 + 0,64%

#### portfolio entry on 30/09/1999

+ 5,96%



**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) until 2009.

**Return on capital**  
8,11%  
**Occupancy on 31/12/2004**  
100%  
▲ **Value compared to**  
**31/12/2003** + 4,49%  
**portfolio entry on**  
**30/09/2000**  
+ 12,63%

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

The two plots have a total surface area of 27.948 m<sup>2</sup> and are located in the Centre International de Transport, close to the E17. A 6.315 m<sup>2</sup> warehouse with headroom of 9,80 metres was built in 1993 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 which were completed in March 2003. The existing complex and half of the new warehouses are let to Frans Maas, which will vacate the second building during the course of 2005.

**Return on capital**  
8,17%  
**Occupancy on 31/12/2004**  
100%  
▲ **Value compared to**  
**31/12/2003** + 9,18%  
**portfolio entry on**  
**31/03/2001**  
+ 97,48%

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

This is a 13.189 m<sup>2</sup> plot of land, in one of the main commercial complexes in the outskirts of Prague. It includes a new 4.605 m<sup>2</sup> building completed at the end of 1999 with 100 parking spaces. The premises are fully let to Hilti and Okay.

**Return on capital**  
9,53%  
**Occupancy on 31/12/2004**  
100%  
▲ **Value compared to**  
**31/12/2003**  
+ 4,79%  
**issue**  
+ 2,16%

**CZECH REPUBLIC**  
Mlada Boleslav –  
Neprevazka (phase I)

A 35.496 m<sup>2</sup> plot of land near the Skoda factories. The region is increasingly focusing on the logistics sector in general and the automobile sector in particular. On an initial plot, a new construction of 1.008 m<sup>2</sup> of offices, 3.860 m<sup>2</sup> of warehouses and 1.416 m<sup>2</sup> of shelters and annexes have been completed. It is fully let to SAS, a subsidiary of the Siemens Group. An area of 10.000 m<sup>2</sup> still remains on the site, which is suitable for the construction of a second project.

**Return on capital**  
11,08%  
**Occupancy on 31/12/2004**  
100%  
▲ **Value compared to**  
**31/12/2003** + 375,25%  
**portfolio entry on**  
**30/9/2003**  
+ 442,06%

## Property overview (continued)

### 3. Table of properties with a value of less than 2 million EUR

	Surface area (m²)						▲ Value compared to (%)	
	Land	Warehouses	Offices	Commercial	Return on capital (%)	Occupancy on 31/12/2004 (%)	31/12/03	issue *
Belgium								
Aalst Dendermondsesteenweg 75	9.195	-	-	4.459	9,09	100,00	2,84	8,53
Beersel Stationstraat 230	15.922	4.388	673	-	8,71	100,00	9,44	-0,74
Bierbeek Hoogstraat 35-35A	12.137	6.443	-	-	10,63	100,00	1,15	14,49
Boom Groene Hofstraat 13	1.733	-	2.548	-	9,54	93,60	0,80	-2,66
Boom Kapelstraat (to be divided into plots)	4.292	-	-	-	-	-	47,48	265,73
Boortmeerbeek Leuvensesteenweg 238 (project)	11.739	597	3.593	646	8,13	-	-5,29	13,49 (9/00)
Haacht (Wespelaar) Dijkstraat 44	17.229	7.991	1.046	767	13,73	77,96	-1,87	-9,23
Lebbeke (Wieze) Kapittelstraat 31	8.619	5.652	-	-	13,09	100,00	3,75	-33,55
Mechelen Olivetenvest 4-8	4.272	1.783	-	2.367	10,69	81,13	1,65	-9,77
Merchtem Kattestraat 27	7.473	11.678	-	-	12,06	74,29	-1,42	14,65
Vilvoorde Steenkade 44	5.148	8.745	-	-	12,89	96,71	-1,79	-14,36
Willebroek Breendonkstraat (land)	45.416	-	-	-	-	-	35,09	123,83
Jumet Zoning Industriel	9.941	3.244	364	-	7,92	100,00	-	3,50 (9/04)
Abroad								
France								
Lille, Templemars Route de l'Epinoy 237 bis	12.000	2.496	766	-	7,95	100,00	4,84	6,61
Czech Republic								
Hradec Kralove Pilmarova 410	8.289	-	-	2.403	10,71	100,00	8,69	20,54
Jablonec Ostry Roh 466 02	2.750	-	-	1.075	11,16	100,00	4,61	-17,87
Mlada Boleslav Jicinska 1329	4.477	-	-	1.598	10,64	100,00	6,94	17,44
Mlada Boleslav - Neprevazka (extension)	40.000	-	-	-	-	-	-	16,67 (9/04)

\*If included in the portfolio after June 1999, the date is mentioned in parentheses

The property portfolio is broken down as follows (EUR):

	estimated value*	insured value**	actual cost***
warehouses	291.239.882	267.771.945	205.201.685
offices	15.007.327	17.926.018	7.900.732
commercial	14.953.502	11.319.019	12.157.666
various uses	28.819.183	32.320.201	18.077.365
TOTAL	350.019.894	329.337.184	243.337.447

\* 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





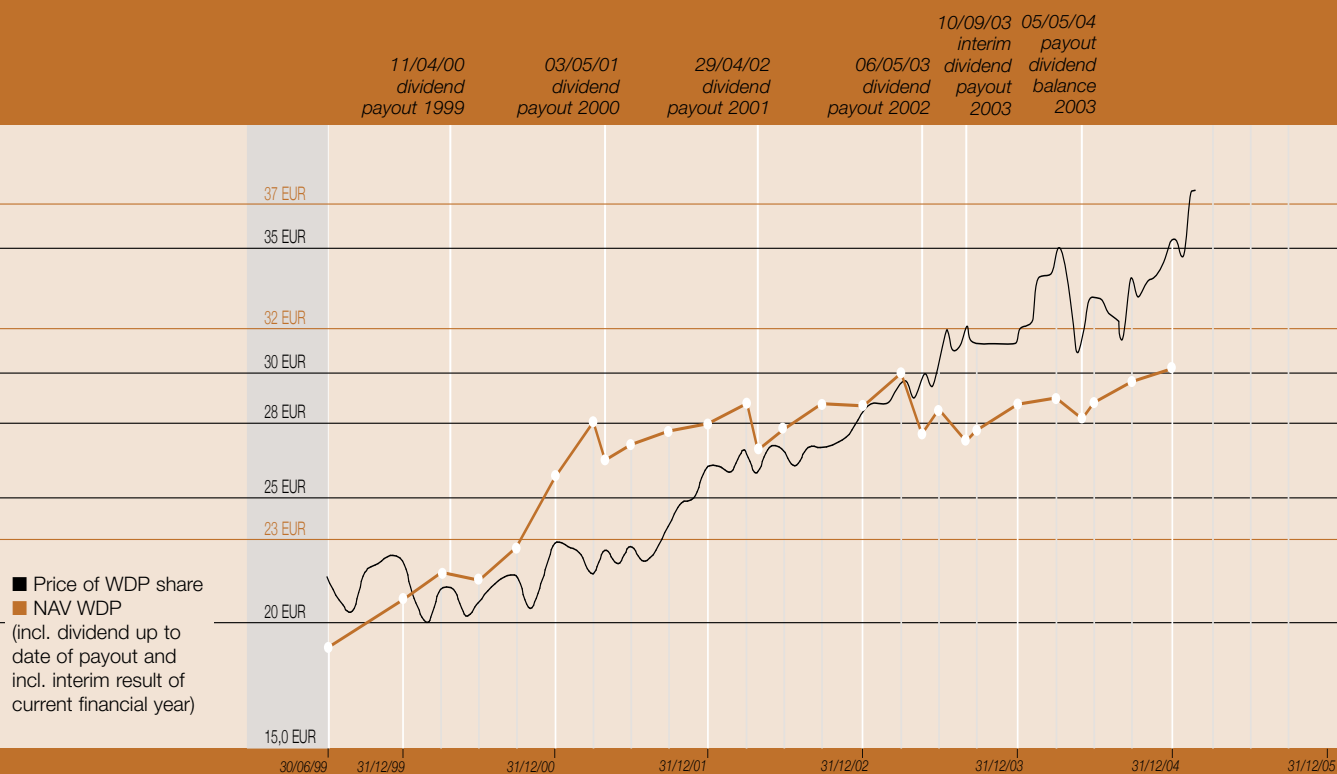
### Share price

WDP shares in 2004 continued to increase in value steadily, from 31,5 EUR at the start of the year, to 35 EUR at year end.

The year began with a boom when the 33 EUR threshold was crossed, and the price even peaked at 35 EUR. The price nevertheless fell back to stabilise at 31 EUR, partly explained by the distribution of the gross dividend balance of 1,22 EUR per share in May (an initial gross instalment of 1,25 EUR per share having been distributed in September by way of an interim dividend), and also by the uncertainty of the impact of the bankruptcy of the tenant Deventer Logistic Services (DLS), the second largest tenant in the portfolio, on the operating results and the 2004 dividend.

In the second half of the year, the WDP share nevertheless resumed its progress towards 35 EUR, owing to the combined effect of the following factors: the publication in September of good interim results, the success of the private placement operation of 20% of the Jos De Pauw family's shares in October, the announcement of the quarterly results in November which exceeded forecasts and the confirmation, also in November, that the gross dividend would be maintained at its 2003 level, i.e. 2,47 EUR per share. In early 2005, the announcement of the dividend payout in May and the forecasts of long term interest rate stagnating at a low level for a certain time still even pushed the WDP share price up to the 37 EUR mark.

WDP share price since IPO (28/06/99) in relation to NAV





The evolution of the share price in 2004 resulted in WDP shares being listed with a premium of more than 16% at the end of December.

The share's progress increased WDP's stock market capitalisation from 250 million EUR at the start of the year to a little over 275 million EUR at year end.

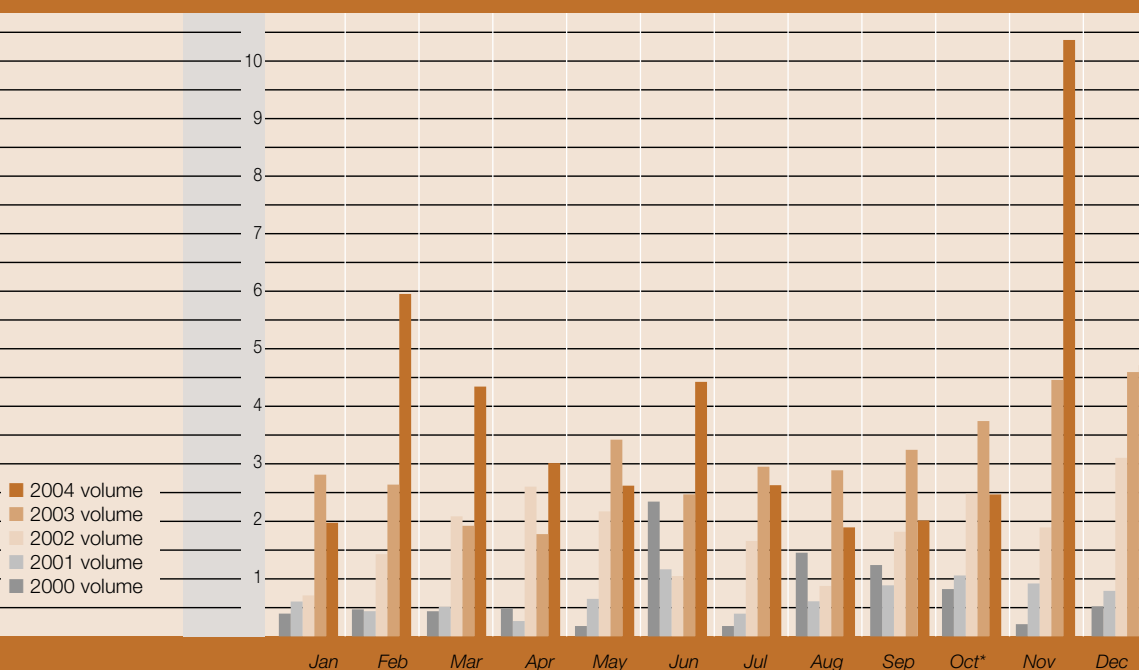
### Liquidity

WDP benefited from the globally renewed interest in property as an investment instrument in 2004. Its liquidity, recalculated following the private placement made in October by the Jos De Pauw family, increased by 14,5%.

This private placement of one and a half million shares, at a value of 48 million EUR, by the principal shareholder was also the most important highlight of the year in terms of the share's liquidity. Its impact was felt at two levels:

- it increased the free float of WDP shares from 50 to 70%. As no shareholder has declared that it is in possession of over 5% of the WDP shares, it signifies a real increase in the number of freely tradable shares;
- major Belgian and foreign institutional investors have acquired stakes in the Closed-End Property Investment Company, which is strengthening its financial stability.

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



\*Not including the private placement of one and a half million shares in October 2004

The increase in free float will be reflected in the future by a growth in liquidity, which will in turn lead to an increase in the share's turnover velocity (the number of shares traded during the year divided by the total number of issued shares at the end of the year) beyond the psychological threshold of 20%. This threshold was almost achieved in 2004 after the 3% increase in turnover velocity to 18%, not including the private placement undertaken in October.

The second listing of WDP shares on the Euronext Paris Second Market will further improve the share's liquidity and visibility in 2005.

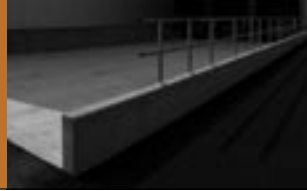
### Return

The gross return on WDP shares was 15,85%, a higher result than the average of 15,63% achieved since its stock market floatation.

The significant fall in comparison to the 24,4% achieved in 2003 is explained by the distribution of not only a gross dividend of 2,35 EUR per share that year for the 2002 financial year, but also a gross interim dividend of 1,25 EUR per share on the profit for the first half of 2003, thereby already including part of the profits from 2003 in the return for the previous year. As a result, the return for 2004 only included the remaining profit for 2003 to be distributed as the gross dividend, i.e. 1,22 EUR per share.

Comparison of return on WDP shares with  
GPR 250 Belgium and GPR 250 Europe\*



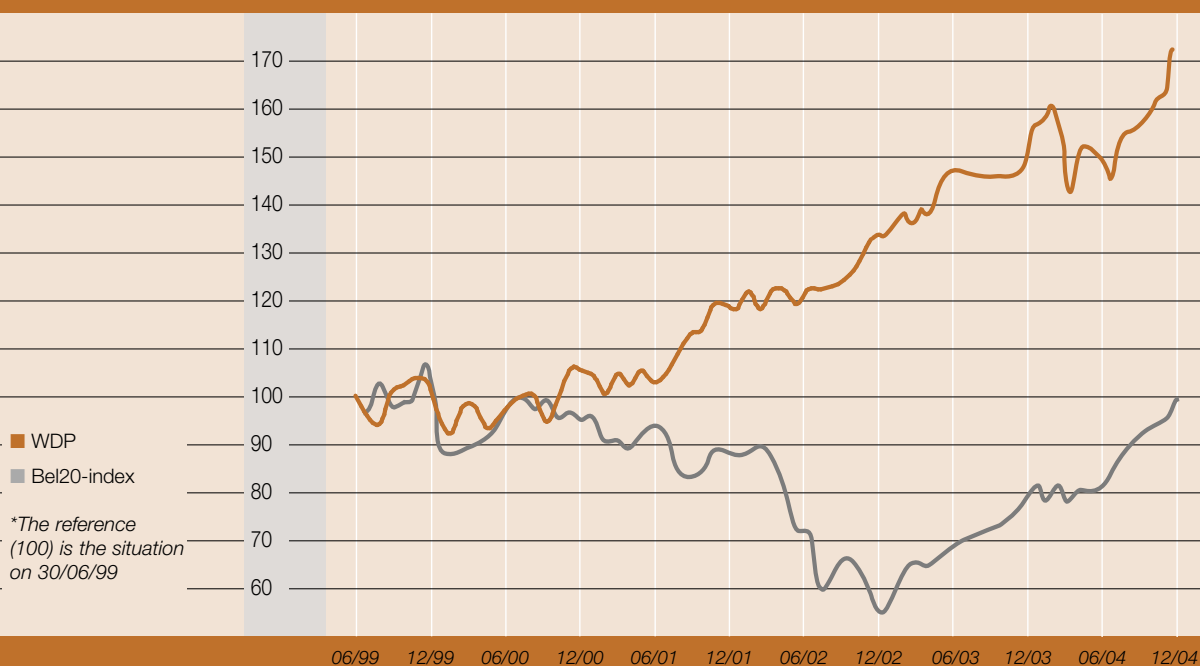


Contrary to forecasts, according to which the 2004 return would under such circumstances be lower than its average level since WDP's stock market floatation, it successfully maintained a slightly higher level, owing to the increase in the share price.

It was also an excellent year for other European property shares. According to the "GPR 250 EUROPE" Global Property Research index, the average return on European property securities was 40,83% in 2004 compared with 21,1% in 2003, thus increasing its average return since WDP's floatation in 1999 from 8,1 to 13,35%. According to the "GPR 250 BELGIUM" index, the average return on Belgian property shares in 2004 was 16,68%, i.e. 1% higher than that of WDP. However, if we consider the entire period since its stock market floatation, the average return has not exceeded 7,66%, compared with 15,63% for WDP. See also in this respect the diagram on the previous page and the monthly updates of figures on the website [www.wdp.be](http://www.wdp.be).

WDP shares are thus continuing to outperform the Bel20 index. If this index produced an excellent gross return of 30,68% in 2004, its average return since WDP's stock market entry is around -1,2% (compared with -7% in 2003).

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



#### **New dividend policy as from 2005**

Following the further increase in the liquidity of WDP shares, the Board of Directors has decided to alter the Closed-End Property Investment Company's dividend policy as from 2005. Apart from the traditional dividend distribution in May, profits from the first half of the year will now systematically be distributed in September in the form of an interim dividend.

#### **Conclusion**

The performance of WDP shares in 2004 bears witness to the significant international interest attracted by the Closed-End Property Investment Company and semi-industrial and logistical property in general, as also confirmed by the success of the private placement of WDP shares by the Jos De Pauw family. The Board of Directors interprets this interest as the confirmation of the validity of its strategy, to follow a prudent, well thought out property policy which is the basis of a substantial return each year.

WDP will therefore maintain this course in the future, backed up in this by the increase of free float to 70%, its new dividend policy and its second listing on Euronext Paris. In 2005, WDP is expecting an improvement in its share liquidity and visibility, which should be reflected in the long term by its ability to wield greater financial power.

You can also find the most recent WDP financial information on the website [www.wdp.be](http://www.wdp.be).

**EURONEXT BRUSSELS** - First Market  
**IPO:** 28/06/99  
**trading:** continuous  
**ISIN-code:** BE0003763779  
**liquidity provider:** Petercam

**EURONEXT PARIS** - Second Market  
**trading:** 17/12/04  
**trading:** continuous



Figures per share (in EUR)	31/12/2004	31/12/2003	31/12/2002
Number of shares	7.885.249	7.885.249	6.899.593
Free float	70%	50%	49%
Market capitalisation	275.983.715	247.596.819	192.843.624
Traded volume in shares per year	2.914.667	1.235.299	841.313
Average daily volume in EUR	367.354	142.643	88.270
Velocity*	36,96%	15,67%	12,19%
Stock exchange price			
highest	35,50	32,50	29,00
lowest	30,75	28,10	25,35
closing	35,00	31,40	27,95
Net asset value after profit distribution	27,55	27,21	26,41
Dividend payout ratio	96%	90%	90%
	12m	12m	12m
Operating profit/share	2,57	2,75	2,62
Gross dividend/share	2,47	2,47	2,35
Net dividend/share	2,10	2,10	2,00

\*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 27th April 2005 at 10 a.m. (annually on the last Wednesday in April)
Payout of dividend 2004 on coupon n° 8	from Wednesday 4th May 2005
Publication of 1st quarter results	week 22
Publication of half-yearly results 2005	week 36
Payout of interim dividend 2005 on coupon n° 9	week 37
Publication of 3rd quarter results	week 49
Announcement of annual results 2005	week 10 2006



## Closed-End Property Investment Companies: a European success story

### What is a Closed-End Investment Company?

A Closed-End Investment Company is a company with fixed capital. It can be set up as a limited company (NV) or in the form of a Limited Partnership with share capital (Comm.VA). Thus Closed-End Investment companies have the same structures as traditional companies. In particular, NVs have a General Meeting of Shareholders, a Board of Directors and an auditor, whereas the Comm.VA has a General Meeting of Shareholders, a Management Board and a statutory 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 by a 'formal' capital increase. The Closed-End Investment Company's capital results from new public issues of shares.

### Closed-End Property Investment Companies: increasingly popular in Europe

Closed-End Investment Companies can make use of a variety of investment strategies to achieve a return on their 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 premises.

In Belgium, the legal structure was created for Closed-End Property Investment Companies (also known as "sicafs" or "bevaks") in 1990, although the rights and obligations of this instrument were not defined in concrete terms until 1995. The instrument was created by public authorities to enable private investors to also have access to the professional property market and to invest in property projects, which were previously the reserve of institutional investors. Comparable structures already existed in the United States, in the form of Real Estate Investment Trusts (REIT) and in the Netherlands, where they are known as Fiscale Beleggingsinstellingen (FBI).

Since then, other countries have also taken an interest in this structure: In 1994, Italy created the Fondi di Investimento Immobiliare (FII). In autumn 2003, France also followed the lead of Belgium and other countries with the creation of Sociétés d'Investissement Immobilier Cotées (SIIC). Since then, Great Britain and Germany have also established legal provisions to create similar investment companies. In 2006 we should see the emergence there of Property Investment Funds (PIF) and "German REIT" or "G-REIT" respectively.

### WDP: both sicaf and SIIC

Since 17th December 2004, WDP has also been listed on the Euronext Paris Second Market, its second listing after Euronext Brussels. In 2005, WDP applied for WDP France to be granted the status of SIIC, in order to be able to enjoy fiscal advantages in France related to the Closed-End Investment Company status.

The fiscal characteristics of sicafs and SIICs are quite similar (see also the comparative table on the next page). For example, they are both exempt from corporate taxation on annual income and capital gains. On the other hand, the profits related to activities other than the leasing or sale of property assets are indeed subject to corporate taxation. On changing to the sicaf or SIIC status, a one-off conversion charge known as an "exit tax" is paid by the company. It is calculated on the basis of the difference between the market value of the portfolio and the fiscal book value of the property. Since 1st January 2005, the exit tax applicable to sicafs is 16,5% (17% including the additional emergency tax). The payment of the 16,5% exit tax for SIICs is made in instalments over four years, with an initial 15% tranche paid at the end of the first year.





In Belgium, at least 80% of the operating profits have to be distributed. In France, the percentage is 85%, albeit after deduction of amortisation. However, provisions relating to the distribution of capital gains resulting from the sale of property assets differ considerably. In Belgium, a minimum of 80% has to be distributed unless it is reinvested. For SIICs however, at least 50% of the profit has to be distributed at the end of the year in which it was earned. Also in France, dividends from subsidiaries which are exempt from corporate taxation have to be entirely distributed in the year when they were received. In terms of the shareholding structure, at least 30% of the shares in sicafs have to be “free float”, i.e. shares which are available for trading. France does not impose any restriction in this respect, nor with regard to the level of debt, which in Belgium is fixed at a maximum of 50% for the sicaf.

	<b>Belgium (sicaf)</b>	<b>France (SIIC)</b>
Year of creation	1990	2003
Corporate taxation	0%	0%
Exit tax	16,5% (+ additional emergency tax)	16,5%
Minimum percentage of the operating profits which have to be distributed	80%	85% (after amortisation)
Minimum percentage of the capital gains to be distributed	80% (if not reinvested)	50% (payable in two years)
Restrictions in terms of the shareholding structure	30% minimum of free float	None
Maximum authorised gearing ratio	Maximum 50%	No restriction

### The landscape of sicafs and SIICs

At the end of December 2004, 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

In France, most SIICs operate both in the office premises market and in commercial spaces, sometimes even in combination with residential property. They rarely invest in industrial or semi-industrial premises. At the end of 2004, the following French SIICs existed (in alphabetical order): Affine, Bail Investissement, Entrepôts et Magasins Généraux de Paris (EMGP), Foncière des Pimonts, Foncière des Régions, Gecina, Klépierre, SIIC de Paris (formerly Immobanque), SIIC de Paris 8e (formerly Bail Saint-Honoré), Silic, Société de la Tour Eiffel (STE), Société Foncière Lyonnaise, Sophia and Unibail. Added to these, there were three foreign SIICs: Hammerson, a British SIIC, Rodamco Europe and Wereldhave, which are both Dutch.

### Advantages of sicafs for the investor

Sicafs not only enable private investors to invest in large scale property projects, but also offer many other advantages:

- a larger portfolio enabling better cost management and a more balanced spread of risks;
- management of the portfolio is carried out by specialists;
- their liquidity is far higher than that of “real” property or property income certificates;
- the investor is kept constantly informed of the evolution of his investment through the press and websites;
- there are also tax benefits for private individuals, as the tax deducted at source on dividends is charged at 15% instead of the usual 25% for shares.





**WDP**

SUPPLYING SPACE

**Annual financial statements**



## 2004 Annual consolidated financial statements

### 1. Balance sheet - Assets

	31-12-2004 EUR (x 1.000)	31-12-2003 EUR (x 1.000)	31-12-2002 EUR (x 1.000)
<b>FIXED ASSETS</b>	<b>350.484</b>	<b>334.082</b>	<b>311.469</b>
I. Formation expenses	0	5	24
II. Intangible assets	40	38	41
IV. Tangible assets	350.435	334.029	311.397
A. Land and buildings	341.978	309.494	280.426
B. Plant, machinery and equipment	260	284	309
C. Furniture and vehicles	130	160	132
E. Other tangible assets	25	27	28
F. Assets under construction and advance payments	8.042	24.064	30.502
V. Financial assets	9	10	7
B. Other enterprises	9	10	7
2. Amounts receivable	9	10	7
<b>CURRENT ASSETS</b>	<b>8.306</b>	<b>7.805</b>	<b>12.940</b>
VI. Amounts receivable after more than one year	226	285	1.428
B. Other amounts receivable	226	285	1.428
VIII. Amounts receivable within one year	4.363	4.868	9.822
A. Trade debtors	3.028	2.074	3.927
B. Other amounts receivable	1.335	2.794	5.895
IX. Investments	6	5	400
B. Other investments and deposits	6	5	400
X. Cash at bank and in hand	3.365	2.448	722
XI. Deferred charges and accrued income	346	199	568
<b>TOTAL ASSETS</b>	<b>358.790</b>	<b>341.887</b>	<b>324.410</b>

## 2004 Annual consolidated financial statements

### 1. Balance sheet - Liabilities

	31-12-2004 EUR (x 1.000)	31-12-2003 EUR (x 1.000)	31-12-2002 EUR (x 1.000)
<b>CAPITAL AND RESERVES</b>	<b>217.212</b>	<b>214.534</b>	<b>182.216</b>
<b>I. Capital</b>	<b>79.498</b>	<b>79.498</b>	<b>51.900</b>
A. Issued capital	79.498	79.498	51.900
<b>III. Revaluation surplus</b>	<b>107.112</b>	<b>105.273</b>	<b>101.350</b>
<b>IV. Consolidated reserves</b>	<b>30.602</b>	<b>29.763</b>	<b>28.966</b>
<b>PROVISIONS AND DEFERRED TAXATION</b>	<b>6.887</b>	<b>4.655</b>	<b>4.316</b>
<b>IX.A. Provisions for liabilities and charges</b>	<b>1.803</b>	<b>1.531</b>	<b>1.652</b>
2. Taxation	704	881	934
3. Major repairs and maintenance	849	445	402
4. Other liabilities and charges	250	205	316
<b>IX.B. Deferred taxation</b>	<b>5.084</b>	<b>3.124</b>	<b>2.664</b>
<b>CREDITORS</b>	<b>134.691</b>	<b>122.698</b>	<b>137.878</b>
<b>X. Amounts payable after more than one year</b>	<b>87.621</b>	<b>87.348</b>	<b>70.384</b>
A. Financial debts	87.621	87.348	70.384
4. Credit institutions	87.621	87.348	70.328
5. Other loans	0	0	56
<b>XI. Amounts payable within one year</b>	<b>44.630</b>	<b>32.754</b>	<b>64.528</b>
A. Current portion of amounts payable after more than one year	2.416	2.294	1.562
B. Financial debts	18.742	16.090	38.293
1. Credit institutions	18.742	16.090	38.293
C. Trade debts	2.600	2.446	3.470
1. Suppliers	2.600	2.446	3.470
E. Taxes, remuneration and social security	1.261	2.035	4.237
1. Taxes	1.210	1.968	4.157
2. Remuneration and social security	51	67	80
F. Other amounts payable	19.611	9.889	16.966
<b>XII. Accrued charges and deferred income</b>	<b>2.440</b>	<b>2.596</b>	<b>2.966</b>
<b>TOTAL LIABILITIES</b>	<b>358.790</b>	<b>341.887</b>	<b>324.410</b>

## 2004 Annual consolidated financial statements

### 2. Income statement

	31-12-2004 EUR (x 1.000)	31-12-2003 EUR (x 1.000)	31-12-2002 EUR (x 1.000)
<b>CURRENT RESULT</b>			
<b>I. Operating income</b>	<b>33.816</b>	<b>30.409</b>	<b>30.441</b>
A. Turnover	27.199	26.078	24.505
B. Own construction capitalised	380	351	327
C. Other operating income	6.237	3.980	5.609
<b>II. Operating charges</b>	<b>-9.587</b>	<b>-6.745</b>	<b>-7.295</b>
A. Services and other goods	5.243	3.881	4.490
B. Remuneration, social security costs and pensions	662	619	608
C. Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	88	110	112
D. Increase (+), Decrease (-) in amounts written off trade debtors	758	73	99
E. Increase (+), Decrease (-) in provisions for liabilities and charges	479	-4	-102
F. Other operating charges	2.357	2.066	2.088
<b>III. Operating profit (-loss)</b>	<b>24.229</b>	<b>23.664</b>	<b>23.146</b>
<b>IV. Financial income</b>	<b>149</b>	<b>153</b>	<b>160</b>
B. Income from current assets	117	82	92
C. Other financial income	32	71	68
<b>V. Financial charges</b>	<b>-4.007</b>	<b>-4.155</b>	<b>-3.856</b>
A. Interest and other debt charges	3.968	4.112	3.811
D. Other financial charges	39	43	45
<b>VI. Income taxes</b>	<b>-85</b>	<b>-48</b>	<b>-1.405</b>
A. Income taxes	-85	-371	-1.405
B. Adjustments of income taxes and write-back of tax provisions	0	323	0
<b>VII. Profit (-loss) for the period</b>	<b>20.286</b>	<b>19.614</b>	<b>18.044</b>

	31-12-2004 EUR (x 1.000)	31-12-2003 EUR (x 1.000)	31-12-2002 EUR (x 1.000)
<b>RESULT ON THE PORTFOLIO</b>			
VIII. Gain or loss on disposal of elements of the portfolio (by reference to their historical value)	179	140	469
A. Property assets (within the meaning of the Royal Decree of 10/04/95)	179	140	469
1. Buildings and real rights on buildings	179	140	469
- Gains	179	140	469
VIIIbis. Withdrawal of formerly recorded changes in the market value on disposed elements of the portfolio	-94	-48	-450
- Gains (+) Losses (-)	-94	-48	-450
IX. Change in market value of elements of the portfolio	1.933	3.971	4.106
A. Property assets (within the meaning of the Royal Decree of 10/04/95)	1.933	3.971	4.106
1. Buildings and real rights on buildings	1.933	3.971	4.106
- Gains	9.122	8.500	10.903
- Losses	-5.229	-4.068	-6.317
- Deferred taxes on unrealised gains	-1.960	-461	-480
X. Profit on the portfolio	2.018	4.063	4.125
<b>EXTRAORDINARY RESULT</b>			
XI. Exceptional income	0	0	1.121
A. Other extraordinary income	0	0	0
C. Withdrawal of provisions for extraordinary risks and charges	0	0	1.121
XII. Extraordinary charges	-144	-682	0
B. Provisions for extraordinary risks and charges	-31	-63	-238
C. Other extraordinary charges	175	745	238
XIII. Exceptional profit (-loss)	-144	-682	1.121
<b>RESULT FOR APPROPRIATION</b>			
XIV. Profit for the year	22.160	22.995	23.290
XV. Appropriation of the changes in market value of elements in the portfolio	1.839	3.923	3.655
A. Transfer to reserves not available for distribution	1.839	3.923	3.655
XVI. Profit for the year available for appropriation	20.321	19.367	19.635
XVIII. Consolidated profit	20.321	19.367	19.635
B. Share of the group	20.321	19.367	19.635



## 2004 Annual consolidated financial statements

### 3. Notes

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 in which 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 100% eliminated.

#### II. INFORMATION ABOUT THE SUBSIDIARIES

Participating  
interest  
owned

##### A. Fully consolidated subsidiaries

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 preceding period	5
Movements of the period:	
- New acquisitions during the period	0
- Depreciation	5
<b>Net book value at the end of the period</b>	<b>0</b>

VIII. STATEMENT OF INTANGIBLE ASSETS (asset item II) (x EUR 1.000)	Research and development expenses	Concessions, patents licences, a.o.	Goodwill	Advance payments
<b>a) ACQUISITION COST</b>				
At the end of the preceding period		83		
Movements during the period:				
- Acquisitions, including produced fixed assets		12		
<b>At the end of the period</b>		<b>95</b>		
<b>c) DEPRECIATION AND AMOUNTS WRITTEN DOWN</b>				
At the end of the preceding period		45		
Movements during the period:				
- Recorded		10		
<b>At the end of the period</b>		<b>55</b>		
<b>d) NET BOOK VALUE AT THE END OF THE PERIOD</b>		<b>40</b>		
IX. STATEMENT OF TANGIBLE FIXED ASSETS (asset item IV) (x EUR 1.000)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	
<b>a) ACQUISITION COST</b>				
At the end of the preceding period	211.522	427	601	
Movements during the period:				
- Acquisitions, including produced fixed assets	11.967		17	
- Transfers from one heading to another	14.090			
- Sales and disposals	-204			
<b>At the end of the period</b>	<b>237.375</b>	<b>427</b>	<b>618</b>	
<b>b) REVALUATION SURPLUSES</b>				
At the end of the preceding period	135.031			
Movements during the period:				
- Recorded	9.020			
- Transfers from one heading to another	2.015			
- Reversals	-94			
<b>At the end of the period</b>	<b>145.972</b>			
<b>c) DEPRECIATION AND AMOUNTS WRITTEN DOWN</b>				
At the end of the preceding period	37.059	143	441	
Movements during the period:				
- Recorded	3.931	24	47	
- Transfers from one heading to another	379			
- Written down after sales and disposals				
<b>At the end of the period</b>	<b>41.369</b>	<b>167</b>	<b>488</b>	
<b>d) NET BOOK VALUE AT THE END OF THE PERIOD</b>	<b>341.978</b>	<b>260</b>	<b>130</b>	

	Leasing and other similar rights	Other tangible assets	Assets under construction and advance payments
IX. STATEMENT OF TANGIBLE FIXED ASSETS (asset item IV) (x EUR 1.000)			
a) ACQUISITION COST			
At the end of the preceding period		42	22.446
Movements during the period:			
- Acquisitions, including produced fixed assets			899
- Transfers from one heading to another			-14.090
- Sales and disposals			-214
At the end of the period		42	9.041
b) REVALUATION SURPLUSES			
At the end of the preceding period			2.850
Movements during the period:			
- Recorded			102
- Transfers from one heading to another			-2.015
At the end of the period		0	937
c) DEPRECIATION AND AMOUNTS WRITTEN DOWN			
At the end of the preceding period		15	1.232
Movements during the period:			
- Recorded		2	1.297
- Transfers from one heading to another			-379
- Written down after sales and disposals			-214
At the end of the period		17	1.936
d) NET BOOK VALUE AT THE END OF THE PERIOD		25	8.042
X. STATEMENT OF FINANCIAL FIXED ASSETS (asset item V) (x EUR 1.000)	Companies consolidated using the equity method	Other companies	
2. Amounts receivable	(item V.A.2)	(item V.B.2)	
NET BOOK VALUE AT THE END OF THE PRECEDING PERIOD		10	
Movements during the period:			
- Additions		-1	
NET BOOK VALUE AT THE END OF THE PERIOD		9	

XI. STATEMENT OF THE CONSOLIDATED  
RESERVES AND REVALUATION SURPLUSES  
(x EUR 1.000)

Amount  
period

Consolidated reserves at the end of the preceding period	135.036
Movements during the period:	
- Share of the group in the operational and extraordinary result, which is not distributed	839
- Reversal/assignment of unrealised gains to reserves not available for distribution	1.839

**At the end of the period** **137.714**

XIII. STATEMENT OF AMOUNTS PAYABLE  
(x EUR 1.000)

Amounts payable current portion

not more  
than  
1 year      between  
1 and  
5 years      over  
5 years

**A. Analysis by current portions of amounts  
initially payable after more than 1 year**

**Financial debts**

4. Credit institutions	2.416	59.665	27.956
<b>TOTAL</b>	<b>2.416</b>	<b>59.665</b>	<b>27.956</b>

XIII. STATEMENT OF AMOUNTS PAYABLE  
(x EUR 1.000)

Debts  
secured  
against  
collateral  
securities

**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**

**Financial debts**

4. Credit institutions	13.313
<b>TOTAL</b>	<b>13.313</b>

## 2004 Annual consolidated financial statements

### 3. Notes (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	21.069	20.134
<b>B. Average number of persons employed and personnel costs</b>		
<b>1. Within the fully consolidated companies</b>	<b>11,5</b>	<b>11,7</b>
<b>Average number of employees</b>		
a) Workers	5,0	5,0
b) Employees	6,5	6,7
<b>Personnel charges</b>	<b>662</b>	<b>619</b>
a) Remuneration and direct social benefits	420	387
b) Employer 's contribution for social security	168	167
c) Employer 's contribution for extra-legal insurance	30	25
d) Other personnel charges	44	40

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

- Commitment in favour of Dexia and Fortis Bank not to further mortgage fixed assets 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 been further reduced. There currently remains only one mortgage on the Breda property (The Netherlands) in the context of specific financing over 20 years.
- Financial assets worth 1,71 million EUR pledged to the Public Waste Agency of Flanders (OVAM) and the Italian VAT administration.
- The estimated investment cost for the completion of projects in progress is 6,5 million EUR.
  
- In December 2003, the risk of rising interest rates was hedged in Belgium:
  - a forward Interest Rate Swap agreement (IRS) with the following characteristics:
 

amount:	25.000.000 EUR
start date:	02/01/2004
duration:	3 years
interest rate:	3,35%
underlying loan (roll-over)*:	Euribor + 0,75%
  - a forward Interest Rate Swap agreement (IRS) with the following characteristics:
 

amount:	25.000.000 EUR
start date:	01/06/2004
duration:	1,5 years
interest rate:	3,22%
underlying loan (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:	14.800.000 EUR
start date:	31/12/2002
duration:	3 years
interest rate:	3,50%
underlying loan (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:	10.800.000 EUR
start date:	31/12/2003
duration:	3 years
interest rate:	3,23%
underlying loan (roll-over)*:	Euribor + 0,80%
- In 2003, WDP granted the ASBL Ligue d'Entraide Islamique a call option worth 100.000 EUR for a warehouse with adjacent land in Molenbeek Saint-Jean, Rue Delaunoy 34-36. The selling price was fixed at 750.000 EUR. The option expires on 30th June 2005. If the buyer exercises the option, the 100.000 EUR paid will be considered to be a down payment on the selling price.

\*For an explanation of the underlying credits, see page 75

#### Intangible assets

Formation expenses, which essentially resulted from the constitution in 1999 of the Italian subsidiary and the start-up phase of the construction project in Italy, were entirely amortised on 31st December 2004. They were systematically amortised at 20% on a straight line basis.

The 39.718 EUR of intangible assets include on the one hand 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 (17.430 EUR), and on the other hand the activation of management and accounting software (22.288 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 2004. The entire property portfolio is estimated at a value of 350.019.894 EUR, compared with 333.557.979 EUR at the end of 2003. The portfolio's overall value has thus increased by 16,462 million EUR. For more details, see paragraph "Evolution of the portfolio compared with 31st December 2003", in the chapter "Valuation of the portfolio by the Chartered Surveyor", on page 39.

After posting of investments and disinvestments undertaken during the past financial year, at a net sum of 12,57 million EUR, there was a net unrealised increase in value of 3,89 million EUR which is the balance of unrealised capital gains (9,12 million EUR) and unrealised capital losses (5,23 million EUR) recorded on property in the portfolio. After posting of the deferred tax for the 2004 financial year (1,96 million EUR), the net unrealised capital gain was 1,93 million EUR\*.

This net increase is reflected in the equity capital of the Closed-End Property Investment Company under the "revaluation surpluses" item.

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 2004, these items were valued at 8,04 million EUR, including transaction costs.

\*The high figure for deferred tax is explained by a one-off catch up charge (1,6 million EUR) made in 2004 with a view to compliance with IFRS norms, which do not permit the posting of deferred taxes. Deferred taxation has thus been expressed at 100% of the current rate in all the countries in which WDP has a subsidiary, except in France, where a rate of 16,5% was taken, i.e. the exit charge rate for SICs. Until 2003, the calculation was still made using 50% of the tax rate

### 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 2004, the "provisions" item amounted to 0,82 million EUR.

These provisions were mainly reserved for potential remediation of the land at Vilvoorde - Willem Elsschotstraat, Temse - Kapelanielaan and Beersel (Lot) - Heideveld. Soil analyses are still in progress.

Among the other provisions are 0,25 million EUR for current disputes and 0,70 million EUR for taxes. The latter provision results from an additional 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 consists of bullet loans, worth 50 million EUR in Belgium and 13,510 million EUR in Italy. The Belgian loan was contracted in two instalments of 25 million EUR each, on 1st April 2002 and 1st June 2004 respectively. They both run for 5 years. The Italian loan was taken out in mid-1999 for 10 year and at an interest rate of 4,50%.

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Another part of the long-term borrowing was contracted in France, where WDP still has a degressive loan of 3,13 million EUR over 15 years at an interest rate of 5,1%, and in the Netherlands in the form of investment credit for 13,31 million EUR over 20 years.

Furthermore, a new 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 2004, the amount owed stood at 10,08 million EUR.

At the end of 2004, short-term financial debts amounted to 18,74 million EUR. They were taken out in the form of straight loans in Belgium (16 million EUR), France (1,9 million EUR) and the Netherlands (0,84 million EUR).

At the end of the year, the gearing ratio was 39,46%. Given the legal provisions applicable to Closed-End Property Investment Companies and in view of the maximum authorised gearing ratio of 50%, the company thus still has a potential investment and borrowing capacity of 75,63 million EUR.

At the end of 2004, WDP at consolidated level had 39 million EUR worth of unused lines of credit.



The proportion between long and short term loans is 83% - 17%. All the long term loans are hedged against the risk of a rise in interest rates. The average duration of fixed interest rates on loans is 1,8 years. Taking into account a short term rate of 3% (including the 0,5% margin above the Euribor), the average rate for 2005 is 4,01% for unhedged loans.

Interest Rate Swaps (IRS) worth 37,5 million EUR will mature at the end of 2005. This will bring the share of unhedged loans to 57% for all loans, not taking into account any new hedges. The total interest cost of debts will only exceed 4% however in 2006 - here again, not taking into account any future hedging - if the short term interest rate (Euribor 1m) exceeds 3,3%.

## 2004 Annual consolidated financial statements

### Summary of the results

	31-12-2004 EUR (x 1.000)	31-12-2003 EUR (x 1.000)	31-12-2002 EUR (x 1.000)
<b>OPERATING INCOME</b>	<b>27.603</b>	<b>26.697</b>	<b>25.639</b>
Net rental income	26.058	25.546	23.643
Other operating income	1.545	1.151	1.996
Recurrent	278	231	186
Non-recurrent	1.267	920	1.810
<b>OPERATING CHARGES</b>	<b>-3.374</b>	<b>-3.033</b>	<b>-2.723</b>
Property management costs	-1.103	-962	-807
General operating costs	-2.271	-2.071	-1.916
Management	-221	-203	- 230
Administration	-430	-407	- 386
External services	-677	-671	- 607
Costs related to listing	-583	-551	- 438
Amounts written off on trade debtors	-219	-31	- 50
Other charges	-141	-207	- 205
<b>OPERATION PROFIT</b>	<b>24.229</b>	<b>23.664</b>	<b>22.916</b>
Financial income	149	154	160
Financial charges	-4.007	-4.156	-3.856
Income tax	-85	-48	-1.176
<b>RESULT FOR THE PERIOD (available for appropriation)</b>	<b>20.286</b>	<b>19.614</b>	<b>18.044</b>
<b>RESULT ON THE PORTFOLIO</b>	<b>2.018</b>	<b>4.063</b>	<b>4.125</b>
Of which:			
- realised capital gains less reversal of a provision for previously recorded unrealised capital gains	179 -94	140 -48	469 -450
- unrealised capital gains or losses			
• on new acquisitions	148	1.468	816
• on existing portfolio (incl. projects)	3.745	2.964	3.770
• deferred taxation	-1.960	-461	-480
<b>EXTRAORDINARY RESULT</b>	<b>-144</b>	<b>-682</b>	<b>1.121</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	
Expenses related to Euronext Paris listing	-144		
<b>TOTAL RESULT</b>	<b>22.160</b>	<b>22.995</b>	<b>23.290</b>

## 1. Operating results

Net operating profits amounted to 20,29 million EUR, increasing by over 3% compared with the 2003 financial year.

### 1.1. Operating income

Total rental income increased by 3% in 2004, from 26,7 million EUR in 2003 to 27,6 million EUR in 2004.

WDP managed to increase its net rental income – i.e. rental income less the real estate withholding tax and concession charges payable by WDP Comm.VA – by 2% in 2004, which amounted to 26,1 million EUR. This resulted from a generally high occupancy rate for the portfolio, in spite of the setback in the Netherlands, which had a negative impact of about 900.000 EUR on income. The increase in rental income is also explained by growth of the portfolio, and more specifically by the new property projects completed in 2003, which only began to contribute fully to operating results in 2004.

WDP has other types of income resulting from specific services provided to clients:

- recurrent management fees, worth 277.872 EUR. These increase each year. Since 2000, it has almost always been agreed with tenants that WDP – in accordance with its objective to offer them global solutions – also manages premises and invoices a fee for this service;
- the gross margin earned from specific improvement works organised and carried out by WDP at the request of its tenants, amounted to 683.752 EUR.

Lastly, non-recurrent payments, such as the various renunciation and contract termination fees paid by tenants which terminated their leases prematurely, which are used to cover the vacancy and reletting costs. In 2004, their positive contribution to the results amounted to 583.000 EUR (rounded up figure).

Thus, 95% of operating results are accounted for by long term recurrent income: rental income and management fees.

### 1.2. Operating charges

Operating charges fall into two categories: the costs relating to property on the one hand, and general operating expenses on the other.

#### Costs of expenses

These are costs related to maintenance, management, shares in water, gas and electricity bills and insurance premiums payable by the owner, as well as payment of reletting agents. They are proportionate to the size of the portfolio and are generally calculated on the basis of the gross rental value of the completed and therefore rentable portfolio. At the end of 2004, these charges had increased slightly to 3,77% of gross rental value, compared with 3,55% at the end of 2003, which still remains a satisfactory performance in the semi-industrial property sector. The increase is explained on the one hand by an increase in payments made to agents in 2004, and the increase in WDP's share in water, gas, electricity and insurance charges. The reason for the latter is the signing of several specific "all inclusive" leases in 2004 - mainly for short term contracts - where costs are not deducted directly from net rental income.

#### General operating charges

General operating costs remained almost unchanged in 2004. Increases have only occurred in two fields:

- WDP was confronted by an increase in the expenses associated with its stock market floatation, amounting to approximately 85.000 EUR. This increase results on the one hand from the increase in the provision for financial services provided by financial institutions with regard to the distribution of dividends. Following the sale by the De Pauw family of a significant number of shares, free float effectively increased from 50 to 70%. Furthermore, the increase in costs related to the stock market floatation is also the result of the increased market capitalisation, which constitutes the basis for the calculation of tax on collective investment institutions. These costs will now be recurrent;
- as a precautionary measure, given that the legal procedure for recovery still proceeds, additional allowances have been made which essentially relate to the outstanding overdue receivables towards two tenants, for a value of 195.000 EUR.

Lastly, personnel costs increased slightly in 2004 owing to the expansion of technical-administrative and commercial support teams within WDP.

### **1.3. Financial charges**

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As the gearing ratio increases, the proportion of financial charges in WDP's total costs also increases. Financial charges account for approximately 54% of total operating charges.

Financial charges are also affected by WDP's cautious interest rate strategy. WDP strives to optimally combine short and long term interest rates, in order to gain the maximum benefit from the interest rate curve. For fiscal reasons, long term interest rates, which are higher, are mainly reserved for foreign loans.

Short term interest payments have again been improved in 2004 through the introduction of an international cash management system, in cooperation with Fortis Bank. Overall, financial charges in 2004 remained very similar to those for 2003, as investments remained limited during the past financial year.

## **2. Portfolio result**

### **2.1. Capital gains**

In 2004, three minor, non strategic parts of three sites in the portfolio were sold to their end users for a total of 335.955 EUR. Compared with the valuation conducted at the time of WDP's initial public offering, these sales resulted in a capital gain of 179.037 EUR, i.e. 114% of their estimated value at that time.



## **2.2. Unrealised capital gains**

The positive result of the impact of market fluctuations on the portfolio, worth 1.932.513 EUR, can be broken down as follows (see also "Valuation of the portfolio by the chartered surveyor", page 35).

### New acquisitions in 2004

With the acquisition of the building on the Jumet – Industrial Estate and an additional four hectares at the Mlada Boleslav - Neprevazka site (Czech republic), WDP recorded an unrealised capital gain of 0,15 million EUR.

### New construction or renovation projects within the existing portfolio

This part of the existing portfolio, for which WDP operated in its capacity as the owner-investor, recorded a capital loss of 0,59 million EUR. This capital loss can be allocated to two projects: Zele - Lindestraat and Boortmeerbeek - Leuvensesteenweg, both currently being completed slower and on a smaller scale than initially planned.





#### The remainder of the existing portfolio

A net capital gain totalling 2,38 million EUR was recorded for the rest of the existing property portfolio. The proportion of this figure accounted for by net unrealised capital gains on property in Belgium is 4,48 million EUR. The value of foreign property assets also remained virtually unchanged, with an unrealised capital gain of 0,14 million EUR.

After deduction of deferred tax liabilities of 1,96 million EUR, the balance for abroad is nevertheless an unrealised net capital loss of 2,10 million EUR (for the explanation of this additional deferred taxation, please see the footnote on page 74).

### **3. Extraordinary result**

Extraordinary charges of 144.000 EUR relate to set-up costs for floatation on the Paris stock market. This second listing on Euronext Paris was undertaken in order to obtain the fiscally advantageous status of SIIC (Listed Property Investment Company) for WDP France. These costs will be recovered in the relatively short term owing to the future reduction in taxation. This second listing will also increase the visibility and renown of WDP Comm.VA in France, both with regard to investors and potential tenants.



## 2004 Annual consolidated financial statements

### Financing statement

	31-12-2004 EUR (x 1.000)	31-12-2003 EUR (x 1.000)	31-12-2002 EUR (x 1.000)
Investments and cash at bank and in hand at the beginning of the year	2.453	1.122	1.250
<b>Cash flows from operating activities</b>			
Operational and extraordinary profits for the year	20.286	19.614	18.044
Cost of increasing the capital	-	-682	-
Cost of stock market listing in France	-144	-	-
Income from the sale of land and buildings	179	140	469
Amortisations, provisions and depreciations	1.117	39	57
Changes in working capital requirements	-1.114	2.129	-1.868
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>20.324</b>	<b>21.240</b>	<b>16.702</b>
<b>Cash flows from investing activities</b>			
Acquisition of land and buildings	-12.866	-18.511	-25.366
Sale of land and buildings	204	263	1.189
Acquisition and sale of other fixed assets	-29	-45	-49
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-12.691</b>	<b>-18.293</b>	<b>-24.226</b>
<b>Cash flow from financing activities</b>			
Increase in own equity	0	27.598	17
Changes in the amounts payable after 1 year	2.690	19.257	28.849
Changes in financial debts payable within 1 year	357	-23.766	-9.083
Dividends to be distributed for the year	-9.762	-16.235	-12.387
Interim dividend	-	-8.470	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-6.715</b>	<b>-1.616</b>	<b>7.396</b>
Investments and cash in the bank and in hand at the end of the year	3.371	2.453	1.122

## 2004 Annual consolidated financial statements

### Rental income overview

		2004 (EUR)	2003 (EUR)
<b>BELGIUM</b>		<b>21.068.529,38</b>	<b>20.134.078,24</b>
Aalst	Dendermondsesteenweg 75	181.352,01	152.861,82
Aalst	Tragel 5	191.663,61	284.389,64
Aalst	Tragel 11-12	1.053.715,61	991.961,00
Aalst	Wijngaardveld 3, Dijkstraat 7	452.324,78	521.544,49
Aalst	Wijngaardveld	185.926,72	21.284,27
Anderlecht	Frans Van Kalkenlaan 9	789.585,21	506.462,80
Antwerpen	Lefebvredok, Kaai 59	387.425,70	343.297,09
Beersel (Lot)	Heideveld 3-4-4A	439.456,88	337.897,88
Beersel	Stationstraat 230	150.297,66	147.906,69
Beringen (Paal)	Industrieweg 135	237.924,63	361.470,49
Bierbeek	Hoogstraat 35-35A	167.539,92	167.468,87
Boom	Groene Hofstraat 13	130.761,94	128.648,64
Boom	Langelei 114-116	1.315.556,61	1.612.888,65
Boortmeerbeek	Leuvensesteenweg 238	1.240,00	552.700,17
Boortmeerbeek	Industrielaan 16	478.859,49	46.359,90
Bornem	Rijksweg 17	565.492,36	556.775,23
Bornem	Rijksweg 19	914.438,11	651.142,02
Neder-O-Heembeek	Steenweg op Vilvoorde 146	223.370,03	214.699,61
Buggenhout	Kalkestraat 19	231.893,57	190.590,56
Grimbergen	Eppegemstraat 31	1.012.135,92	1.012.135,92
Haacht (Wespelaar)	Dijkstraat 44	179.403,60	173.379,28
Jumet	Zoning industrieel	24.999,99	0,00
Lebbeke (Wieze)	Kapittelstraat 31	98.382,99	93.279,68
Leuven	Kol. Begaultlaan 9 + 17-21	584.102,31	571.146,67
Leuven	Vaart 25-35	1.191.678,02	1.168.365,15
Londerzeel	Nijverheidstraat 13-15	882.558,79	868.395,00
Machelen	Rittwegerlaan 91-93	1.289.764,19	1.103.638,92
Mechelen	Olivetenvest 4-6-8	109.648,84	124.674,95
Merchtem	Kattestraat 27	134.490,62	171.927,18
Merchtem	Stoofstraat 11	-1.260,57	25.872,08
Merchtem	Wolvertemse Steenweg 1	242.837,22	241.136,57
Molenbeek Saint-Jean	Rue Delaunoy 35-36 + 58-60	561.555,52	703.851,57
Mollem	Assesteenweg	442.566,55	224.131,48
Nivelles	Rue de l'Industrie 30	980.434,57	967.594,23
Puurs	Lichterstraat 31	405.478,71	399.477,84
Rumst (Terhagen)	Polder 3	323.605,24	308.906,01
Temse	Kapelanielaan 10	315.230,88	388.487,84
Ternat	Industrielaan 24	860.746,86	799.504,47
Tienen	Getelaan 100	242.069,50	330.556,56
Vilvoorde	W. Elsschotstraat 5	863.508,84	856.526,26
Vilvoorde	Havendoklaan 12	688.171,62	739.258,74
Vilvoorde	Havendoklaan 19	607.343,28	301.248,00
Vilvoorde	Steenkade 44	175.859,80	171.180,52
Vilvoorde	Jan Frans Willemsstraat 95	213.747,15	184.866,90
Willebroek	Breendonkstraat	4.561,24	0,00
Zaventem	Fabriekstraat 13	367.783,44	365.421,15
Zeile	Lindestraat 7	168.299,42	48.765,45
<b>FRANCE</b>		<b>1.816.630,47</b>	<b>1.593.699,77</b>
Aix-en-Provence	ZAC Gustave Eiffel II	613.976,01	580.979,37
Lesquin	Rue des Hauts de Sainghin, plots 179 and 180	646.448,42	626.596,01
Roncq	Avenue de l'Europe, plots 33 and 34	410.761,58	245.139,85
Templemars	Route de l'Epinoy, plot 237 bis	145.444,46	140.984,54
<b>ITALY</b>		<b>1.866.239,23</b>	<b>1.836.830,73</b>
Milan	San Giuliano Milanese Via Tolstoj 63-65	1.866.239,23	1.836.830,73
<b>CZECH REPUBLIC</b>		<b>891.688,43</b>	<b>744.197,47</b>
Pruhonice	Uhrineveska 734, 25243	370.086,77	317.301,60
Hradec Kralové	Pilmarova 410, 500 03	178.331,49	252.949,39
Jablonec	Nad Nisou, Ostry Roh, 466 02	50.978,84	50.141,40
Mlada Boleslav	Jicinska 1329/III, 29 301	124.053,13	123.805,08
Mlada Boleslav	Neprevazka	168.238,20	0,00
<b>THE NETHERLANDS</b>		<b>1.555.527,00</b>	<b>1.768.854,00</b>
Hazeldonk	Breda Industrierrein n° 6462 and 6464	1.555.527,00	1.768.854,00
<b>TOTAL</b>		<b>27.198.614,51</b>	<b>26.077.660,21</b>





## Profit appropriation

The unconsolidated profits for the financial year in the corporate financial statements amounted to 21.927.032,83 EUR. Taking into account the profit brought forward from the previous financial year (1.417.121,06 EUR), this gives a net profit of 23.344.153,89 EUR.

After allocation of the net unrealised capital gains to revaluation surpluses, which resulted from (i) the impact of market fluctuations on the portfolio, valued at 3.933.152,79 EUR and (ii) the writeback of unrealised capital gains recorded previously on the (parts of) buildings sold at Neder-over-Heembeek, Vilvoorde (Jan Frans Willemsstraat) and Leuven (Kol. Begaultlaan), worth 93.802,53 EUR, net profits available for appropriation amounted to 19.504.803,63 EUR.

As already pointed out on several occasions, operating results were negatively affected by the receivership of DLS BV. The Management Board nevertheless proposes to distribute the same dividend per share as for the previous year. To achieve this, the distribution percentage has been increased exceptionally from 90 to 96%.



**We propose to allocate the result as follows:**

*Remuneration for capital:* 19.481.203,41 EUR

i.e. 7.885.249 shares x 2,1 EUR net dividend, plus the tax deducted at source.

*Profit carried forward:* 23.600,22 EUR

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

These dividends are payable as from Wednesday 4th May 2005 from your financial institution, upon presentation of coupon n° 8 for bearer shares.





The accounting rules used for the preparation of the annual consolidated financial statements are the same rules as are used for annual corporate financial statements, 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, either fully or using 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. Conversion 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. Deferred tax

Deferred tax is included in the portfolio results for foreign property which is held by a foreign subsidiary. This deferred tax is calculated based on the difference between the estimated value of property as at the balance sheet date and its fiscal value. This difference is then multiplied by the real tax rate in each country. This calculation method has not however been applied in France, where the calculation is based on the exit tax (16,5%) owing to the request for specific SIIC status in this country.

This calculation method differs from that used during previous financial years, when deferred tax was calculated at an average net present value tax rate of 17,5%.

In order for the calculation method to comply with IAS/IFRS standards as from 2004, the accounting rules have been modified. The impact of this modification on results is 1,58 million EUR (see also the chapter "State of progress in the implementation of the IAS/IFRS standards" on page 116).

**Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2004 submitted to the general shareholders' meeting of Warehouses De Pauw Limited Partnership with share capital**

In accordance with legal and statutory requirements, we are reporting to you on the completion of the mandate which you have entrusted to us. We have audited the consolidated financial statements for the year ended 31 December 2004 with a balance sheet total of 358.790.481 EUR and a profit for the year of 22.160.023 EUR. These consolidated financial statements have been prepared under the responsibility of the managing director of the company. In addition we have reviewed the directors' report.

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

Our audit was performed in accordance with the standards of the "Institut des Reviseurs d'Entreprises - Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, taking into account the Belgian legal and regulatory requirements relating to the consolidated financial statements. In accordance with these standards we have considered the administrative and accounting organisation of the group as well as the system of internal control. The group's management have provided us with all explanations and information which we required for our audit. We have examined on a test basis, the evidence supporting the amounts included in the consolidated financial statements. We have assessed the accounting policies used, the basis for consolidation and the significant accounting estimates made by the company and the overall presentation of the consolidated financial statements. 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. We have based our opinion on their reports. We believe that our audit procedures, and those of the external auditors who audited the financial statements of the subsidiaries, provide a reasonable basis for our opinion. On 6 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 17 July 1975. The purpose of this exception is to allocate the change in market value of elements 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 2004 was requested. In our opinion, the consolidated financial statements of Warehouses De Pauw Limited Partnership with share capital for the year ended 31 December 2004 present fairly the financial position of the group and the consolidated results of its operations, in conformity with the prevailing legal and regulatory requirements, and the disclosures made in the notes to the consolidated financial statements are adequate.

**Additional certification**

As required by generally accepted auditing standards the following additional assertion is provided. This assertion does not modify our audit opinion on the consolidated financial statements.

- The consolidated directors' report contains the information required by law and is in accordance with the consolidated financial statements.

Luc Van Couter  
Statutory auditor  
Wolvertem, 7 March 2005

## 2004 Annual corporate financial statements

### 1. Balance sheet - Assets

	Year 31-12-2004 EUR (x 1.000)	Year 31-12-2003 EUR (x 1.000)	Year 31-12-2002 EUR (x 1.000)
<b>FIXED ASSETS</b>	<b>293.368</b>	<b>276.968</b>	<b>255.052</b>
<b>II. Intangible assets</b>	<b>22</b>	<b>17</b>	<b>17</b>
<b>III. Tangible assets</b>	<b>277.318</b>	<b>263.723</b>	<b>242.298</b>
A. Land and buildings	269.804	239.407	214.676
B. Plant, machinery and equipment	17	31	45
C. Furniture and vehicles	130	160	132
E. Other tangible assets	25	27	28
F. Assets under construction and advance payments	7.342	24.098	27.417
<b>IV. Financial assets</b>	<b>16.028</b>	<b>13.228</b>	<b>12.737</b>
A. Affiliated enterprises	16.019	13.219	12.731
1. Participating interests	4.850	4.850	4.850
2. Amounts receivable	11.169	8.369	7.881
C. Other financial assets	9	9	6
2. Amounts receivable and cash guarantees	9	9	6
<b>CURRENT ASSETS</b>	<b>5.243</b>	<b>5.639</b>	<b>9.876</b>
<b>V. Amounts receivable after more than one year</b>	<b>225</b>	<b>285</b>	<b>992</b>
B. Other amounts receivable	225	285	992
<b>VII. Amounts receivable within one year</b>	<b>3.591</b>	<b>3.709</b>	<b>7.762</b>
A. Trade debtors	2.436	1.527	2.808
B. Other amounts receivable	1.155	2.182	4.954
<b>VIII. Investments</b>	<b>0</b>	<b>0</b>	<b>400</b>
B. Other investments and deposits	0	0	400
<b>IX. Cash at bank and in hand</b>	<b>1.181</b>	<b>1.569</b>	<b>353</b>
<b>X. Deferred charges and accrued income</b>	<b>246</b>	<b>76</b>	<b>369</b>
<b>TOTAL ASSETS</b>	<b>298.611</b>	<b>282.607</b>	<b>264.928</b>

## 2004 Annual corporate financial statements

### 1. Balance sheet - Liabilities

	Year 31-12-2004 EUR (x 1.000)	Year 31-12-2003 EUR (x 1.000)	Year 31-12-2002 EUR (x 1.000)
<b>CAPITAL AND RESERVES</b>	<b>206.480</b>	<b>204.034</b>	<b>174.327</b>
<b>I. Capital</b>	<b>79.498</b>	<b>79.498</b>	<b>51.900</b>
A. Issued Capital	79.498	79.498	51.900
<b>III. Revaluation surplus</b>	<b>106.098</b>	<b>102.259</b>	<b>98.184</b>
<b>IV. Reserves</b>	<b>20.860</b>	<b>20.860</b>	<b>20.860</b>
A. Legal reserve	25	25	25
B. Reserves not available for distribution			
2. Other	7.954	7.954	7.954
D. Reserves available for distribution	12.881	12.881	12.881
<b>V. Profit carried forward</b>	<b>24</b>	<b>1.417</b>	<b>3.383</b>
<b>PROVISIONS AND DEFERRED TAXATION</b>	<b>1.772</b>	<b>1.335</b>	<b>1.422</b>
<b>VII. A. Provisions for liabilities and charges</b>	<b>1.772</b>	<b>1.335</b>	<b>1.422</b>
2. Taxation	704	704	704
3. Major repairs and maintenance	818	425	401
4. Other liabilities and charges	250	206	317
<b>CREDITORS</b>	<b>90.359</b>	<b>77.238</b>	<b>89.179</b>
<b>VIII. Amounts payable after more than one year</b>	<b>50.000</b>	<b>47.310</b>	<b>39.310</b>
A. Financial debts	50.000	47.310	39.310
4. Credit institutions	50.000	47.310	39.310
<b>IX. Amounts payable within one year</b>	<b>38.836</b>	<b>28.228</b>	<b>48.313</b>
A. Current portion of amounts payable after more than one year	0	1	4
B. Financial debts	16.000	14.500	25.000
1. Credit institutions	16.000	14.500	25.000
C. Trade debts	2.357	2.105	2.797
1. Suppliers	2.357	2.105	2.797
E. Taxes, remuneration and social security	872	1.741	3.928
1. Taxes	823	1.677	3.851
2. Remuneration and social security	49	64	77
F. Other amounts payable	19.607	9.880	16.584
<b>X. Accrued charges and deferred income</b>	<b>1.523</b>	<b>1.699</b>	<b>1.556</b>
<b>TOTAL LIABILITIES</b>	<b>298.611</b>	<b>282.607</b>	<b>264.928</b>



## 2004 Annual corporate financial statements

### 2. Income statement

	Year 31-12-2004 EUR (x 1.000)	Year 31-12-2003 EUR (x 1.000)	Year 31-12-2002 EUR (x 1.000)
<b>INCOME STATEMENT</b>			
<b>I. Operating income</b>	<b>27.590</b>	<b>24.528</b>	<b>24.214</b>
A. Turnover	21.069	20.134	18.601
B. Own construction capitalised	380	351	327
C. Other operating income	6.141	4.043	5.286
<b>II. Operating charges</b>	<b>-8.241</b>	<b>-6.133</b>	<b>-6.826</b>
B. Services and other goods	4.871	3.540	4.220
C. Remuneration, social security costs and pensions	662	619	608
D. Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	69	77	78
E. Increase (+), Decrease (-) in amounts written off stocks, contracts in progress and trade debtors	148	63	68
F. Increase (+), Decrease (-) in provisions for liabilities and charges	468	-24	-102
G. Other operating charges	2.023	1.859	1.954
<b>III. Operating profit</b>	<b>19.349</b>	<b>18.394</b>	<b>17.388</b>
<b>IV. Financial income</b>	<b>795</b>	<b>711</b>	<b>799</b>
A. Income from financial fixed assets	706	592	698
B. Income from current assets	84	52	37
C. Other financial income	5	67	64
<b>V. Financial charges</b>	<b>-2.198</b>	<b>-2.274</b>	<b>-1.914</b>
A. Interest and other debt charges	2.184	2.261	1.903
C. Other financial charges	14	13	11
<b>VI. Income taxes</b>	<b>-37</b>	<b>-4</b>	<b>-727</b>
A. Income taxes	37	-327	-727
B. Adjustment of income taxes and write-back of tax provisions	0	323	0
<b>VII. Net current profit (-loss)</b>	<b>17.909</b>	<b>16.828</b>	<b>15.546</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>179</b>	<b>140</b>	<b>469</b>
A. Property assets (within the meaning of the Royal Decree of 10/04/95)	179	140	469
1. Buildings and real rights on buildings	179	140	469
- Gains	179	140	469
<b>VIII. bis. Withdrawal of formerly recorded changes in the market value on disposed elements of the portfolio</b>	<b>-94</b>	<b>-47</b>	<b>-450</b>
- Gains	-94	-47	-450
<b>IX. Change in market value of elements of the portfolio</b>	<b>3.933</b>	<b>4.122</b>	<b>3.975</b>
A. Property assets (within the meaning of the Royal Decree of 10/04/95)	3.933	4.122	3.975
1. Buildings and real rights on buildings	3.933	4.122	3.975
- Gains	6.667	7.865	8.790
- Losses	-2.734	-3.743	-4.816
<b>X. Profit (-loss) on the portfolio</b>	<b>4.018</b>	<b>4.215</b>	<b>3.994</b>

	Year 31-12-2004 EUR (x 1.000)	Year 31-12-2003 EUR (x 1.000)	Year 31-12-2002 EUR (x 1.000)
<b>EXTRAORDINARY RESULT</b>			
<b>XI. Exceptional income</b>	<b>0</b>	<b>0</b>	<b>1.121</b>
B. Other extraordinary income	0	0	1.121
<b>XII. Extraordinary charges</b>	<b>0</b>	<b>-682</b>	<b>0</b>
B. Provisions for extraordinary liabilities and charges	-31	-63	238
C. Other extraordinary charges	31	745	-238
<b>XIII. Extraordinary profit (Extraordinary loss)</b>	<b>0</b>	<b>-682</b>	<b>1.121</b>
<b>RESULT FOR APPROPRIATION</b>			
<b>XIV. Profit for the period</b>	<b>21.927</b>	<b>20.361</b>	<b>20.661</b>
<b>XVI. Appropriation of the changes in market value of elements in the portfolio</b>		<b>4.075</b>	<b>3.525</b>
A. Transfer to untaxed reserve	3.839	4.075	3.525
<b>XVII. Profit for the period available for appropriation</b>	<b>18.088</b>	<b>16.286</b>	<b>17.136</b>
Appropriation account	Year 31-12-2004 EUR (x 1.000)	Year 31-12-2003 EUR (x 1.000)	Year 31-12-2002 EUR (x 1.000)
<b>A. Profit (-loss) to be appropriated</b>	<b>19.505</b>	<b>19.669</b>	<b>19.617</b>
1. Profit (-loss) for the period available for appropriation	18.088	16.286	17.136
2. Profit (-loss) brought forward	1.417	3.383	2.481
<b>D. Result to be carried forward</b>	<b>-24</b>	<b>-1.417</b>	<b>-3.383</b>
1. Profit to be carried forward	24	1.417	-3.383
<b>F. Distribution of profit</b>	<b>-19.481</b>	<b>-18.252</b>	<b>-16.234</b>
1. Dividends	19.481	18.252	16.234



## 2004 Annual corporate financial statements

### 3. Notes

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

Concessions,  
patents,  
licences, etc.

##### a) ACQUISITION COST

At the end of the preceding period	45
Movements during the period:	
- Acquisitions, including produced fixed assets	12
<b>At the end of the period</b>	<b>57</b>

##### c) DEPRECIATION AND AMOUNTS WRITTEN DOWN

At the end of the preceding period	28
Movements during the period:	
- Recorded	7
<b>At the end of the period</b>	<b>35</b>

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

22

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

Land and  
buildings

Machinery  
and  
equipment

Furniture  
and  
vehicles

##### a) ACQUISITION COST

At the end of the preceding period	147.579	145	601
Movements during the period:			
- Acquisitions, including produced fixed assets	9.706		17
- Sales and disposals	-204		
- Transfers from one heading to another	14.090		
<b>At the end of the period</b>	<b>171.171</b>	<b>145</b>	<b>618</b>

##### b) REVALUATION SURPLUSES

At the end of the preceding period	124.338		
Movements during the period:			
- Recorded	6.666		
- Transfers from one heading to another	2.015		
- Reversals	-94		
<b>At the end of the period</b>	<b>132.925</b>	<b>0</b>	<b>0</b>

##### c) DEPRECIATION AND AMOUNTS WRITTEN DOWN

At the end of the preceding period	32.510	114	441
Movements during the period:			
- Recorded	1.437	14	47
- Transfers from one heading to another	345		
<b>At the end of the period</b>	<b>34.292</b>	<b>128</b>	<b>488</b>

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

269.804

17

130

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 end of the preceding period	42	22.232
Movements during the period:		
- Acquisitions, including produced fixed assets		299
- Transfers from one heading to another		-14.090

At the end of the period	42	8.441
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b) REVALUATION SURPLUSES

At the end of the preceding period		2.850
Movements during the period:		
- Recorded		1
- Transfers from one heading to another		-2.015

At the end of the period	0	836
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c) DEPRECIATION AND AMOUNTS  
WRITTEN DOWN

At the end of the preceding period	16	983
Movements during the period:		
- Recorded	1	1.297
- Transfers from one heading to another		-345

At the end of the period	17	1.935
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NET BOOK VALUE AT THE END OF THE PERIOD	25	7.342
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IV. STATEMENT OF FINANCIAL FIXED ASSETS  
(x EUR 1.000)

Enterprises  
affiliated

Enterprises  
with  
participation  
link

Others

1. Participating interests and shares

a) ACQUISITION COST

At the end of the preceding period	4.850	
Movements during the period:		
- Acquisitions		

At the end of the period	4.850	
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NET BOOK VALUE AT THE END OF THE PERIOD	4.850	
--	-------	--

2. Amounts receivable

NET BOOK VALUE AT THE END OF THE PRECEDING PERIOD	8.369	9
--	-------	---

Movements during the period:		
- Additions	2.800	0

NET BOOK VALUE AT THE END OF THE PERIOD	11.169	9
--	--------	---

NAME and REGISTERED OFFICE	Social rights held by Enterprise Subsidiaries (directly)		Information from the last available financial statements			
	Number	%	Financial statements as	Currency	Capital and reserves (+) or (-)	Net result (+) or (-)
<b>WDP CZ s.r.o.</b> Belehradska 18 PRAGUE, CZECH REPUBLIC	100	100,00	31/12/2004	EUR	2.004.986	-111.932
<b>WDP Italia s.r.l.</b> Via Senato 20 20121 MILAN, ITALY	19.999	99,99	31/12/2004	EUR	1.237.973	907.859
<b>WDP France s.a.r.l.</b> Rue Cantrelle 28 36000 CHÂTEAUXROUX, FRANCE	770	100,00	31/12/2004	EUR	909.958	53.013
<b>WDP Nederland b.v.</b> Postbus 128 5300 AC ZALTBOMMEL THE NETHERLANDS	180	100,00	31/12/2004	EUR	-563.801	-581.184

VIII. STATEMENT OF CAPITAL	Amounts (x EUR 1.000)	Number of shares
A. CAPITAL		
1. Issued capital (heading 100 of liabilities)		
- At the end of the preceding period	79.498	7.885.249
- Changes during the period	0	0
At the end of the period	79.498	7.885.249
2. Structure of capital		
2.1. Different categories of shares	79.498	7.885.249
Ordinary shares, without mention of par value		
2.2. Registered shares and bearer shares		
Registered	29.494	2.921.776
Bearer	50.004	4.963.473
G. STRUCTURE OF SHAREHOLDERS OF THE ENTERPRISE AT YEAR-END CLOSING DATE		
As it appears from the statements received by the enterprise:	Number of shares	%
Robert De Pauw	592.000	7,5
Anne De Pauw	592.000	7,5
Tony De Pauw	592.000	7,5
Kathleen De Pauw	592.000	7,5
IX. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (x EUR 1.000)		
Period		
Analysis of heading 163/5 of liabilities if the amount is material:		
- provisions for disputes	250	
X. STATEMENT OF AMOUNTS PAYABLE (x EUR 1.000)		
Amounts payable current		
Not more than 1 year		
Between 1 and 5 years		
A. ANALYSIS BY CURRENT PORTIONS OF AMOUNTS INITIALLY PAYABLE AFTER MORE THAN ONE YEAR		
Financial debts		
4. Credit institutions	0	50.000
TOTAL	0	50.000

## 2004 Annual corporate financial statements

### 3. Notes (continued)

X. STATEMENT OF AMOUNTS PAYABLE  
(x EUR 1.000)

Period

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

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

b) Non expired taxes payable 823

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

b) Other amounts payable relating to  
remuneration and social security 49

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

Period

Analysis of the heading 492/3 of liabilities  
if the amount is material:

- Rental income accrued	76
- Income from damages, interest and lease termination compensation accrued	803
- Advance payments for works	32
- Interest costs accrued	453
- CBI tax and CBFA fees	147
- Custodial fees	

XII. OPERATING RESULTS  
(x EUR 1.000)

Period

Preceding  
period

**C1. WORKERS RECORDED IN THE  
PERSONNEL REGISTER**

a) Number of workers at the closing date	14	14
b) Average number of employees in full-time equivalents	11,5	11,7
c) Number of actual working hours	19.672	19.463

**C2. PERSONNEL CHARGES**

a) Remuneration and direct social benefits	420	387
b) Employers' contribution for social security	168	167
c) Employers' premium for extra-statutory insurance	30	25
d) Other personnel charges	44	40

**D. AMOUNTS WRITTEN OFF**

2. On trade debtors		
- Recorded	195	71
- Write-back	-47	-8

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

Increases	475	123
Decreases	-7	-147

**F. OTHER OPERATING CHARGES**

Taxes related to operations	2.015	1.851
Other charges	8	8

XIII. FINANCIAL RESULTS  
(x EUR 1.000)

Period

Preceding  
period

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

Interest received on sale of property		22
Interest on current account		24
Other	5	21

**C. CAPITALISED INTERESTS**

**245** **313**

**D. OTHER FINANCIAL CHARGES**

Bank charges	13	8
Other	1	5

XIV. EXCEPTIONAL RESULTS  
(x EUR 1.000)

Period

Preceding  
period

**B. 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)	0	63
Expenses relating to the capital increase	0	682

## 2004 Annual corporate financial statements

### 3. Notes (continued)

#### XV. INCOME TAXES

(x EUR 1.000)

Period

#### A. ANALYSIS OF HEADING 670/3

37

1. Income taxes of the current period:

a. Taxes and withholding taxes due or paid

35

2. Income taxes on previous periods

a. Additional charges for income taxes

due or paid

2

#### XVI. VALUE ADDED TAX AND TAXES

BORNE BY THIRD PARTIES

(x EUR 1.000)

Period

Preceding  
period

#### A. Value added tax

1. To the enterprise

1.729

1.665

2. By the enterprise

4.752

4.707

#### B. Amounts retained on behalf of

the third parties for

1. Payroll withholding taxes

109

96

2. Withholding taxes on investment income

1.424

3.703

#### 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.
- Estimated investment cost to complete current projects amounting to 6,2 million EUR

- 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 +0,75%  
- 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%

- 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.

XVIII. RELATIONSHIPS WITH AFFILIATED  
ENTERPRISES AND ENTERPRISES  
LINKED BY PARTICIPATING INTERESTS  
(x EUR 1.000)

	Affiliated enterprises	
	Period	Preceding period
<b>1. FINANCIAL ASSETS</b>		
- Investments	4.850	4.850
- Other receivables	11.169	8.369
<b>2. AMOUNTS RECEIVABLE</b>		
- Within one year	25	102
<b>7. FINANCIAL RESULTS</b>		
- Income from financial fixed assets	706	592

XIX. FINANCIAL RELATIONSHIPS  
(x EUR 1.000)

	Period
Direct and indirect remuneration and pensions for directors and executives included in the income statement	275



## 2004 Annual corporate financial statements

### 3. Notes (continued)

#### 4. SOCIAL REPORT\*

	Full-time period	Part-time period	Total (T) or total in full-time equivalents period	Total (T) or total in full-time equivalents preceding period
<b>I. STATEMENT OF THE PERSONS EMPLOYED</b>				
<b>A. EMPLOYEES RECORDED IN THE PERSONNEL REGISTER</b>				
1. During the financial period and the preceding financial period				
Average number of employees	9,8	3,8	11,5	11,2
Actual number of hours worked	16.784,0	2.887,5	19.671,5	19.462,5
Amount of the benefits in addition to wages (x EUR 1.000)	565	97	662	619
2. At the end of the financial period				
a. Number of employees recorded in the personnel register	11,0	3,0	12,5	
b. By nature of the employment contract				
Contract of unlimited duration	11,0	3,0	12,5	
c. By sex				
Male	10,0		10,0	
Female	1,0	3,0	2,5	
d. By professional category				
Employees	6,0	3,0	7,5	
Workers	5,0		5,0	
<b>II. LIST OF PERSONNEL MOVEMENTS DURING THE FINANCIAL PERIOD</b>				
<b>A. ENTRANTS</b>				
a. Number of employed persons recorded in the personnel register during the financial period	3,0		3,0	
b. By nature of the employment contract				
Contract of unlimited duration	3,0		3,0	
c. By sex and level of education				
Male:				
primary education	1,0		1,0	
higher education (non-university)	1,0		1,0	
Female:				
higher education (non-university)	1,0		1,0	
<b>B. LEAVERS</b>				
a. Number of staff whose contracts were terminated in the personnel register during the period	2,0	1,0	2,2	
b. By nature of the employment contract				
Contract of unlimited duration	2,0	1,0	2,2	
c. By sex and level of education				
Male:				
secondary education	1,0	1,0	1,2	
Female:				
higher education (non-university)	1,0		1,0	
d. By reason of termination of contracts				
Pension		1,0	0,2	
Dismissal	1,0		1,0	
Voluntary departure	1,0		1,0	

\*The directors exercise their mandates within the statutory management company De Pauw NV and for that reason have not been included in this entry

The accounts and annual financial statements are prepared in accordance with the spirit and objectives of the provisions in the Royal Decree of 10th April 1995 relating to closed end property companies. The principal accounting rules established by the Board of Directors are summarised below.

#### **Formation expenses**

The formation expenses, costs associated with increasing the capital and amending the articles of association, etc., are recorded as expenses for the year in which they were incurred.

#### **Tangible assets**

##### **Property assets**

Tangible property assets are valued when purchased at their acquisition cost, including any additional charges and non deductible VAT. Property assets under construction, being transformed or extended are valued, depending on the state of progress of the works, at their acquisition cost, including any additional charges, such as for example: interest during construction, cost of own work, site insurance, agency fees for the first rental, registration fees and non deductible VAT. At the end of each financial year, a surveyor precisely values the following items for properties:

- the property assets, property assets according to use and the in rem rights on property assets held by the Closed-End Investment Company or, where appropriate, by a property company whose assets are controlled by the Closed-End Investment Company;
- the options on properties held by the Closed-End Investment Company or, where appropriate, by a property company controlled by the Closed-End Investment Company, along with the properties associated with these rights;
- rights resulting from contracts through which one or several properties are leased to the Closed-End Investment Company or, where appropriate, to a property company controlled by the Closed-End Investment Company, along with the underlying assets.

These valuations are binding on the Closed-End Property Investment Company with regard to the preparation of its annual financial statements. The surveyor also revises the total value of the Closed-End Investment Company's aforementioned property assets at the end of each quarter during the financial year and, where appropriate, the companies it controls, based on market developments and specific aspects of the properties under consideration.

The property assets are then justified in the annual financial statements at the value estimated by a surveyor, including transaction costs, i.e. expenses, including registration and other fees, unless the Board of Directors has decided to use another value.

In derogation of articles 67 §1, 61 §2 and 57 of the Royal Decree of 30th January 2001 relating to the implementation of the Companies Code, valuation allowances and revaluation surpluses for property assets, as determined by the surveyor and approved by the Board of Directors, are included in the inventory (see page 103: "Derogation").

In derogation of articles 59 and 65 of the Royal Decree of 30th January 2001 relating to the implementation of the Companies Code, the Closed-End Property Investment Company can not amortise the buildings, in rem rights on buildings or properties on which the Closed-End Property Investment Company has the leasehold. Provisions are constituted for maintenance and major repair charges for roofs, paintwork, doors and car parks.

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

Tangible assets other than property assets, whose use is for a limited duration, are valued at their acquisition cost, and amortised on a straight line basis over their estimated useful lives. For the financial year when the investment is made, amortisation is posted on a pro rata basis for the number of months during which the investment was effectively able to be used.

The following annual amortisation percentages are applied:

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

When tangible assets other than property assets are sold or taken out of use, the acquisition value and associated amortisations are written off and the capital gains or losses are recorded in the income statement.

#### **Financial assets**

Financial assets are valued on the basis of their market value. In the event of purchase, financial assets are valued at their acquisition cost, excluding additional charges which are charged to the income statement. The Board of Directors will decide on the capitalisation of additional costs and on the period over which they will be potentially amortised.

In derogation of articles 66 §2 and 57 §1 of the Royal Decree of 30th January 2001 relating to the implementation of the Companies Code, valuation allowances and revaluation surpluses for financial assets owned by affiliated property companies and property investment companies will be included in the inventory every time it is established. Surpluses are posted directly in item III of liabilities, "revaluation surpluses".

Articles 10 and 14 §1 of the Royal Decree of 8th March 1994 relating to the accounts and annual financial statements of certain collective investment institutions with a variable number of participation rights apply in the valuation of financial assets held in affiliated property companies and property investment companies.

Article 57 §2 of the Royal Decree of 30th January 2001 relating to the implementation of the Companies Code 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 face value. Interest and hedge fees relating to Interest Rate Swaps (IRS) are recorded in the results on a pro rata temporis basis.

### 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 unrealised 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.



## 2004 Annual corporate financial statements

### Auditor's report on the annual corporate financial statements

#### Report of the statutory auditor on the corporate financial statements for the year ended 31 December 2004 submitted to the general shareholders' meeting of Warehouses De Pauw Limited Partnership with share capital

In accordance with legal and statutory requirements, we are reporting to you on the completion of the mandate which you have entrusted to us.

We have audited the financial statements as of and for the year ended 31 December 2004 with a balance sheet total of 298.610.575 EUR and a profit for the year of 21.927.033 EUR. These financial statements have been prepared under the responsibility of the managing director of the company. In addition we have carried out the specific additional audit procedures required under Company Law.

#### Unqualified audit opinion on the financial statements

We conducted our audit in accordance with the standards of the "Institut des Reviseurs d'Entreprises - Instituut der Bedrijfsrevisoren". Those standards require that we 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 these standards we have considered the company's administrative and accounting organisation as well as its internal control procedures. The company's management have provided us with all explanations and information which we required for our audit. We examined, on a test basis, evidence supporting the amounts in the financial statements. We assessed the accounting policies used and significant accounting 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 6 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 17 July 1975. The purpose of this exception is to allocate the change in market value of element of the portfolio to an account "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 such approval for the 2004 financial year was requested.

In our opinion, taking into account the prevailing legal and regulatory requirements, the financial statements present fairly the company's net worth and financial position as of 31 December 2004 and the results of its operations for the year then ended and the disclosures made in the notes to the financial statements are adequate.

### Additional assertions

As required by generally accepted auditing standards the following additional assertions are provided. These assertions do not alter our audit opinion on the financial statements.

- The directors' report contains the information required by law and is consistent with the financial statements.
- The appropriation of results proposed to the general meeting complies with the legal and statutory provisions.
- There are no transactions undertaken or decisions taken in violation of the company's statutes or Company Law which we have to report to you.
- 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 applicable Belgian legal and regulatory requirements.

Luc Van Couter  
Statutory auditor  
Wolvertem, 7 March 2005

During the 2004 financial year, no transaction took place requiring the application of the regulation governing conflicts of interest (articles 523 and 524 of the Companies Code and article 24 of the Royal Decree of 10th April 1995 relating to Closed-End Property Investment Companies). For the purpose of exhaustiveness however, the following is mentioned:

**The cancellation by the De Pauw family and by Pauwenhof SA of the contingent claim**

During the preparation of the floatation of WDP Comm.VA as a Closed-End Property Investment Company, all of the operating entities which existed at the time within the De Pauw group were grouped together by merger or splitoff by Rederij De Pauw NV, which was then transformed into WDP Comm.VA. In this context, Leuvense Stapelplaatsen NV sold to the De Pauw family 1.980 shares of Rederij De Pauw NV for the sum of 7.954.407,57 EUR.

In the opinion of the tax office, Leuvense Stapelplaatsen NV gave an unfair advantage to the De Pauw family by setting a selling price which was too low for the shares. The tax office consequently requested an additional tax payment of 979.058,40 EUR.

Of this total, 179.755,12 EUR was payable by Pauwenhof NV, as the partial beneficiary following the split-off of Leuvense Stapelplaatsen NV, and the remaining 799.303,28 EUR was payable by WDP, which the De Pauw family nevertheless guaranteed.

The minutes of the management company's Board of Directors' meeting of 23rd November 2004 present the details of this tax dispute and mention the reimbursement by the De Pauw family and by Pauwenhof NV of the aforementioned sums, in addition to the interest already payable. The minutes also mention the agreement signed between WDP Comm.VA on the one hand and the De Pauw family and Pauwenhof NV on the other, envisaging the transfer by WDP to the other parties of any debt payable to the tax authority resulting from a revision of the additional tax by the tax office or any reimbursement obligation applicable to it following a court decision.

Given that Tony De Pauw is a Board member as the representative of the De Pauw family, he left the meeting and the minutes were signed by all the Management Company Board members except Tony De Pauw.

The Board of Directors confirm that this transaction was carried out under customary market terms by means of securities habitually used for such transactions.

The decision in no way prejudices 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 limited company 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 limited company 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, Finance and Insurance 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 limited company Caresta NV, 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 2002 under the number 20020105-257, with a subsequent rectification published in the Belgian Bulletin of Acts and Deeds of 25th July 2002 under the number 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 20031021-0109193. 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 20031106-0116631.



### **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 board, provided the language laws are duly respected.

### **1.4. Company Registration number**

The company is registered in the Brussels company register under the number 0417.199.869.

### **1.5. Duration**

The company has been formed for an indefinite duration.

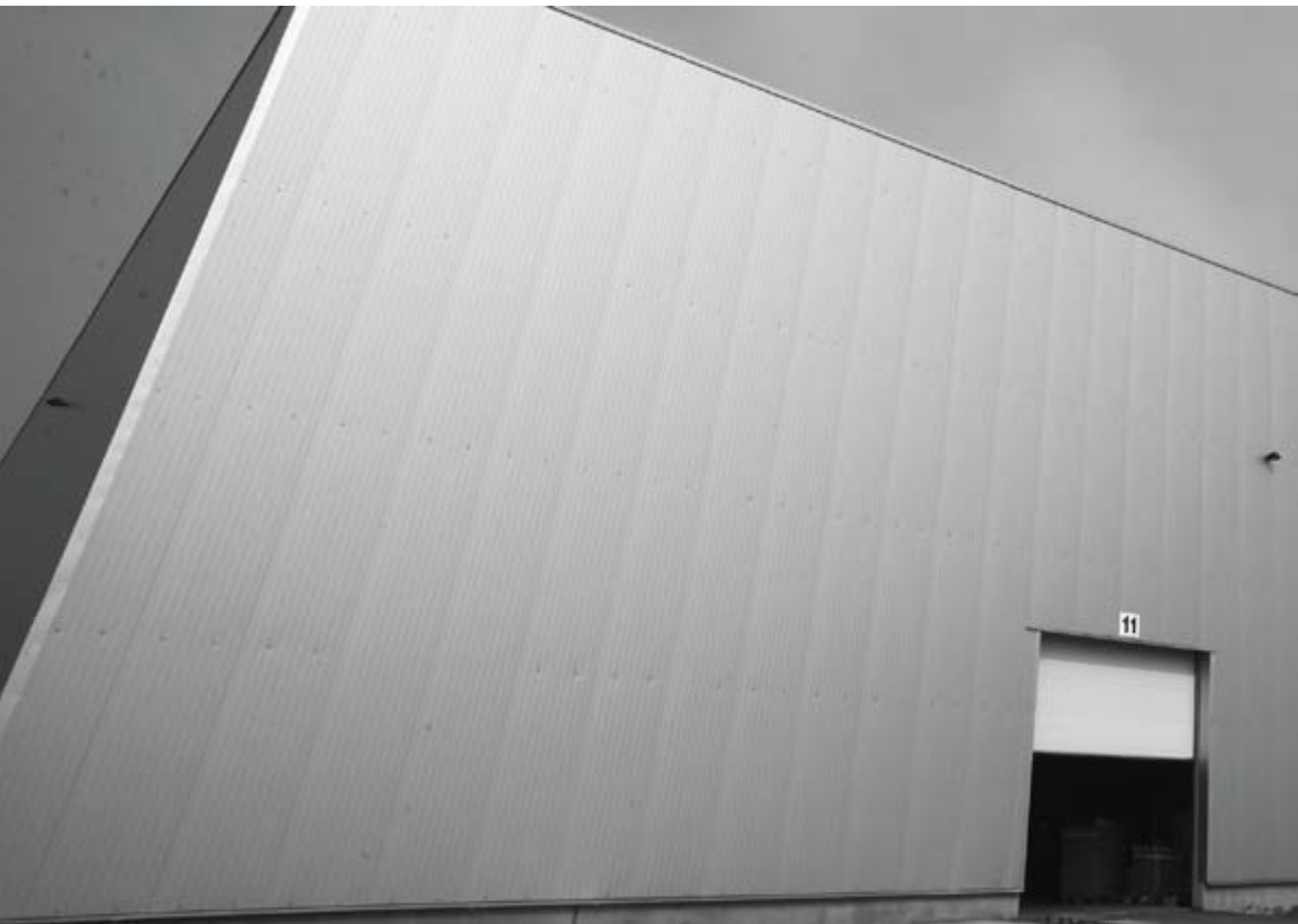
### **1.6. Corporate object**

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§ paragraph 1, 5° of the Act of the 4th December 1990, relating to financial transactions and financial markets.

Property is taken to mean:

1. property as defined in articles 517 and thereafter 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 2 or article 137 of the Act of the 4th December 1990, relating to financial transactions and financial markets;
  5. property income certificates as defined in article 106 of the Act of the 4th December 1990, relating to financial transactions and financial markets and article 44 of the Royal Decree of 10th April 1995 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 4th December 1990, 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 10th April 1995 relating to Closed-End Property Investment Companies;*



- *take on leases of properties, with or without option to buy, in accordance with article 46 of the Royal Decree of the 10th April 1995 relating to Closed-End Property Investment Companies;*
- *grant leases on properties, with or without option to buy, in accordance with article 47 of the Royal Decree of the 10th April 1995 relating to Closed-End Property Investment Companies; and*
- *the company may only occasionally act as a property developer, as defined in article 2 of the Royal Decree of the 10th April 1995.*

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, take on or grant leases, 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 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, participation, financial intervention or any other method. 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**

In accordance with statutory provisions, the company's consolidated and corporate financial statements should be deposited with the National Bank of Belgium. Financial notices concerning the company, along with notifications of General Meetings also appear in the financial dailies, newspapers and information magazines. The company's articles of association can be consulted at the Commercial Court clerk's office in Brussels.

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). However, the printed version in Dutch 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 in order to be circulated. Registered shareholders and any other person who so requests will receive a copy of the annual report every year.

In accordance with the provisions of the Companies Code, any person so requesting can receive a copy of the statutory annual report and the consolidated annual report free of charge.

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## **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 7.885.249 shares, with no indication of their par value, each representing 1/7.885.249th share of the capital.

### **2.2. Authorised capital**

The authorisation of the Management Board to increase the capital stock from authorised capital ended on 16th June 2004 (i.e. five years after the announcement of the authorisation granted by the General Meeting of 20th May 1999).

It will be proposed at the next Extraordinary General Meeting to renew this authorisation for a further five year period, as from the moment when the deed amending the statutes is published.

### **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 31st december 2004, WDP Comm.VA did not hold any of its own shares, and the De Pauw NV management board held 438 WDP shares.

<b>The capital is broken down as follows (EUR):</b>	
Formation of Rederij De Pauw NV	49.579
Capital increase through incorporation of reserves	12.395
Capital increase through public issue (including share premium)*	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
Immobiliënvennootschap van Buggenhout NV	337
Immobiliënvennootschap van Merchtem NV	29.909
Capital increase through incorporation of reserves for rounding up in euros	326.710
Capital reduction to defray losses	-20.575.000
Capital increase resulting from the takeover of Caresta NV***	2.429.356,54
Capital increase through incorporation of reserves for rounding up in euros	45.643,46
Capital increase through public issue (including share premium)****	27.598.368
<b>Total</b>	<b>79.498.368</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)

#### 2.4. Modification of the capital

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 25 of the Act of 4th December 1990 and articles 28 and thereafter of the Royal Decree of 10th April 1995 relating to Closed-End Property 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 1 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 NV 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 point "2.1. A limited partnership with share capital", on page 12.

### 3. Statutory Auditor

The statutory auditor of WDP Comm.VA for the consolidated and corporate financial statements is Mr. Luc Van Couter, whose offices are located in 9052 Ghent, Bollebergen 2B box 13.

The annual remuneration of the current auditor is 14.000,00 EUR for auditing the annual consolidated and corporate financial statements. The mandate runs for a period of three years. It will expire on the occasion of the 2007 General Meeting and can be renewed.

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.: the company FSV Accountants (Zaltbommel), represented by Mr. Girbes.

#### **4. Depository bank**

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

#### **5. Financial agent**

##### **For Belgium:**

*Petercam NV (C. Liégeois +32 2 229 65 31)*  
*Securities department*  
*Sint-Goedeleplein 19*  
*1000 Brussels*

*KBC Bank*  
*Securities administration department/VBW/VBV/8815*  
*Havenlaan 2*  
*1080 Brussels*

##### **For France:**

*Euro Emetteurs Finance (C. Bourdier +33 1 55 30 59 68)*  
*48, Boulevard des Batignolles*  
*75850 Paris Cedex 17*

#### **6. Chartered surveyor**

##### **6.1. Identity**

The chartered surveyors appointed by WDP Comm.VA is the company Stadim CVBA.

##### **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 CVBA 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 CVBA incorporate several, traditional approaches. The gross rental value (31,09 million EUR) is compared with the investment value (362,15 million EUR), producing an average return on capital of 8,69% for the entire portfolio. This return on capital varies from one property to another, in a range of between 7,7 and 13,1%. The investment cost is calculated including transaction, construction or renovation expenses, fees and VAT.

The valuation also takes into account, for each property, of foreseeable annual expenses and provisions, current lettings and the lead time for the completion of construction and renovation work and its impact on the effective collection of rents. This revenue flow and the resale value excluding transaction costs are discounted on the basis of capital market interest rates (17-year linear bonds: 4,0%), together with a margin for the specific property investment (illiquidity: 2,56% on average). This method also makes it possible to include the impact of expected interest rate fluctuations in the valuation (assumption: 0,50%).

Finally, the value of each property, each plot of land and the capitalisation rate are also checked by means of comparisons of various points.

With regard to foreign properties, valuations at market prices have been conducted by the surveyors Cushman & Wakefield Healey & Baker™ for the Czech Republic and by DTZ Italia for the property in Milan.



### Impact of the implementation of IAS/IFRS norms

#### Valuation of the portfolio

The sector is currently examining whether the valuation methodology used by the independent real estate experts for existing property assets in the portfolio and for construction projects in progress complies with the IFRS frame of reference, the main question being to find out whether the valuation of the property portfolio including transaction costs can be continued after the changeover to IFRS norms. WDP Comm.VA will comply with the position adopted by the sector.

On the basis of an estimate excluding transaction costs, the value of the property portfolio on 31st December 2004 was 318,92 million EUR.

#### Deferred tax liabilities may not be discounted

For property located abroad and owned by a foreign subsidiary, deferred tax is recorded on the portfolio results, calculated on the basis of the difference between the estimated value of the property on the reporting date and its fiscal value. In 2003 and during previous financial years, this difference was multiplied by an average present value tax rate of 17,5%.



The Management Board has nevertheless decided to make the calculation method compliant with the IAS/IFRS standards as from the end of 2004. Consequently, the calculation is no longer based on the discounted tax rate but instead on the real taxation rate in each country, except in France however, where the calculation was made using the exit tax rate (16,5%), owing to the application to be granted the specific status of SIIC there.

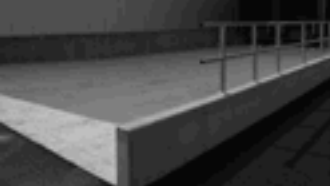
The impact of this modification on results is 1,579 million EUR.

#### **Capitalisation of deferred tax benefits**

IAS/IFRS allows the recording of future tax benefits resulting from recoverable tax losses in the assets. The tax losses currently recorded in foreign subsidiaries on 31st December 2004 have an impact of 0,201 million EUR on net assets.

The above information is the result of an initial examination of the situation and is therefore provisional. Further modifications may be made during the financial period prior to the first report prepared using the IAS/IFRS standards (i.e. first quarter figures for 2005).





## Reporting

The sector is currently working on the preparation of a new, harmonised reporting method for income statements in accordance with the IAS/IFRS standards.

WDP Comm.VA intends to use geographic distribution (per country) as the first criterion in its segmented reporting and to use the distinction between the various types of properties (commercial premises, offices and storage areas) for the second breakdown.

As from the first quarter of 2005, all reporting will be in line with the IAS/IFRS standards.

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

General meeting	Wednesday 27th April 2005 at 10 a.m. (annually on the last Wednesday in April)
Payout of dividend 2004 on coupon n° 8	from Wednesday 4th May 2005
Publication of 1st quarter results	week 22
Publication of half-yearly results 2005	week 36
Payout of interim dividend 2005 on coupon n° 9	week 37
Publication of 3rd quarter results	week 49
Announcement of annual results 2005	week 10 2006

The Banking, Finance and Insurance Commission gave its authorisation on 15th March 2005 to use this annual report as a reference document for any public issue undertaken by the company until the publication of its next annual report, through the dissociated information procedure. Under this procedure, this annual report has to be accompanied by a transaction note in order to constitute a prospectus in the sense of article 52 §1, paragraph one, of the Act of 20th July 2004. In accordance with article 53 §1 of the aforementioned Act, this prospectus should be submitted for approval by the Banking, Finance and Insurance Commission.

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