

ANNUAL REPORT

2006



WDP

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Risk factors

Anyone who invests in property is above all seeking security. WDP's strategy consequently aims to guarantee investors stability in terms of both the dividend and longer-term income. This strategy goes hand in hand with the management of various risks, to mitigate them as far as possible.

The primary risk is inherent to property as an investment instrument. Property is not like an indexed bond with a pre-defined return. Profit – or loss – is determined by two indissociable factors. The first is the recurrent annual rental income, which constitutes the return of the invested capital. In the case of the cepic, this income is expressed in the income statement under "operating results".

The second factor results from the variations in the medium to long-term property value, known as "capital gain" or "capital loss" on the property. In the cepic's income statement, these appear in the "portfolio result" item. It is the combination of these two factors which determines the quality of the investment and the total long-term profit. As a niche player in a highly specific segment of the property market, WDP also has to take into account various risks inherent to the semi-industrial property.

Risk of economic loss

The economic quality of property assets is expressed by the duration of the building's useful lifetime – the period during which it can be leased – and by the risk of it remaining unoccupied. For warehouses, this depends essentially on two factors which WDP pays particular attention to.

The first is the site's geographic location. WDP's land and buildings are all situated at logistical interfaces or secondary locations with potential for growth. The quality of the location is in all cases guaranteed by the site's accessibility – by road, rail or waterways and air transport – and by the proximity of an extensive market which guarantees future demand for semi-industrial premises.

The technical qualities of storage and distribution spaces are the second factor. The elements which WDP considers are notably the headroom, the floor carriage capacity, fire safety with sprinklers and the accessibility of loading bays. This second factor is becoming increasingly important, notably owing to the fact that the sector is evolving towards versatile, multi-functional warehouses which comply with legal norms and highly specific quality standards.

Risk of fluctuations in demand

The nature of its activities makes WDP sensitive to the economic climate, which can have an impact on companies' demand for storage and distribution spaces. This risk is limited by the long duration of leases. The location of WDP's premises also plays a decisive role. Good accessibility and proximity to consumers are indispensable conditions for the presence of logistics companies. However attractive it may be, a building which does not fulfil these essential conditions will not attract any interest among potential tenants.

Risks related to the development and acquisition of projects

WDP has built up its property portfolio in various ways, including developing storage and distribution areas at its own initiative. The impact of this factor on the company's risk profile consequently remains limited.

Investment in existing leased spaces is always subject to due diligence in technical, legal, administrative, accounting and fiscal terms. WDP systematically works closely with external consultants.

Risks related to the quality of tenants

It is extremely important to have customers who are stable, solvent tenants. In this respect, the leasing activity offers the advantage that the rent has to be paid monthly or at most quarterly, which makes it possible to quickly identify a tenant's potential payment problems and to seek appropriate solutions. The customary rental guarantee of at least three months' rent paid to WDP as the owner also constitutes a security. Finally, property owners in Belgium benefit from extensive legal protection.

As non-occupation or a tenant's insolvency can never be totally ruled out, the reletting potential of a building is extremely important. Here again, the aforementioned location and technical qualities are preponderant.

Risk of operating costs

WDP keeps maintenance and repair costs to a strict minimum through the quality of its tenants, long-term leases and the perfect state of its buildings when they are completed or purchased. Furthermore, construction or renovation work is conducted by its own technical team.

The costs for non-rented spaces or other costs associated with the turnover of tenants are limited through the long-term relations WDP maintains with its clients and through the active commercial management of its property portfolio.



Risk of deterioration of buildings

As with any building, storage and distribution premises can be damaged by fire, storms or other disasters. WDP has insured this risk for a total value of 430 million EUR (situation at the end of December 2006).

Such disasters often result in the vacancy, even partial, of premises, and this risk has also been insured.

The interest rate and financing risk

The extent to which WDP can finance its own projects also has a major impact on profitability. Property investments go hand in hand with a relatively high degree of debt servicing. In order to optimally reduce this risk, WDP adopts an extremely cautious, conservative strategy. The debts are distributed evenly between treasury notes and long-term bank loans. In terms of interest, the following distribution pattern has been adopted: one third is payable within three years, one third over three to five years, and one third over more than five years.

The secret of a good property investment lies in its correct appreciation and the minimisation of all these risk factors. It is only then that a balance can be found between short-term operating profit and potential long-term capital gains. Everything depends of course on the quality of the people called upon to take decisions. In this respect, WDP can rely on an experienced management team and Board of Directors, as demonstrated by the results achieved over recent years.



Warehouses De Pauw - Warehouses with Brains

Presentation of WDP

A highly personal approach

Warehouses De Pauw (WDP) is currently the leading operator in the Belgian semi-industrial property market. The WDP cepic 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;
- investing in existing buildings that have been leased.

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, WDP retains the projects it has acquired and completed within its portfolio, so that the added value achieved by it remains within the Closed-End Property Investment Company. In terms of the geographic location of premises, WDP systematically selects strategic intersections for storage and distribution. WDP also places great importance on the development of long-term relations with its clients. The cepic strives to become a genuine partner to them and assist in resolving their property problems. This objective is clearly demonstrated in its new slogan: "WDP - Warehouses with Brains".

Portfolio

On 31st December 2006, WDP had 63 sites in its portfolio, in four countries: Belgium, France, the Netherlands and the Czech Republic. The total surface area of land in the property portfolio was 1,1 million m², along with 805.000 m² of buildings, to which 37.000 m² should be added for buildings under construction, together with a development potential of 120.000 m².

In accordance with the new IAS 40 fair value assessment, the market value of WDP's property portfolio amounted to 430 million EUR at the end of 2006.

Stock market listing and capitalisation

The WDP cepic has been listed on the Euronext Brussels First Market since 28th June 1999. Since 2003 it has been included in the “next prime” segment of European mid-caps and the VLAM21 index, as well as the EPRA (European Public Real Estate Association) index since 2004. In 2005, WDP was also included in the Euronext Bel Mid index. Since 17th December 2004, WDP shares have also been listed on the Euronext Paris Second Market. At the end of 2006, the Closed-End Property Investment Company's market capitalisation exceeded 425 million EUR.

Shareholders

WDP developed from the assets of the family group, Jos De Pauw from Merchtem, which remains the reference shareholder with a 28% strategic stake in the Closed-End Property Investment Company.

A strategy aimed at continuing growth

Priority markets

Alongside Belgium, its home market, the Netherlands and France have traditionally constituted WDP's principal priority markets. Most of the properties and projects are therefore in prime locations in the Breda-Antwerp-Brussels-Lille logistical heartland. WDP is aiming to have a dominant presence in this Western European logistics corridor in order to be able to provide optimal service to its clients. WDP is continuing to expand its portfolio in order to be able to meet the extensive 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.

WDP's second growth region is Central Europe. It is already present in the Czech Republic and is currently analysing strategic options in Slovakia, Romania, Hungary and Poland, in order to be able to further develop the cepic's activities in the region.

Strategic plan 2006-2009

At the end of 2005, WDP's Board of Directors took a crucial strategic decision. With its uninterrupted growth following its floatation on the stock market in June 1999, the cepic had reached a stage where a choice had to be made between consolidation or pursuing growth. In other words, it was both too large to remain a small player and too small to join the European big boys. WDP has resolutely decided to pursue its growth, supported in this respect by the cepic's low gearing ratio.

The strategic growth plan aims to double the property portfolio, from approximately 350 million EUR at the end of 2005 to 700 million EUR in 2009 (cf. also below).

The first stage in this ambitious plan has already been achieved, with the completion of a strategic investment programme worth 120 million EUR in Belgium and France.

Outline of the strategic growth plan for 2006-2009

**By 2009, WDP is aiming to have a property portfolio worth 700 million EUR.
There are three main aspects to the growth plan:**

1. Directly investing between 100 and 150 million EUR in current strategic markets.
2. Purchasing an existing company or property portfolio worth 100 to 150 million EUR.
3. Investing an additional 50 million EUR in access to new markets. This will be achieved in one of the following ways: by connecting current strategic markets through a presence in Germany, or by developing the current Central European market with one or several of the following countries: Slovakia, Romania, Hungary or Poland.



Key figures

	in EUR m 31-12-2006 IFRS	in EUR m 31-12-2005 IFRS
ASSETS		
LAND and BUILDINGS* (including development projects)	429,63	342,88
LIQUID ASSETS	3,02	4,54
OTHER CURRENT ASSETS	24,55	6,56
TOTAL ASSETS	457,20	353,98
LIABILITIES		
SHAREHOLDERS' EQUITY	274,92	227,33
PROVISIONS AND DEFERRED TAXES	5,28	2,96
DEBTS	177,00	123,69
TOTAL LIABILITIES	457,20	353,98
NAV**/SHARE before profit distribution (in EUR)	31,99	28,83
after profit distribution (in EUR)	31,17	27,48
PRICE (in EUR)	49,85	44,00
PREMIUM/DISCOUNT before profit distribution	55,81%	52,62%
DEBT RATIO*** (dividend as a proportion of debt)	40,26%	37,96%
DEBT RATIO*** (dividend in shareholders' capital)	38,71%	34,94%

*IAS 40 assessment of fair value. See also the press release of 6th February 2006 on www.beama.be.

**NAV = Net Asset Value = shareholders' equity.

***Debts/balance sheet total.

	2006 (x 1.000 EUR)	2005 (x 1.000 EUR)
NET RENTAL INCOME	30.619,10	27.124,95
OPERATING CHARGES	-3.813,87	-3.175,71
OPERATING PROFIT	26.805,23	23.949,24
FINANCIAL RESULTS	-4.291,31	-4.163,20
INCOME TAXES*	-214,94	404,23
OPERATING RESULTS**	22.298,98	20.190,27
IAS 39 IMPACT	3.454,88	581,51
PORTFOLIO RESULT	16.291,02	8.170,00
ANNUAL PROFIT	42.044,88	28.941,79
PROPOSED DISTRIBUTION	20.063,83	19.481,20
DIVIDEND PAYOUT RATIO (in relation to the operating results)	89,98%	93,79%
NUMBER OF SHARES AT THE END OF THE PERIOD	8.592.721	7.885.249
OPERATING PROFIT/SHARE*** (in EUR)	2,75	2,56
GROSS DIVIDEND/SHARE*** (in EUR)	2,47	2,47
NET DIVIDEND/SHARE*** (in EUR)	2,10	2,10
NAV GROWTH/SHARE (after profit distribution) (in EUR)	3,69	1,19
% EBIT in relation to intrinsic value at the end of the last financial year	9,92%	10,02%
% annual profit in relation to intrinsic value at the end of the last financial year****	16,20%	13,96%

*Compared to the income statement, does not take into account the exit tax (p. 76).

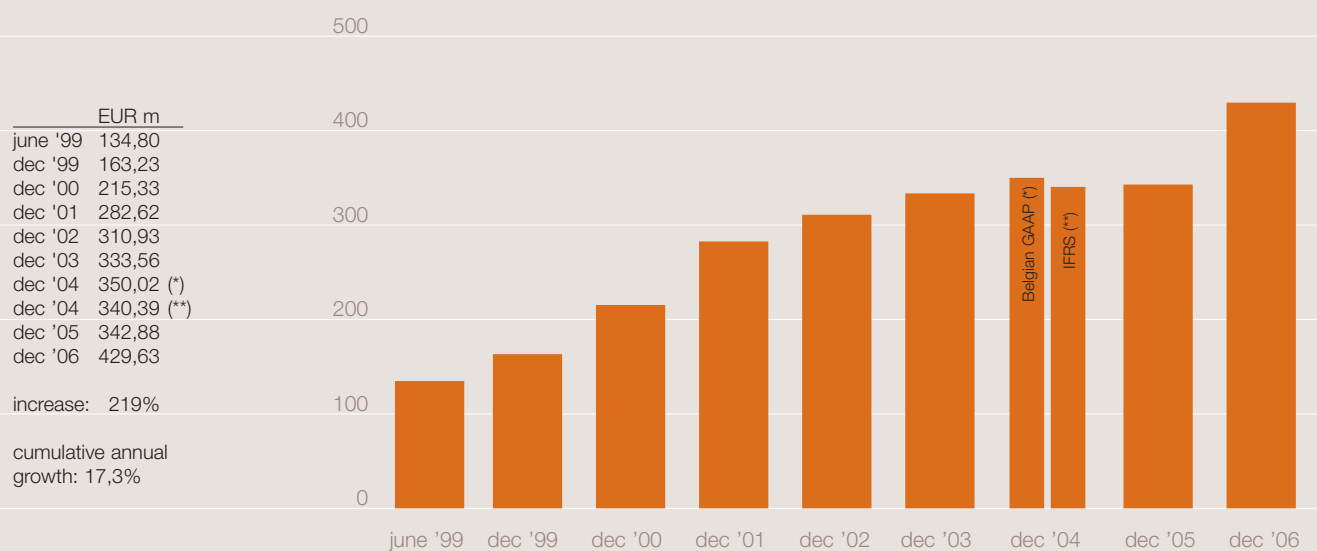
**The operating results shown in the key figures differ from the operating results shown in the income statement (p. 76), as the operating results shown in the key figures take into account the financial result and taxes, but not the result on the real estate portfolio.

***Based on a weighting factor (first 8 months of 2006: 7.885.249 shares, as from September 2006: 8.592.721 shares).

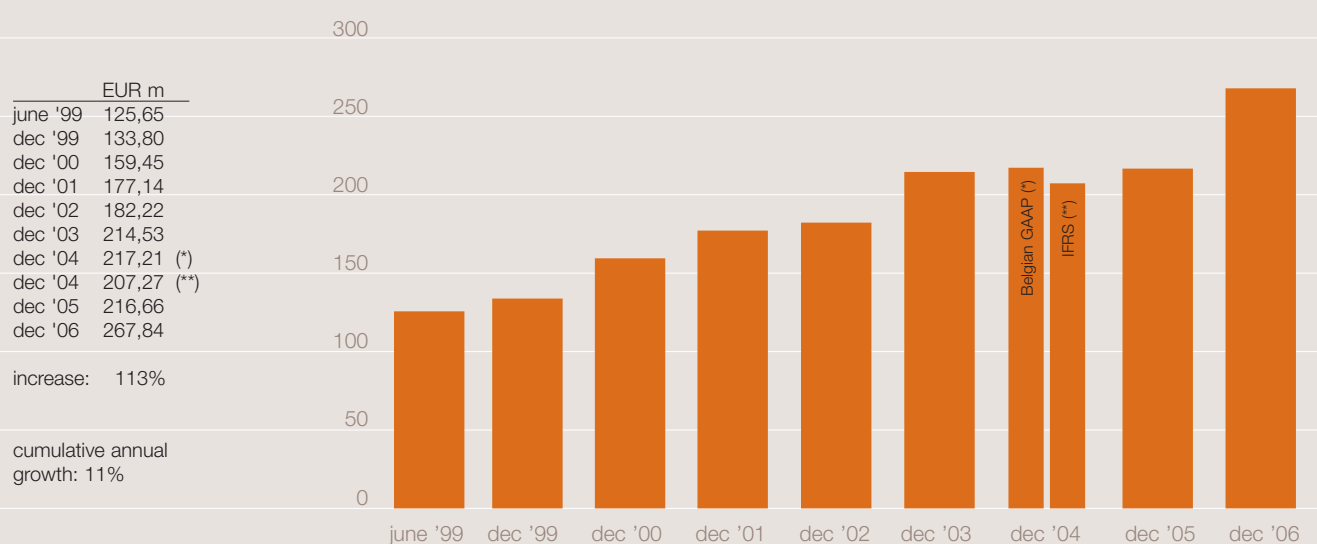
****No IFRS impact.

Evolution of a few key figures

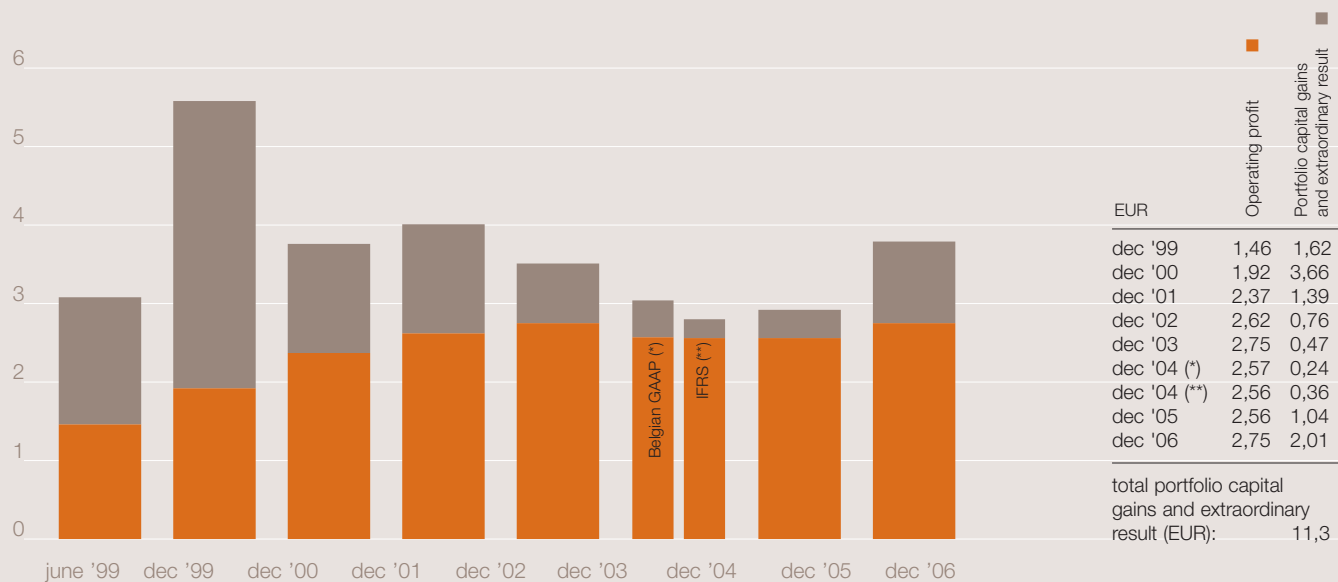
Evolution of the property portfolio



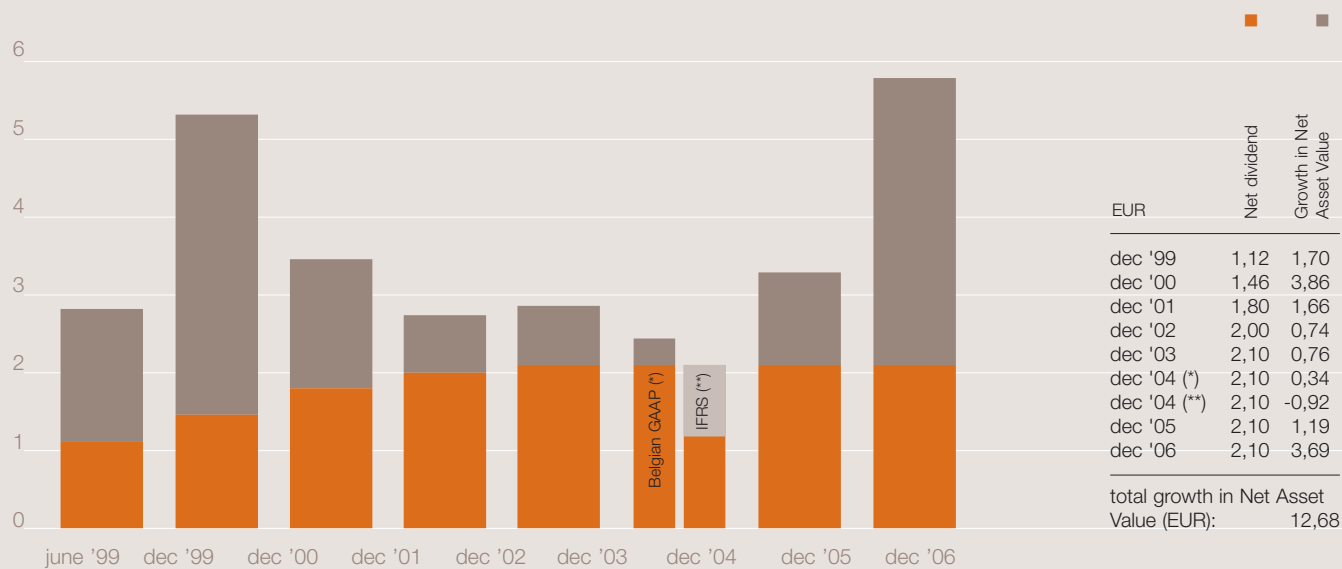
Evolution of shareholder's equity, after distribution of profits



Evolution of earnings per share



Evolution of net income per share



Chairman's statement

WDP's strategic growth plan is currently being accomplished. This is the ambitious plan that will take several years which I announced to you a year ago in my introduction to the 2005 Annual Report, with the aim of doubling the property portfolio by 2009. It is with great pleasure that I can announce to you that we are moving in the right direction.

Our intention was to invest 100 million EUR in 2006, essentially in our domestic market in Belgium. This objective has been broadly achieved. Last year, WDP initiated an investment programme worth 120 million EUR. The projects in progress have been completed and new plots of land with already completed projects have been acquired, notably in Willebroek, Kontich and Templemars, near Lille. A new project was completed at Neuville-en-Ferrain, and a plot of land acquired in Courcelles, on which WDP immediately constructed premises at its own initiative.

Alongside these acquisitions, we have also established a reserve of strategic land in preparation for the next phase in the strategic growth plan. WDP has not been resting on its laurels: new projects are under development on each of the plots which were purchased, and account for a total investment value of 50 million EUR. The buildings will be completed in 2007 and 2008.

Sound performance in 2006 is also reflected in the figures. Profits have further increased by almost 11% to 22,3 million EUR. This improvement is only partly explained by the new acquisitions of projects which immediately generated income, as WDP also conducted excellent work in operational terms. New leases brought the occupancy rate up from 95 to 96,6% over the year.

Operating profits per share for 2006 amounted to 2,75 EUR, taking into account the increase in capital and the issue of new shares as a result of the PLI transaction in August. For further details, please refer to the "Report on activities" chapter. This 2,75 EUR profit figure is also a historic high since the floatation in 1999 and was only equalled in 2003.

However this does not – yet – mean that the dividend is going to be increased. The Board of Directors will propose once again this year to the General Meeting of Shareholders to pay out a total gross dividend – taking into account therefore the increased interim dividend from August – of 2,47 EUR per share, i.e. 2,10 EUR net per share. WDP is thereby intending to make use of the increase in operating profits to return to the previous distribution figure of 90%.

Let us now turn to the future and see what 2007 holds in store for us.

I have already mentioned the creation of a reserve of land and the projects which have effectively begun at these various sites. On the other hand, 37.000 m² of projects which are currently under development will be completed during the first half of this year. Tenants' obligations have already been signed for 100% of them. The risk of vacancy is limited. In 2007, leases will expire for a total of 19.000 m², which is a relatively low figure compared with previous years.

On the basis of these various factors, here is what we can already state regarding 2007: in relation to the investments conducted in 2006 and the current occupancy rate – not including any potential new investments which will generate profits for this year – WDP is planning to increase its operating results to 25 million EUR. The operating profit per share for 2007 will then be 2,9 EUR.

I can consequently already announce therefore that for 2007, – based on a 90% distribution rate – WDP is planning to propose a total gross dividend of 2,61 EUR per share, or 2,22 EUR net. This is an increase of more than 5% compared with 2006.

I believe that investors who have placed their trust in WDP over recent years will have their opinions further confirmed by these prospects. The evolution of the WDP share price is already demonstrating the great confidence of investors in the company, as well as the fact that property remains an essential component of a diversified property portfolio.

The objective of the multi-annual strategic plan is already a lot closer, but much still remains to be done. WDP will continue unrelentingly to seek new opportunities. To achieve our aim, it is essential that the organisation follows the evolution of the portfolio. We are currently working on reinforcing the team once again, in order to be able to take greater advantage of possibilities for growth as they arise.

If WDP's organisation and property portfolio are both expanding, its underlying strategy has nevertheless remained unchanged. The cepic will continue to specialise in the niche market of logistic and semi-industrial property. The method it will follow to achieve this will also remain the same: developing its own projects, undertaking customised projects at the user's request and investing in spaces for clients who wish to conduct "sale and rent back" operations.

WDP will therefore focus more than ever on being a property partner with a long term vision, capable of proposing solutions for all its customers' logistical challenges. WDP is thinking with them, as clearly illustrated by your company's new slogan: "WDP - Warehouses with Brains".

The only thing which remains for me is to express my thanks to the members of the management team and personnel at WDP for their continued commitment, and to my colleagues on the Board of Directors for their greatly appreciated cooperation.

May I wish all of them every success in 2007 and over the coming years.



Mark Duyck
Chairman of the Board of Directors



Corporate governance and structures

Since 1st January 2005, Belgian companies listed on the stock exchange are subject to the Belgian Enterprise Governance Code, also known as the “Lippens Code”. This code, which defines the various principles of good governance and transparency, was drawn up by the Corporate Governance Commission, established on 22nd January 2004 upon the initiative of the Banking, Finance and Insurance Commission (CBFA), the Federation of Enterprises in Belgium (FEB) and Euronext Brussels.

WDP complies fully with the principles of the Lippens Code and does its utmost to constantly adapt to the relevant standards, taking into account the size of the company. Integrity and correctness in the conducting of business is a priority for the Closed-End Property Investment Company, and always has been. In this respect, WDP attaches considerable importance to the pursuit of a harmonious balance between the interests of its shareholders on the one hand and also those of various parties who are involved either directly or indirectly with the company, the “stakeholders”, on the other.

This chapter of the 2006 Annual Report notably includes the WDP Corporate Governance Charter as also found on the website www.wdp.be. It also describes the Board of Directors and the executive management as at 31st December 2006.

1. The Board of Directors

1.1. A few words about the context: the limited partnership with share capital

Warehouses De Pauw is a limited partnership with share capital (Comm.VA). The limited partnership has two types of partners. The first consists of the general partners, whose name appears in the company's commercial name, who have unlimited responsibility for the commitments it makes. 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 managing company, 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 decisions by the General Meeting. The managing company is free to resign at any time. However, its mission can only be withdrawn by the decision of a judge called upon for this purpose by the General Meeting of shareholders, for legal reasons. The managing company can not take part in the vote on this General Meeting resolution.

The General Meeting can only deliberate and take decisions when the managing company is represented. It has to agree to any modification in the articles of association and the General Meeting resolutions on actions concerning the company's interests with regard to third parties, such as the distribution of dividends and any decision which has an impact on the company's capital.

1.2. The Board of Directors of the managing company, De Pauw NV

1.2.1. Missions of the Board of Directors

The Board of Directors undertakes various missions for 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, notably through an in-depth analysis and detailed discussion of the annual financial statements, as well as by an annual assessment of its operations;
- ensures that the company's management is coherent with its strategy;
- is responsible for informing the press and analysts about the company's financial information;
- deals with such matters as:
 - approving the budget and the annual and interim accounts;
 - proposing the dividend to the General Meeting of WDP Comm.VA;
 - allocation of authorised capital;
 - convening ordinary and extraordinary General Meetings.

1.2.2. Current composition of the Board of Directors

The Board of Directors of the Managing Company is responsible for ensuring that the corporate governance rules are respected at all times. In this context, WDP has expressly opted for the presence of a sole representative from the reference shareholder on the Board, and for at least as many independent directors as non-independent directors.

The Board of Directors currently has 3 independent directors and 3 non-independent directors.



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

- the Board of Directors is composed of a minimum of 4 members – at least 3 of whom should be independent – and a maximum of 10 members;
- one or several directors, accounting for no more than half of the total number, can be executive directors and in other words, can exercise an operational function within WDP;
- the individual expertise and experience of the Board members have to be complementary;
- the individual contribution of each of the directors guarantees that no individual or group of directors can influence the decision-making;
- directors should bear in mind the company's interests, forge an entirely independent opinion and contribute to decision-making;
- any independent director who ceases to comply with the criteria of independence (as defined by the Board of Directors) is obliged to inform the Board.

1.2.3. Functioning of the Board of Directors

The Board of Directors meets at least four times a year, on the invitation of the chairman. One of these meetings is set aside for deliberating the company's strategy. The dates of the meetings are established in advance for the entire year, in order to limit the risk of absences as far as possible.

Additional meetings also have to be organised each time that the Closed-End Property Company's interests so require or at least 2 directors so request.

The chairman is responsible for the management and smooth running of the Board meetings and sets out the agenda of the meetings in consultation with the CEO. This agenda contains a closed list of points to be discussed, which are prepared in depth and are the subject of detailed documentation, so that all the directors have the same information well in advance. These documents are sent to all the Board members by the Friday before the week during which the Board Meeting is to take place at the latest, so that each of them can prepare for it appropriately.

The function of the chairman of the Board of Directors and the CEO can not be exercised by the same person.

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

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

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



On the chairman's invitation, executive managers who are not Board members and specialists in a particular 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. For matters concerning financial information or administrative organisation, the Board can call upon the internal auditor and/or independent auditor directly.

1.2.4. Appointment, remuneration and evaluation of the Board of Directors

Appointments

Directors are appointed by the general Meeting of Shareholders of De Pauw NV, following a recommendation from the appointments committee of the Board of Directors which assesses all the candidatures. Depending on whether the appointment is for an executive or non-executive director, the non-independent and independent directors have a greater respective influence.

The selection of a new director is undertaken in a context and in accordance with a professional, objective selection procedure. Care is taken during all appointments so that the capacities and know-how within the Board of Directors is guaranteed.

A new director is appointed as soon as a directorship becomes vacant.

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

Directors are appointed for a period of 6 years. Their mandate can then be renewed as many times as the General Meeting so wishes, as long as the age limit of 65 years is respected. A director's mandate consequently ends at the end of the General Meeting of the year when he reaches the age of 65 years.

Directors are authorised to hold directorships in other companies, listed or otherwise. They should nevertheless inform the chairman of the Board of Directors.

The directors must respect agreements relating to discretion and mutual confidentiality. They should also strictly comply with all the legal principles and practices relating to conflicts of interest, inside information, etc. When a transaction presenting a potential conflict of interest is envisaged, the corresponding provisions of the Companies Code are applied. With regard to share transactions conducted by directors on their personal behalf, WDP's rules of procedure have to be respected (see also "4.1. Code of conduct regarding financial transactions", page 28).

Remuneration

The General Meeting does not currently allocate any fixed remuneration to its directors. No remuneration is linked to performance or results.

The Board of Directors can decide to grant additional remuneration to the chairman for additional work, such as a part-time executive mission. Remuneration can also be granted to directors who are assigned special functions or missions. They are posted as general expenses.

The remuneration committee meets once a year to debate the budget for directors' remuneration.

Under the strategic plan, executive directors will in future receive both a fixed salary and remuneration linked to performance and results.

Publication of the amount of remuneration

The annual remuneration of the management company amounts to 530.000 EUR. This sum is equivalent to the total cost of the Board of Directors in 2006.

Evaluation

The evaluation of directors is conducted on the one hand on a continuous basis, i.e. by their colleagues. When a director has any doubts to express concerning the contribution of one of their colleagues, they can request it to be included as a point on the agenda of a meeting of the Board of Directors, or notify the chairman, who may then, at his own discretion, take any necessary steps.

In addition, directors are also assessed each year by the Board of Directors. Interim assessments can be conducted if circumstances so require.

1.2.5. Current members of the Board of Directors

The Board is made up of the following 6 members:

- **Mark Duyck** has been a director since 1999, chairman of the Board of Directors since 2003 and Executive Chairman since 2006. He is an economist and has an MBA. After exercising various functions, notably in European and American companies, he is now a strategic advisor to several companies, amongst other roles (attendance rate: 100%).
- **MOST bvba**, represented by Frank Meysman, has been an independent director since 2006. Mr. Meysman has in-depth knowledge and international experience in marketing and in this respect is able to further reinforce WDP's customer orientation. He has been a director of several international companies including Procter & Gamble, Douwe Egberts and Sara Lee (attendance rate: 100%).



Board of Directors

(above, from l. to r.) Mark Duyck, Dirk Van den Broeck, Alex Van Breedam, (below, from l. to r.) Tony De Pauw, Joost Uwents, Frank Meysman

- **Alex Van Breedam** has been an independent director since 2003. He holds a PhD in applied economic sciences and several Master's degrees. After gaining experience with KPMG, since 2000 he coordinated the launch of the Flanders Institute of Logistics and is an independent expert in Supply Chain Management, specialising in strategic assistance for logistics companies. He has held the post of director general of the Flemish Institute of Logistics since 2003. He is also a part-time lecturer and guest professor in three Flemish universities (attendance rate: 100%).
- **Dirk Van den Broeck** has been an independent director since 2003. He has been a partner of Petercam since 1988 and a director there since 1994. He represents Petercam on several Boards of Directors of property companies involved in the issuing of mortgage debentures. He is also the independent director of several Belgian companies, including the stock exchange listed company, Resilux SA. Dirk Van den Broeck graduated in law and economic sciences (attendance rate: 100%).
- **Tony De Pauw**, managing director since 1999, represents the principal group of shareholders, i.e. the Jos De Pauw family (attendance rate: 100%).
- **Joost Uwents**, director since 2002, together with Tony De Pauw, completes the WDP management team. He is a commercial engineer and holds an MBA (attendance rate: 100%).

1.2.6. Conflicts of interest

Conflicts of interest resulting from a directorship

The legal regulation relating to conflicts of interest for directors applies to decisions arising from the competences of the Board of Directors which comply with the following conditions:

- it has to be a property interest, i.e. which has a financial impact;
- the interest has to be conflicting. The "conflicting" interest relates to the decision to be taken and the position of the director concerned, but not necessarily the company.

In accordance with this regulation, directors are obliged to point out any potential conflicting property interest to the Board of Directors before the decision is taken. They should leave the meeting during the discussion of the relevant point on the agenda. They can not take part either in the debate or the decision taken on this point of the agenda.

Functional conflicts of interest

If a director is also a director or manager of a client or supplier, or permanently employed there, he should point this out to the Board of Directors prior to the deliberation of a point on the agenda which is directly or indirectly related to this client or supplier.

This obligation also applies to any director whose close relative is a manager of the client or supplier concerned, or is permanently employed there.

It also applies when a director or one of their relatives directly or indirectly owns over 5% of the shares (which confer a voting right) in the client or supplier company. Exceptions are

nevertheless made to this rule if the following two conditions are fulfilled:

- the client or supplier concerned is a listed company;
- the participation of the director or their close relatives has been purchased in the context of assets whose management is entrusted to a private equity manager, who invests in such resources at their own discretion, without taking into account any information from the director or their close relatives.

If a potential conflict of interest arises, the director concerned will leave the meeting when the corresponding point on the agenda is discussed. They may not take part in either the debate or the decision taken on this point.

1.3. Specialist committees established by the Board of Directors

With a view to the application of the Lippens Code, WDP's Board of Directors set up four specialist committees as from the autumn 2004: a strategic committee, an audit committee, an appointments committee and a remuneration committee. These committees are not statutory, but have been established in accordance with the Enterprise Governance Code.

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

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

1.3.1. The strategic committee

The strategic committee deals with subjects which may influence the company's strategy.

Given the limited number of directors and the importance of strategic discussions, this mission is undertaken permanently by the entire Board of Directors.

1.3.2. The audit committee

The audit committee aims to assist the Board of Directors in its control function, more specifically regarding the financial information released to the public and the internal and external audit.

The committee is made up of the independent directors and an internal auditor who has access to all the information relating to the company and its operation.



Before each meeting of the Board of Directors, a quarterly report is drawn up and submitted to the audit committee by the internal auditor.

The audit committee is chaired by an independent director elected from the members of the Board of Directors. The chairman organises the audit committee's activities and can invite members of the management team, the chairman and the independent auditor to take part in the meetings in their capacity as experts.

The audit committee meets four times a year, each time prior to the meeting of the Board of Directors.

The internal auditor is currently Peter Bruggeman, a partner at VGD.

1.3.3. The appointments committee

The appointments committee was established to advise the Board of Directors on the appointments to be proposed to the General Meeting of shareholders. It also gives its opinion on recruitments for key posts, even if they do not have to be approved by the General Meeting.

Given the limited size of the Board of Directors, the appointments committee is made up of the entire Board of Directors and is chaired by the Board chairman. The chairman can not however chair the appointments committee meeting to choose his successor.

The appointments committee meets at least once a year, before the final meeting of the Board of Directors of that year. It also meets at other times if circumstances so require.

1.3.4. The remuneration committee

The remuneration committee is responsible for formulating proposals for the remuneration of directors and the company's remuneration policy regarding its executive management.

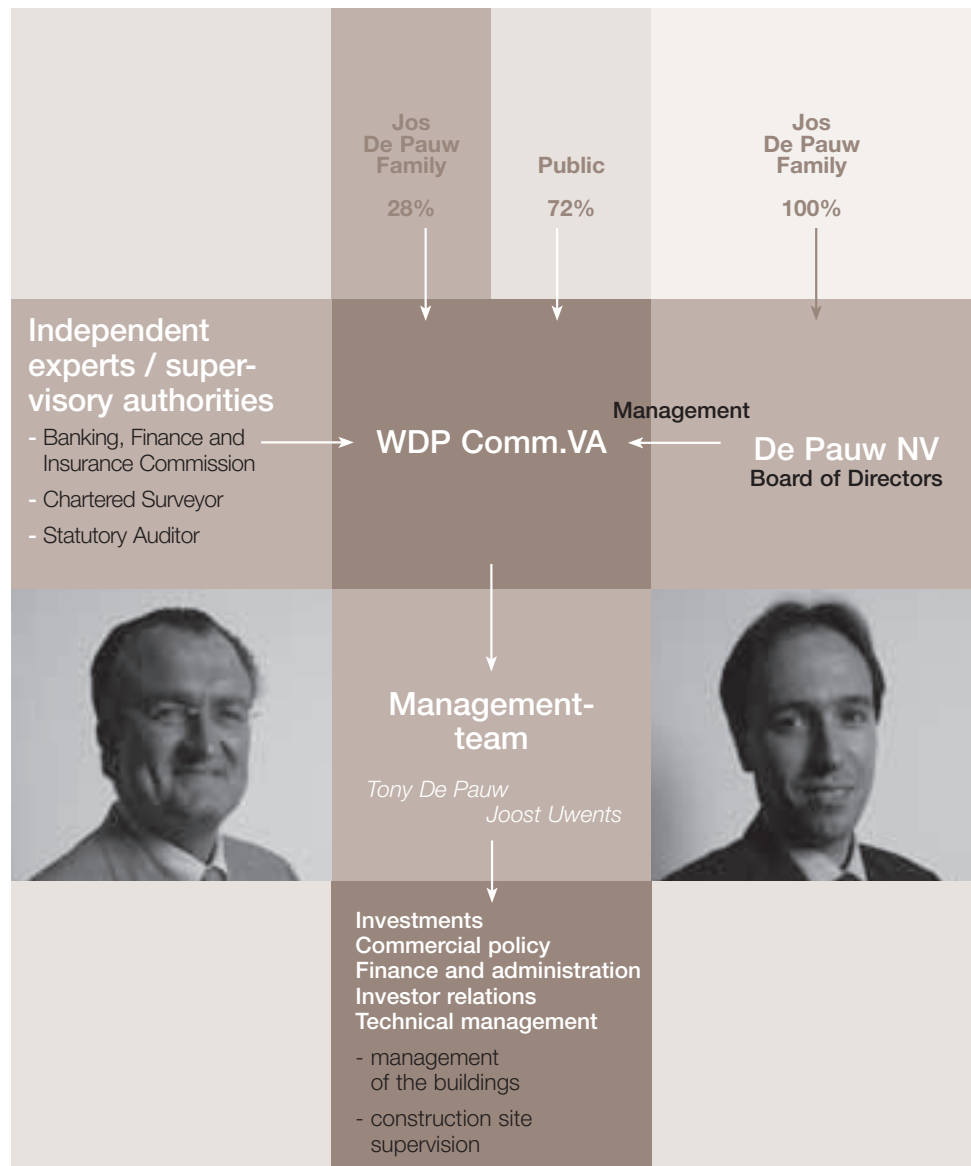
It is made up of all the independent directors and the chairman of the Board of Directors.

Given the limited number of directors and members of the management team, the remuneration committee meets at least once a year, before the final meeting of the Board of Directors for the year. It also meets at other times if circumstances so require.

2. The executive management

The WDP Closed-End Property Investment Company is a "self-managed fund". It does not delegate the management of its property assets to a third party, but manages them itself in consultation with the managing company. The management is therefore not involved in any other property activity, but works exclusively for WDP's stakeholders.

WDP organisation chart



2.1. Executive management missions

WDP's executive management, under the responsibility of the managing director of the managing 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 Board resolutions, monitoring performance and results;
- reporting to the Board.

2.2. Current composition and division of tasks

Tasks are divided amongst the executive management as follows:

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

- general management;
- the purchase and sale of property assets in Belgium and abroad;
- management of the property portfolio;
- commercial policy.

Joost Uwents is an executive director. His tasks include:

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

The management team is also able to count on the support and professional experience of the chairman of the Board of Directors, who works on a part-time basis (two days a week) in his capacity as executive chairman.

2.3. Functioning of the executive management

The members of the executive management work together closely and in constant consultation. Major decisions on day-to-day management are taken unanimously in accordance with agreements made with the Board of Directors. If the executive management does not reach an agreement, the decision is passed to the Board of Directors.

External representation of the company is conducted in accordance with procedures established by the executive management in consultation with the Board of Directors.

The planned new structure of the management team envisages a weekly management meeting, attended by both the members of the management team and the chairman of the Board of Directors in his role as executive chairman.

The Board of Directors is entitled to see the agenda and minutes of these meetings.



An agenda is drawn up before each meeting and is sent well in advance to all the management team members and the executive chairman so that it can be prepared appropriately. This agenda notably contains operational decisions relating to day-to-day operations, the situation of projects in progress and the evaluation of new projects which are under consideration.

With regard to the company's day-to-day operations, decisions are taken by a majority of votes. Decisions regarding new projects or new acquisitions however require a unanimous agreement. If this is not achieved, the decision is left to the Board of Directors.

2.4. Responsibility to the Board of Directors

The executive management submits all the relevant financial and business information to the Board of Directors every three months. The following information is provided: key figures, an analytical presentation of the results in relation to the budget, an overview of the evolution of the property portfolio, the consolidated annual financial statements and any relevant details.

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

2.5. Appointments, remuneration and evaluation

2.5.1. Appointments

The CEO is selected and proposed by the Board of Directors.

The CEO and the chairman jointly submit their selection and nominations for the executive management to the appointments committee for approval.

2.5.2. Remuneration

WDP's remuneration policy with regard to its executive management is the responsibility of the remuneration committee, which formulates proposals in relation to the Board of Directors. The remuneration of the CEO and executive managers is assessed annually.

With a view to the planned enlargement of the WDP team, the committee is currently working on an amendment of the remunerations policy, under the supervision of the chairman of the Board of Directors, which will in future be comprised of four elements:

- basic remuneration;
- variable remuneration linked to the operating results of the previous year;
- an insurance and pension contribution;
- long-term profit-sharing.



2.5.3. Publication of the amount of remuneration

Once the new structure comes into effect, joint remuneration costs for the executive management will be published in the Annual Report.

2.5.4. Evaluation

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

Under the new structure, the evaluation of the CEO will be conducted by the Board of Directors. The other executive managers will be assessed by the CEO and the remuneration committee. The objectives used as a basis for the evaluation are defined by the CEO and the executive managers, in consultation with the remuneration committee.

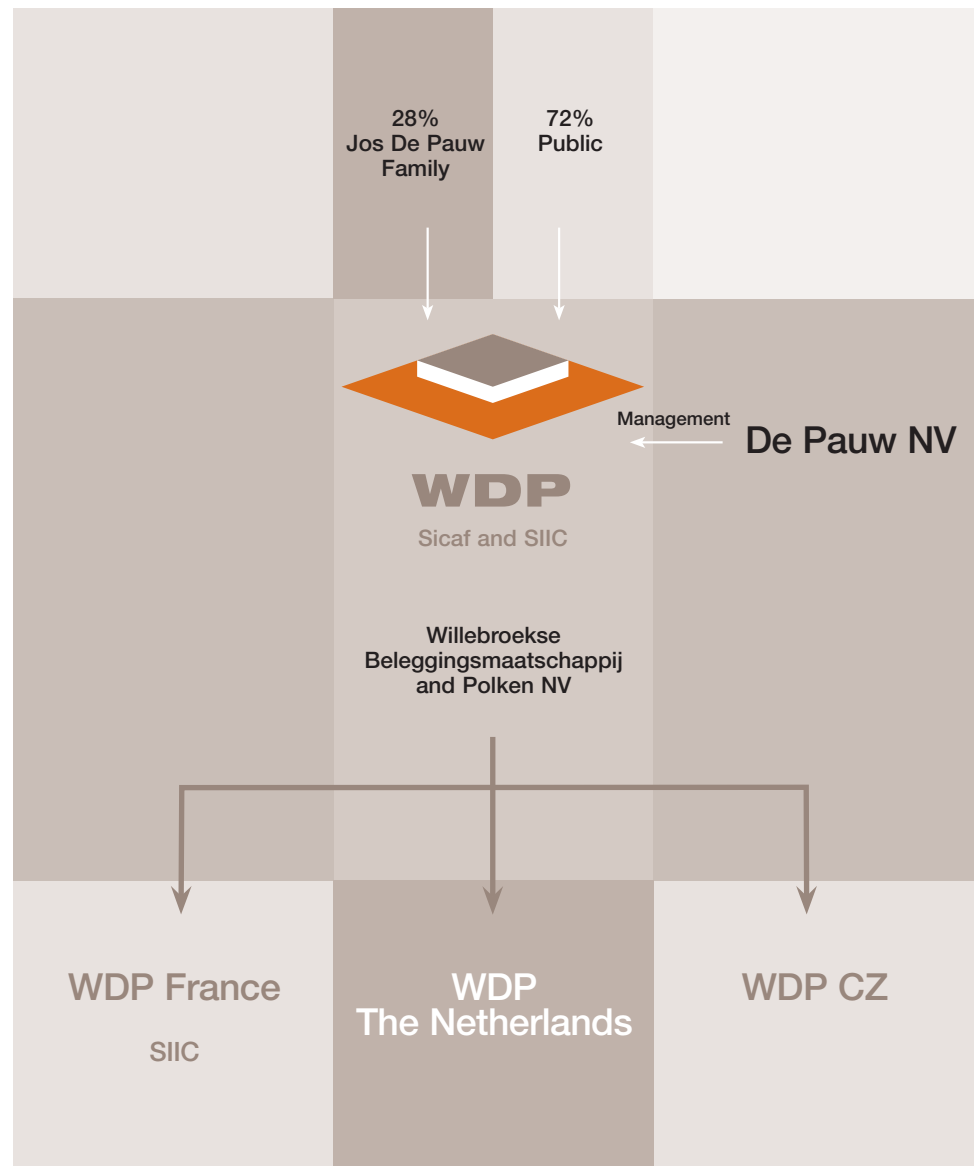
2.6. Conflicts of interest

Transactions between the company or an affiliated company on the one hand, and a member of the executive management on the other, are always conducted under normal market conditions. This also applies to transactions conducted with the close relative of a member of the executive management.

Each member of the executive management has to do their utmost to prevent conflicts of interest from arising. If however a conflict of interest arises relating to an issue for which the executive management is responsible, and on which it has to take a decision, the member of the executive management concerned should inform his colleagues. They will then decide whether or not their colleague can take part in the vote on the point affected by the conflict of interests and whether they can be present at the debate on this point.

We speak of “a conflict of interest for a member of the executive management” if:

- the member or one of their close relatives has a property interest which conflicts with a company decision or transaction;
- another company which does not belong to the group, in which the member or one of their close relatives exercises a directorship or management function, has a property interest which conflicts with a company decision or transaction.



3. Structures abroad

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

- in the Netherlands: WDP Nederland bv, Postbus 128, 5300 AC Zaltbommel;
- in the Czech Republic: WDP CZ s.r.o., Belehradská 18, 140 00 Prague;
- 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 (BVBA).
- WDP has a 100% stake in the foreign companies, 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, which benefits from SIIC status, which envisages exemption from corporate taxation and capital gains tax. Net profits can be paid to WDP, so that exemption from tax deduction at source can be claimed on the grounds of parent-subsidy legislation. The profits of foreign subsidiaries are included in the consolidation, after deduction of depreciation on the property and deferred taxes payable on capital gains.
- The companies are managed by the Belgian management. Bookkeeping and administration are undertaken by local accountancy firms:
 - 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, which has 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 thin capitalisation of companies;
 - the percentage of taxation deducted at source charged on interest for group loans paid to the country of origin.
- The audit: entrusted in the Netherlands, France and the Czech Republic to the local subsidiary of KPMG. In Belgium, the Statutory Auditor is Luc Van Couter. He is a partner of KPMG but carries out this task in his own name. No other auditor provides services to WDP.



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

4.1. Code of conduct regarding financial transactions

4.1.1. Compliance officer

The compliance officer is responsible for checking that the rules set out in this Charter with regard to market abuse are respected. He should have a sufficient number of years of experience within the company. At WDP, the executive director Joost Uwents has been appointed as the compliance officer.

4.1.2. Directives relating to transactions involving the company's shares

The following directives apply to all the members of the Board of Directors, members of the executive management, all the members of WDP's personnel who have access to sensitive information as a result of their function in the company and colleagues of the independent chartered surveyor and of the internal auditor. The Statutory Auditor is subject to the legal provisions and code of ethics of the "Institut des Reviseurs d'entreprises" (IRE/IBR).

These directives also apply to transactions concluded under the company's programmes to acquire its own shares.

Information which is considered "sensitive" refers to anything which, if it became public, would have an impact on the share price or derivative financial instruments.

Obligation of disclosure

When the aforementioned people purchase or sell WDP shares, they are bound to declare such transactions to the compliance officer within 8 days. They should declare the quantities, prices, order date and transaction date. This obligation is however subject to a restrictive condition: the transaction has to enable the people concerned to acquire a number of shares which can be considered to be "significant", i.e. more than 1% of the total number of the company's shares. Various transactions conducted within a 3-month period are considered to be cumulative.

As soon as the people referred to have exceeded the 1% threshold, they are obliged to declare any purchase or sale of WDP shares involving 0,5% or more of the total number of WDP shares, within 8 days of the transaction.

The compliance officer should similarly be informed within 8 days of any allocation of share options, and any exercising of share options involving members of the Board of Directors, members of the executive management and other members of personnel.



All the people subject to the disclosure obligation should submit an update of their situation each year to the compliance officer.

If someone envisages a transaction based on potentially sensitive, non-public information, they are obliged to contact the compliance officer beforehand, who will decide whether the transaction can take place.

Communication of sensitive information

The Board of Directors undertakes to communicate any sensitive information as quickly and clearly as possible. All of the members of the Board of Directors, the executive management and personnel who obtain potentially sensitive information regarding WDP are obliged to inform the compliance officer.

The directors undertake to preserve the confidential nature of sensitive information and not to disclose it under any form whatsoever, nor enable anyone to gain access to it, unless the prior consent of the chairman of the Board of Directors has been granted.

Ban on the misuse of inside information

In this respect, WDP operates in accordance with article 25, §1, 1° of the Act of 2nd August 2002 relating to the control of the finance and financial services sector.

Ban on market manipulation

WDP complies with the provisions of article 25, §1, 2° of the Act of 2nd August 2002 relating to the control of the finance and financial services sector.

Closed periods

As from the second working day prior to the end of each quarter, until the publication of the results for the quarter ("closed periods"), it is forbidden to sell or purchase the company's shares or other financial instruments. The partial sale of shares with a view to financing the exercise price or any tax payable on the capital gain is also forbidden during these periods.

The compliance officer can authorise derogations to this principle in exceptional cases. He can also impose occasional closed periods on the basis of significant sensitive information known by the Board of Directors and the executive management. In such cases, it has to be information which is to be made public.

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

The fixed and occasional closed periods apply to WDP's Board of Directors, executive management and all members of its personnel. The compliance officer will systematically

draw up a list of all the other people who have knowledge of the results and/or occasional sensitive information.

Transactions which are always prohibited

Short-term, speculative transactions are always prohibited. This means that short-term option transactions, so-called “short selling” and the hedging of options granted under share option schemes are not allowed.

Transactions which are always authorised, including during closed periods

- Purchases and sales are possible even during closed periods on condition that purchase and sale orders have been sent outside these periods. Restricted purchase and sale orders can not be altered during closed periods.
- The exercising of options granted under a share option scheme. The sale of shares acquired through this exercise is nevertheless prohibited.
- Transactions undertaken in the context of discretionary capital management entrusted to third parties.

4.2. Shareholder relations and the General Meeting

The company will treat all WDP shareholders equally. Shareholders have access to the Investors section of the website, where they are provided with all the information they need to act in full knowledge of the facts. They can also download any documents required to take part in the voting at the Annual General Meeting. This part of the website also includes the most recent version of the coordinated articles of association and the Enterprise Governance Charter.

Once shareholders own over 3% of the company's shares, they have to declare this in accordance with the statutes and legal provisions on this matter. These will also be included in the “Enterprise Governance” chapter of the annual report. No special control rights are granted to any specific categories of shareholders. WDP currently has only one reference shareholder, which has a (sole) representative on the Board of Directors.

This is the chairman who chairs the Annual General Meeting. He sets aside sufficient time to answer all questions that the shareholders wish to ask about the annual report or points on the agenda. The results of the votes are published on the website as soon as possible after the General Meeting.

Shareholders who wish to have certain points placed on the agenda of a General Meeting have to submit them to the Board of Directors at least two months in advance.

This period of notice is required so that the company's interests can be taken into account, legal deadlines are met for convening the Annual General Meeting and to give the Board of Directors reasonable time to examine the proposals.

Shareholders representing over one fifth of the share capital can request an extraordinary general meeting to be convened.

4.3. Misuse of company property and corruption

WDP directors, executive management and personnel are prohibited from using WDP property or solvability for their private purposes. They can only do so if they have been duly mandated for this purpose.

They also undertake not to accept any advantage in the form of a gift or entertainment from clients or suppliers, except where this is compatible with customary, admissible commercial practices.

In the event of a breach of this rule, the Criminal Code will be applied.

When a director, executive manager or member of personnel is unsure whether or not an act constitutes "misuse of company property" or "corruption", they should request prior authorisation from the chairman of the Board of Directors. Such authorisation however will clearly not exempt them from any potential criminal liability.



Report on activities (*)

1. Introduction

WDP's strategic growth plan which aims to double the value of the portfolio by 2009 is progressing according to plan. The first part of the investment programme has been finalised, with the investment of around 120 million EUR in domestic markets. These investments relate both to projects launched in 2006 which will be completed in early 2007 and the acquisition of new projects and land on which a project was completed immediately. A further investment has also been approved in the establishment of a reserve of strategic land, for projects which are already being prepared. The portfolio's overall occupancy rate has increased from 90% at the end of December 2005 to 96,6% at the end of December 2006.

2. Projects completed in 2006

Six projects in Belgium and abroad were completed according to plan in 2006. Their overall investment value is nearly 10 million EUR.

Belgium

Aalst - Denderstraat-Tragel: transformations and modernisation work under a long-term contract with The Belgian Post (cf. property overview, page 65).

Asse (Mollem) - Assesteenweg 25: a new construction including 7.500 m² of warehouses and 700 m² of offices (cf. property overview, page 54).

Beringen (Paal) - Industrieweg 135 - Rijsselstraat: the construction of two warehouses. The first one is 870 m², with 336 m² of offices, and the second is 4.074 m², with 451 m² of offices. The completion of the offices in phase two, in early 2007, was the final stage in this project (cf. property overview, page 61).

Vilvoorde - Havendoklaan 13: a new 3.200 m² warehouse and a 1.500 m² building intended for Toyota Belgium's bodywork activities of (cf. property overview, page 63). Various smaller-scale renovation work was also conducted at various sites.

Abroad

Lille (Templemars) - Route de l'Epinoy, plot 237 bis: the construction of a new 450 m² warehouse and the conversion of 760 m² of existing warehouse space into offices (cf. property overview, page 64).

Mlada Boleslav - Neprevazka (Czech Republic): a new construction including 1.300 m² of offices and 7.114 m² of warehouses and annexes (cf. property overview, page 60).



(*) For specific information on projects or acquisitions, please see their detailed presentation in the "Property Overview" chapter, on page 52. The precise page is given after each of the projects presented in this chapter.

3. Projects in progress at the end of 2006

The following projects account for a total surface area of 37.000 m² and their overall investment value is 13 million EUR. They will all be completed in spring 2007 and tenant's obligations have already been signed for all of them.

Belgium

Anderlecht - Boulevard Frans Van Kalken 9: the skating rink was converted into 2.731 m² of warehouses and 1.581 m² of offices (cf. property overview, page 53).

Boortmeerbeek - Leuvensesteenweg 238: an existing 11.700 m² of premises alongside the road have been transformed into 1.800 m² of commercial premises with a car park and behind it, 2.500 m² of warehouses (cf. property overview, page 65).

Nivelles - Rue du Bosquet: a new 11.000 m² construction including warehouses and offices (cf. property overview, page 62).

Rumst (Terhagen) - Polder 3: the construction of a new 2.800 m² multi-functional area on the site of the former Landuyt brickworks (cf. property overview, page 63).

Zelee - Lindestraat 7 - Baaikensstraat: a new 2.635 m² warehouse (cf. property overview, page 59).

Abroad

Lille (Templemars) - Route d'Ennetières 40: the addition of a further 5.146 m² to the existing 14.000 m² of warehouses, as agreed with Massive France, the tenant (cf. property overview, page 60).

Mlada Boleslav - Neprevazka (Czech Republic): the construction of a new 13.000 m² building, which has been let for a fixed term of 6 years to the logistics group DHL/Exel as from 2007 (cf. property overview, page 60).

4. Acquisition of land with projects that have already been completed

Belgium

Kontich - Satenrozen 11-13: at the end of June, WDP signed an agreement in principle for the acquisition of two sites belonging to Partners in Lighting International (PLI): one runs alongside the E19 in Kontich and the other is in Templemars (cf. page 34). The Kontich site is owned by Massive SA, where PLI's European distribution centre is located. It includes a 160.000 m² plot of land and a 56.000 m² building. The total investment allocated for the acquisition of both PLI sites is nearly 37 million EUR. WDP paid for the Templemars property in cash. The Kontich site was acquired through a partial transfer of assets, with a payment in shares for an equivalent value of 29,4 million EUR. An Extraordinary General Meeting approved the partial transfer of assets on 31st August and the issuing of 707.472 new shares, thereby officially completing the acquisition (cf. property overview, page 56).

Kortenberg - Arthur De Coninckstraat 2-4: a 5.000 m² property for 4,6 million EUR (cf. property overview, page 62).

Willebroek - Koningin Astridlaan 14: Femont's 18.800 m² of production halls and 1.850 m² of offices on a 57.000 m² plot of land, for 9 million EUR (cf. property overview, page 58).

Abroad

Lille (Templemars) - Route d' Ennetières (industrial estate): the site purchased from PLI (cf. also page 33) includes a 44.000 m² plot of land and a 14.000 m² building which houses the logistics centre of Massive France SAS.

5. Acquisition of new projects or land on which a project has already been completed in 2006

Belgium

Courcelles - Rue de Liège: WDP acquired 106.000 m² of land in a logistics park in Courcelles, near Charleroi. During the initial phase, a new building with 7.705 m² of warehouses and approximately 600 m² of offices was built on a 26.735 m² plot for DPD (Deutsche Paket Dienst). The total investment amounts to 4 million EUR (cf. property overview, page 61).

Abroad

Neuville-en-Ferrain - Sentier du Triez des Prêtres: a 12.000 m² warehouse with offices, built under a joint agreement with Van Maercke Immo France (cf. property overview, page 64). WDP's part of the investment is worth 7 million EUR.

6. Acquisition of strategic reserves of land

In 2006, WDP acquired 200.000 m² of strategic land in four different locations of potential interest, worth a total of 10 million EUR. The four projects which are to be developed there are already in their initial stages. These projects jointly represent a development potential of 110.000 m² and have an overall investment value of 50 million EUR.

Courcelles - Rue de Liège: the site includes a further 70.000 m² reserve of land (cf. also "5. Acquisition of new projects or land on which a project has already been completed in 2006", in the property overview, page 61).

Genk - Brikkenovenstraat: a 60.000 m² plot of land in the "Hermes" logistics park, on the former Winterslag mining site (cf. property overview, page 65).

Grimbergen - Industrieweg 16: a 30.000 m² plot of industrial land (cf. property overview, page 62).

Willebroek - Koningin Astridlaan 14: together with the Femont properties (cf. also "4. Acquisition of land with projects already completed"), WDP also acquired a 40.000 m² plot of industrial land alongside it, to be developed as and when WDP so decides (cf. property overview, page 58).

These new acquisitions represent a significant increase in the reserve of land, which at the end of

2005 included 1 hectare in Zele - Lindestraat and 2 hectares in Mlada Boleslav - Neprevazka.

7. Sales finalised in 2006

The following land and buildings were sold for a total value of 14,3 million EUR:

Mechelen - Olivetenvest 4-8: a 4.272 m² plot of land with 1.873 m² of warehouses and 2.367 m² of commercial premises. The site was sold to a private investor owing to its absence of strategic interest.

Merchtem - Kattestraat: a 7.500 m² plot of land with 11.678 m² of warehouses. The entire property was sold to a private investor owing to its atypical nature compared with the rest of WDP's portfolio.

Molenbeek Saint-Jean - Rue Delaunoy 34-36 and 58-94: the industrial building known as the "Bottling Plant" (De Bottelarij - the former Belle-Vue brewery). It formed part of WDP's historic portfolio and no longer had any strategic value. It was sold to a private investor.

Temse - Kapelanielaan 10: a 16.419 m² plot of land with an old building with limited space containing 1.184 m² of offices and 8.913 m² of warehouses. The site was sold to the Gilbert De Clercq group.

Neder-Over-Heembeek, Vilvoordsesteenweg 146 - Meudonstraat: the 16a 38ca plot of land (Meudonstraat 2) which was fully owned and the 10a 46ca plot (Meudonstraat 2) which was jointly owned were sold. The plots are situated in an industrial estate alongside the Brussels-Willebroek canal.

8. Lettings in 2006

8.1. First half of the year

The first half of 2006 was quiet with regard to lettings. The lease of the Hazeldonk building alone, near Breda, in early 2006 brought the occupancy rate up to 95,3%.

At the same time, two agreements in principle were signed during the first half of the year, to let the Beringen (Paal), Industrieweg 135 - Rijsselstraat and Anderlecht - Avenue Frans Van Kalken 9 sites, of 4.600 m² and 3.000 m² respectively. The leases will take effect after the completion of conversion work, i.e. on 1st January 2007 for the Beringen site and 1st May 2007 for Anderlecht.

8.2. Second half of the year

The occupancy rate increased to 96,6%, essentially owing to new lettings signed in the final quarter of 2006. Hessenatie Logistics is renting 11.000 m² in Londerzeel - Nijverheidsstraat 13-15. Lidl has leased an additional 5.500 m² of premises together with the 4.000 m² which it already occupies in Bornem - Rijksweg 19.

Several new leases were also signed in early 2007. The reduction of vacancies in the premises at the Port of Antwerp (from 12.000 to 6.000 m²) brought the portfolio's occupancy rate up to more than 97%. The potential also exists to entirely let this building between now and the summer 2007.



Outlook

1. Basis of operating results in 2007 (*)

The operating results in 2007 will essentially be determined by current leases in the existing portfolio along with projects that will be finalised during the first half of the year and for which a tenant's obligation has already been signed. WDP has notably found tenants for the projects at Mlada Boleslav - Neprevazka (Czech Republic), Templemars - Route de l'Epinoy (France), Boortmeerbeek - Leuvensesteenweg 238, Nivelles - Rue du Bosquet, Rumst (Terhagen) - Polder 3 and Zele - Lindestraat 7. WDP has also completed extensions for existing customers.

In early 2007, the portfolio's occupancy rate increased once again to over 97%, owing to the reduction in vacancies in the building at the Port of Antwerp, which fell from 12.000 to 6.000 m² (**). As there are prospects that this building will be entirely let between now and the summer of 2007, the occupancy rate could increase even further.

2007 offers the additional advantage of only having a few leases which are due to expire: 19.000 m² in total.

2. Projects envisaged on recently acquired land

In 2006, as part of its strategic growth plan, WDP acquired some 200.000 m² of land in attractive locations throughout Belgium, for a total of 10 million EUR:

- 70.000 m² in Courcelles - Rue de Liège;
- 60.000 m² in Genk - Brikkenovenstraat;
- 30.000 m² in Grimbergen - Industrieweg 16;
- 40.000 m² in Willebroek - Koningin Astridlaan 14.



(*) For further details on the various projects and premises, please see the "Property overview", on page 52.

(**) The occupancy rate is calculated on the basis of the ratio between the rental value of m² rented out and the rental value of rentable m². Projects currently under construction and/or renovation are not included in this calculation.

WDP has started work on the development of projects for each of these sites. These projects jointly represent a development potential of 110.000 m², with an overall investment value of 40 million EUR. They will be completed in 2007 and 2008 and will fully contribute to the operating results as from 2009.

If they are completed on time and leased at market rates, it is estimated that they will make a 2 million EUR contribution to profits.

3. Operating results and dividend

Based on the information presented in point 1, the Board of Directors of the management company is forecasting an increase in the operating results for 2007, which should therefore increase to 25 million EUR. The operating profit per share would then be 2,9 EUR.

In terms of the dividend, this would mean that WDP could envisage paying out a total gross dividend for 2007 of 2,61 EUR per share, i.e. a net payment of 2,22 EUR. This amount represents an increase of over 5% compared with 2006. The dividend increase has been made possible through the decision to restore the dividend payout percentage to the usual 90%.

Of course, these forecasts are based on the situation in early 2007. Potential new acquisitions of projects which could generate a return as from this year could also have a positive impact on the results.

Brief description of the semi-industrial property market

1. General trends in the European semi-industrial market

The semi-industrial property market has performed well over recent years, in spite of the slow-down announced since 2003 following cost reduction and rationalisation measures. Despite a slight fall in demand, the market has remained buoyant, especially compared with other property sectors. Even today, the distribution sector remains the driving force in the semi-industrial property market.

This market has also become increasingly complex. Logistics are becoming increasingly important in strategic terms. The supply chain is an essential factor for companies' competitiveness, especially now that production, purchasing and distribution are becoming increasingly globalised. This internationalisation also explains why such attention is focused essentially on prime locations near to ports, airports and communication intersections, especially in Western Europe.

A second persistent trend is the growth of European or at least regional distribution centres, especially for the central European markets. Poland, Slovakia and the Czech Republic are doing their utmost to attract large businesses, to the detriment of Hungary. National distribution centres nevertheless remain the norm for the present time. Decentralisation can not be ruled out as the new trend for the future – owing to high fuel prices, road traffic congestion problems and European regulations.

Technological evolution also influences the semi-industrial market. New technologies such as RFID (Radio Frequency Identification) are progressively gaining in importance in the supply chain. The impact of this technology on the organisation and location of warehouses will increase alongside improvements in efficiency. Emphasis could then shift towards central coordination combined with decentralised physical storage.

2. Increasing polarisation between Western and Central Europe

It is becoming increasingly apparent that the semi-industrial property market is developing unevenly, with a growing divide between Western Europe on the one hand and Central and Eastern Europe on the other. This observation is valid for almost all aspects of the market.

Growth rate

In Western Europe, the growth rate has slowed but stabilised after the mergers and restructurings which have taken place over recent years in the logistics sector. In Central and Eastern Europe however, the market has continued to grow quickly. The ten new European Union member states can clearly not compete with the low wages in Asian countries, but they do offer Western businesses the advantage of geographic and cultural proximity. The only obstacles to their growth up until now have been their poor road infrastructure and the immaturity of the semi-industrial property market there.

Demand

In Western Europe, demand has recently started to improve once again, along with the general economic climate. Over recent years, tenants have mainly restricted themselves to moves towards more modern and less expensive premises, but growth plans are now being put into action. Companies are above all seeking spacious premises. Conversely, potential tenants in most countries favour short-term leases, owing to the increased need for flexibility. In Western Europe, distribution companies still remain the owners of their properties, although the situation is beginning to change. Generally speaking, the major logistics platforms continue to be leased, whilst less spacious or older warehouses are often owned by their users.

In Central and Eastern Europe, demand has been rapidly growing over recent years and still remains very high. The attraction of the region lies above all in the relatively low cost of labour, the size of the consumer market and the growth of the retail distribution network. Demand is still mainly focused on the main towns and cities, but is quickly shifting to secondary towns and communication intersections.

Supply

Many Western European tenants have benefited in recent years from low, stable rents and incentives offered by owners to move them to less costly, more efficient premises. This development created an imbalance between available properties (in all categories) and the availability of modern buildings for rent. Now that confidence is increasing in the economy, when new developments are initiated they are almost always systematically leased in advance. Purely speculative projects remain very sporadic.

In many prime locations in Western Europe, vacancies are less than 1% and the supply of high-quality, modern premises is extremely limited. An increasing number of tenants are consequently migrating to secondary locations and major communication intersections. A large number of speculative projects are appearing in these places, leading to an increase



in supply. Over the next three years, this development should generate greater flexibility and possibilities for choice in the market.

Rents

In Western Europe, rents have scarcely increased over recent years, even if there have been large increases in certain individual markets, such as Amsterdam.

In Central and Eastern Europe however, rents have generally fallen, owing to new developments and the intensification of competition, not only with other locations in the region, but also with those in Western Europe. Specialists agree that rents have bottomed out, which does not mean however that they will necessarily increase drastically in the near future. Tenants are opting for this region owing to the relatively low costs and are therefore not inclined to pay out high rents.

Investments and yield

Property has remained popular amongst investors, who were not put off by the slight decline in the market since 2003. They consider all locations to be worthwhile, on condition that they can be leased for a sufficiently long period to a reliable partner.

In Central and Eastern Europe, investors are confronted with a limited number of possibilities. They have of course quickly followed their tenants' moves from prime to secondary locations, but here also, the relative shortage of opportunities has obstructed their activities.

Increasing investments throughout Europe has resulted in a fall in expected yields just about everywhere. In terms of the stability of rents, this situation is reflected by an increase in sales prices. Falling yields have mainly affected Central Europe, although Western Europe has not been spared either. The most significant falls were recorded in France, Poland and Denmark. In Germany, which was less attractive for investors in recent years, returns have actually increased.

3. The main European centres

The Cushman & Wakefield data for 2006 presented on page 42 illustrates the continuing sound performance of traditional European intersections. Central European locations are acquiring greater importance and the European "banana" has long since lost its traditional shape and stretched eastwards (cf. the illustration below).

The "European banana"
Source: Cushman & Wakefield



The first table shows the relative strengths and weaknesses of the fifteen main European countries. The figures refer to the position of each country in the classification. Belgium lies in first place owing to the accessibility factor, but is only in eleventh place in terms of supply of land and buildings.

The second table combines the development of these various factors over the 2001-2005 period. The classification has changed greatly over the space of a few years.

Belgium nevertheless remains the leader, owing to the relatively low rents and its good accessibility, in spite of the lack of land in prime locations and road traffic congestion. France remains its main rival. Construction costs are relatively low and land is less expensive there. The Netherlands have become increasingly competitive over the years and have moved up to third place. Germany is suffering from its high property prices and labour costs and has fallen to sixth place. However, given the high number of commercial routes between the East and the West which pass through the country, it is highly possible that Germany will benefit from the emergence of Central and Eastern European markets. Furthermore, it has achieved good scores in terms of accessibility and extensive prospects.

All the Central and Eastern European locations have moved up the table, led by the Czech Republic (4) and Poland (5). Property markets have become more mature, as local markets have gained in purchasing power, yet these countries still remain relatively inexpensive compared with the rest of Europe. Although the road infrastructure still leaves a lot to be desired, the circulation of goods is nevertheless increasing.

Over the years, Ireland has moved up past such countries as Spain and Portugal, essentially owing to the growth of its local market and the availability of properties. The fact that Spain finally moved higher than Portugal is explained by its slightly better strategic position, owing to the presence of several large Mediterranean ports.

The Flanders Institute of Logistics undertook a comparable survey of the best European logistics regions, notably for provinces. The top four places were held in 2006 by Belgian provinces: Limbourg, Liège, Hainaut and Antwerp. Düsseldorf was in fifth place, followed by two other Belgian provinces: Namur and Flemish Brabant.

Limbourg, Liège and Hainaut achieved excellent results in terms of all the criteria, including costs, the transport system, accessibility, property supply and know-how. Antwerp was handicapped by costs, but these were offset by excellent results for transport and high productivity.

General score and ranking 2001-2005

	Ranking		Total 2005	
	2001	2003	Score	Ranking
Austria	8	7	8.2	9
Belgium	1	1	5.4	1
Czech Rep.	5	5	7.5	4
France	4	2	6.7	2
Germany	3	3	8.0	6
Hungary	10	8	8.1	7
Ireland	13	15	11.5	11
Italy	6	9	8.1	8
The Netherlands	2	4	7.1	3
Poland	7	6	7.9	5
Portugal	11	11	11.6	12
Russia	12	13	12.4	13
Spain	15	12	12.9	15
Sweden	14	14	12.7	14
UK	10	10	9.0	10

Strengths and weaknesses of various European countries as locations for establishing distribution centres*

	Rents	Labour costs	Access- sibility	Road traffic congestion	Freight	Supply of land and buildings
Austria	7	15	5	4	13	1
Belgium	3	9	1	11	7	11
Czech Rep.	2	4	2	9	14	11
France	5	10	6	10	3	2
Germany	12	12	4	15	2	14
Hungary	4	3	8	2	15	6
Ireland	13	8	11	3	9	2
Italy	8	7	10	8	6	9
The Netherlands	11	11	3	13	4	11
Poland	1	2	7	6	9	6
Portugal	6	5	13	12	12	2
Russia	8	1	14	1	8	6
Spain	13	6	12	7	4	15
Sweden	10	14	15	5	9	5
UK	15	13	9	14	1	9

(Source: Cushman & Wakefield)

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

4. Trends in Belgium

The Belgian semi-industrial property market is continuing to perform well. Approximately 20% of the European distribution sector operates in Belgium, owing to the country's central location, the proximity of major markets, the well-developed infrastructure network and the maturity of the semi-industrial property market.

The main provinces remain Antwerp, Flemish Brabant and Walloon Brabant, with significant demand and limited supply. Limbourg is attracting increasing interest in the logistics sector, which is in search of spaces to let. As the prices of land are relatively low, most buildings have until now been occupied by their owners.

The province of Liège is increasingly attracting large logistics businesses, which has led to the appearance of numerous speculative developments around Bierset airport. As demand is maintained, new buildings can expect low vacancy rates.

In Hainaut, SMEs are above all seeking semi-industrial spaces. The principal growth area lies alongside the E42 motorway. Although several new projects have been completed there during recent years, demand remains high. The poor economic climate has until recently discouraged developers from initiating risky projects.

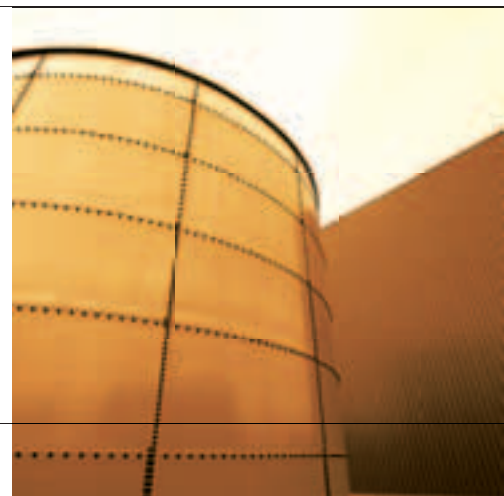
In the province of Namur, there is an extremely limited supply of modern, semi-industrial land and buildings. SMEs have generally traditionally invested in their own buildings and the supply of spaces available for rent is therefore restricted. The increasing demand for modern buildings to rent has therefore not been met.

Demand

Economic growth in 2006 combined with the sound performance of the German economy has caused activity to improve compared with previous years. Demand continues to rise, in both the international and local logistics sectors. This trend will continue in 2007, with international tenants above all seeking spacious warehouses in prime locations.

Supply

The supply of large storage and distribution spaces is quite limited, especially in the "golden triangle" between Brussels, Antwerp and Ghent. This situation is the result of a period of low economic growth – which has now come to an end – that caused project developers to fear major property vacancies and limited increases in rents. Now the trend has been reversed, demand for modern premises is increasing. Combined with the extremely low vacancy rates compared with other European markets, this will result in further speculative projects in prime locations.



5. Semi-industrial property as an investment

The investment market is extremely healthy and 2006 has been marked by record investments. The rapid increase in the value of Belgian semi-industrial property and consequent higher rents has boosted investors' confidence.

Property in general and semi-industrial property in particular has therefore retained its popularity among investors. Even at a time when the economic climate is improving and prices are starting to increase, investors are continuing to consider property as a safe investment.

As the long-term interest rate should remain low for some time to come, the interest of "classic" long-term institutional investors is increasing, along with that of short-term investors such as hedge funds and equity funds. This interest among investors for semi-industrial properties will probably continue to maintain pressure on yields.



Sources: Cushman&Wakefield, King Sturge, Jones Lang Lasalle, Flanders Institute for Logistics.

Evaluation of the portfolio by the chartered surveyor Philippe Janssens, Stadim CVBA

1. Portfolio Statement as at 31st December 2006

The ex-post annual evaluation undertaken by the independent surveyors Stadim CVBA gave a market value for WDP's property portfolio of EUR 429,6 million at 31st December 2006, based on its fair value in accordance with the IAS 40-valuation rules. This compares with EUR 343 million at the end of 2005.

Based on the calculation method which applied until the beginning of 2007, WDP's portfolio value (including transaction costs) should have amounted to EUR 444,4 million at 31st December 2006. However, this figure was revised to EUR 432,6 million with the introduction of IAS 40, as portfolios are now calculated at fair value. In addition, under IFRS rules, gains on investments in progress and assets under construction cannot be included in the portfolio value. This generates a temporary reduction in the value of the WDP portfolio of EUR 2,9 million, pending completion of such projects. Taken together, these changes result in a total portfolio value of EUR 429,6 million at 31st December 2006.

Taking into account the development potential value of investment properties of EUR 40,9 million (including VAT, margins and fees), the current portfolio has an estimated gross rental value of EUR 37,88 million, after deduction of charges payable for concessions, resulting in a gross return on rents at market prices of 7,89%.

2. Main properties in the portfolio

The portfolio contains 63 properties. Of these, 51 are in Belgium and have a combined value of EUR 352,5 million. These consequently account for 81,5% of the portfolio. The 12 foreign properties are jointly worth EUR 80 million or 18,5%. Kontich (Satenrozen) and Boom (Langelei), the 2 largest properties, are together valued at EUR 53,5 million or 12,4% of the total portfolio.

Fifteen properties have a value of between EUR 10 and 16 million. In order of importance, these are: Asse (Mollem - Assesteenweg 25), Nivelles (Rue de l'Industrie 30), Hazeldonk (NL), Leuven (Vaart 25-35), Aalst (Tragel 11), Machelen (Rittwegerlaan 91-93), Bornem (Rijksweg 19), Willebroek (Koningin Astridlaan 14), Zele (Lindestraat 7), Londerzeel (Nijverheidstraat 13-15), Mlada Boleslav II and III (Czech Republic), Vilvoorde (Willem Elsschotstraat 5), Vilvoorde (Havendoklaan 12), Grimbergen (Epepegemstraat 31), Anderlecht

(*) For precise details of the valuation methods we refer you to the press release of the Belgian Association of Asset Managers (Belgische Vereniging van Asset Managers) of 6 February 2006 at www.beama.be/content/index.php.

(Frans Van Kalkenlaan 9). These properties have a total value of 196,9 million and account for EUR 45,5% of the total portfolio.

Seven other sites are each valued individually at EUR 7,5 to 10 million: Ternat (Industrielaan 24), Lille (Fretin-Sainghin), Vilvoorde (Havendoklaan 19), Aix-en-Provence (ZAC G. Eiffel II), Lille-Templemars (Route d'Ennetières 40), Aalst (Wijngaardveld 3) and Boortmeerbeek (Industrieweg 16). Their total value amounts to EUR 60,8 million, i.e. a 14,1% share of the portfolio.

The 24 main sites thus account for 71,9% of the portfolio. The 39 remaining properties therefore have a total value of EUR 121,5 million, and account for 28,1% of the portfolio.

3. Value and composition of the rental portfolio

The total surface area in the portfolio is 195,4 hectares, including 8,1 hectares granted in concession. The remaining 187,3 hectares have an estimated resale value of EUR 153,3 million, i.e. 35,4% of the portfolio's total fair value. The average value of the land amounts to 81,9 EUR/m² excluding transaction costs.

The total rentable surface area of the buildings is 804.768 m² with a total estimated rental value of EUR 33,3 million. Warehouses form the lion's share (75,7%), with a surface area of 682.796 m² and a total rental value of EUR 25,26 million. Their average rental is thus 36,99 EUR/m².

Office areas, either separate or adjoining the warehouses, represent 75,441 m² or a rental value of 5,92 million EUR, i.e. an average of 78,3 EUR per m². Commercial premises cover 22.043 m² and represent a rental value of 1,23 million EUR, i.e. an average of 55,69 EUR per m². Finally, various other uses represent a further 24.488 m² or 0,95 million EUR, i.e. a rental value of 38,9 EUR/m². Total concession fees amount to 0,15 million EUR.

Use at 31-12-2006	Constructed surface area (m ²)	Estimated rental value (EUR million)	Estimated average rental value per m ² (EUR)	% of the total rental value
Warehouses	682.796	25,26	36,99	75,7%
Offices adjoining warehouses	57.941	4,32	74,50	12,9%
Offices	17.500	1,60	91,70	4,8%
Commercial premises	22.043	1,23	55,69	3,7%
Other (multi-use premises, car parks and archives)	24.488	0,95	38,90	2,9%
Total	804.768	33,36	41,45	100,0%
Charges payable for concessions		- 0,15		
Total		33,21		

4. Rental situation of vacant buildings

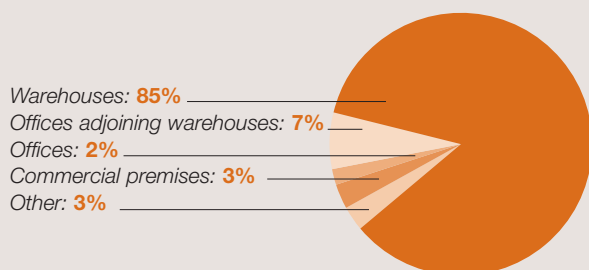
Based on the leases running at 31st December 2006, leased properties generate an income of EUR 33,02 million, i.e. an increase of 21,3% compared with the previous financial year. This rental income is the sum generated by all the leases plus the additional amounts received for the management of the buildings or specific work, less the advance property levy and/or charges payable by the owner for concessions. In total, it is equivalent to 85,5% of the rental value of EUR 37,88 million, based on market prices as indicated in Point 1. The main tenants are: Massive PLI - Philips Lighting with a share of 8,8% of the rental income, Belgacom (4,6%), The Belgian Post Group (4,1%), Renault Belgium (3,6%), Lidl (3,4%), Tech Data (3,4%) and DHL Solutions (3,2%). The ten principal clients jointly represent 38,8% of the total rental income. The "top 20" account for 58,6% and the "top 50" for 85,3%.

Top tenants (% rental income)

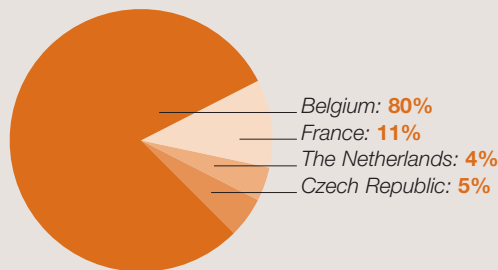
1	Massive PLI - Philips Lighting	8,8%
2	Belgacom	4,6%
3	The Belgian Post Group	4,1%
4	Renault Belgium	3,6%
5	Lidl	3,4%
6	Tech Data	3,4%
7	DHL Solutions	3,2%
8	Inbev - Interbrew	2,7%
9	Disor	2,5%
10	Femont	2,4%
Top 10 =		38,8%

Leases maturing in 2007 and 2008 represent 13,3% and 4,8% respectively of the total rental value. By contrast, leases expiring in 2011 or later account for 62,4%.

Breakdown of rentable surface area by category



Breakdown of rental value in 2006 per country



The vacant areas available for immediate letting represent an additional rental value of EUR 1,1 million, i.e. a vacancy rate of 3,4% for the entire portfolio of available buildings:

- vacant warehouses represent 26.972 m² or EUR 0,79 million;
- at the end of December 2006, 6.189 m² of offices were available for let, i.e. EUR 0,32 million;
- commercial areas and other spaces that remain to be let represent only EUR 0,01 million.

Overview of vacancy of available buildings

Use	Vacant area (m ²)	Estimated rental value (EUR million)
Warehouses	26.972	0,79
Offices	6.189	0,32
Commercial premises	0	0,00
Other	186	0,01
Total	33.347	1,12

Vacancy of premises mainly involved the following sites:

- Ternat - Industrielaan 24 with 7.588 m² of buildings;
- Antwerp - Lefevredok - Kaai 59 with 11.168 m² of buildings.

These two properties together account for 57% of portfolio vacancies in terms of rental value.

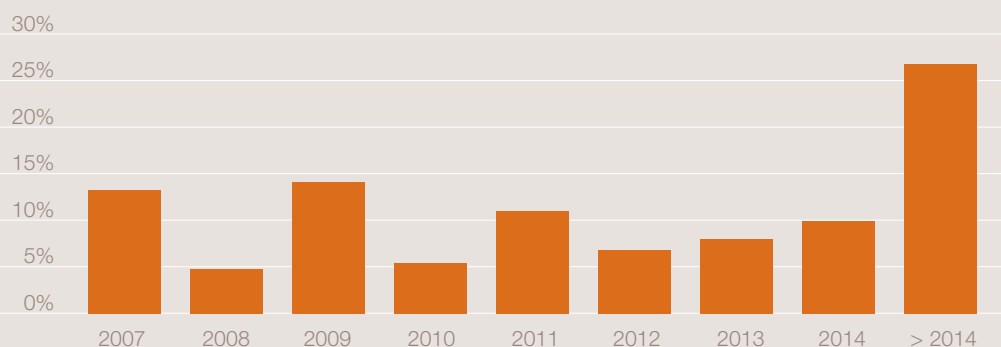
The rental value of new-construction or renovation investments amounts to EUR 4,3 million, for which leases worth EUR 0,87 million have already been signed. Part of the projects is only undertaken once a lease has been signed.

The total rental income, vacancies and rental value of projects therefore amount to EUR 38,3 million or EUR 0,4 million more than the rental value calculated on the basis of market prices.

5. Buildings in the project phase

The estimates cover 8 complexes for which there are potential new construction or renovation programmes. All of these programmes together represent an additional investment of approximately EUR 45,5 million, including fees, taxes, margins and interim interests. They result in an additional rental potential of EUR 4,3 million, i.e. a 10,1% return with regard to the outstanding works. Leases have already been signed for EUR 0,87 million, i.e. 18,8% of the lettings.

Breakdown of annual maturities for current leases



The principal potential investments concern:

- a new-construction project in Genk - Brikkenovenstraat;
- a new-construction project in Willebroek - Koningin Astridlaan;
- a new-construction project in Grimbergen - Industrieweg;
- fittings for offices in the Asar-Towers in Anderlecht, as and when the areas are let, along with renovations to a warehouse in Anderlecht;
- a new-construction project in Nivelles - Rue du Bosquet;
- a major renovation in Boortmeerbeek - Leuvensesteenweg;
- further extensions in Zele - Lindestraat;
- a further extension in Vilvoorde - Havendoklaan 13.

This investment potential largely relates to investments already planned by WDP.

6. Evolution of the portfolio in relation to 31st December 2005

Since 31st December 2005, the fair value of the total portfolio has increased by EUR 88,2 million, i.e. an increase of 25,6%. The value of the Belgian portfolio has risen by EUR 66,7 million (+23,3%), while the value of the foreign portfolio has increased by EUR 21,6 million (+36,9%).

Growth was achieved through the acquisition of the sites as well as building work in a number of cases, which has already been completed in Courcelles (Rue de Liège), Genk (Brikkenovenstraat), Grimbergen (Industrieweg), Kontich (Satenrozen), Kortenberg (De Conincklaan), Willebroek (Koningin Astridlaan), as well as in France at Neuville-en-Ferrain and Templemars (Route d'Ennetières). Together they are worth EUR 72,3 million.

Growth is further generated by new building and renovations in sites already in the portfolio, worth a total of EUR 7,1 million:

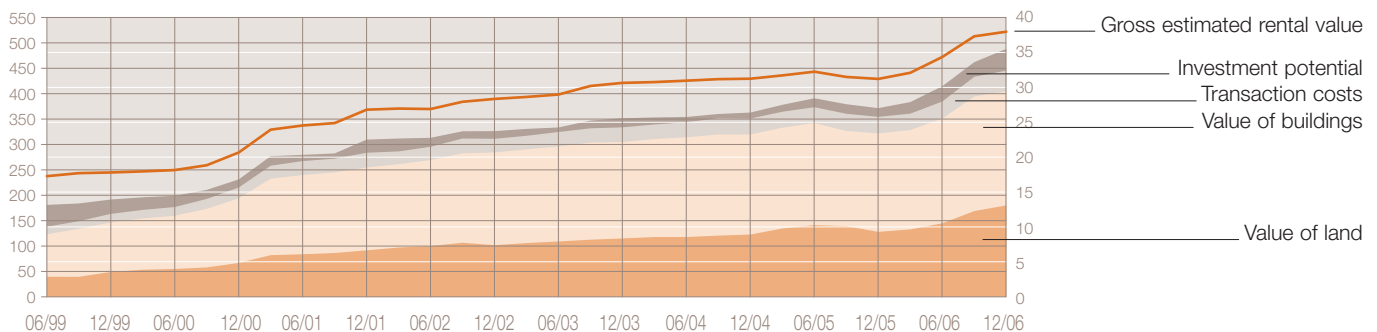
- Asse (Mollem), Assesteenweg;
- Nivelles, Rue du Bosquet;
- Vilvoorde, Havendoklaan 13;
- Aalst, Denderstraat.

On the other hand, properties have also been entirely or partly sold in Sint-Jans-Molenbeek (Delaunoystraat), Merchtem (Kattestraat), Mechelen (Olivetenvest), Neder-Over-Heembeek (Meudonstraat), Vilvoorde (Willem Elsschotstraat), Temse (Kapelanielaan) and Mlada Boleslav III amounting to EUR 14,7 million, expressed in terms of their fair value.

The sum of these purchases, investments and sales results in a total increase of EUR 64,7 million.

This means that the share of the portfolio in which there has been no investment (or limited investments) rose in net value terms – i.e. taking into account capital appreciation and loss – by EUR 23,5 million.

Evolution of the WDP portfolio (EUR million)



7. General economic factors

The long term interest rate – for which linear bonds (OLO) over 15 to 20 years are used as a reference when calculating property investments – rose during 2006 from 3,45% at the end of December 2005 to 4,28% at the end of June, and then fell slightly to 3,90% at the end of September and rose again to 4,07% at the end of December 2006.

At the same time, the inflation rate fell from 2,33% in 2005 to 1,87% in 2006. This means that the real interest rate, i.e. the difference between the long-term rate and inflation, rose from 1,12 to 2,20%. In the context of the portfolio estimate, calculations take into account current interest rates with a future inflation rate of 1,50%, giving a real interest rate of 2,57%. We also include an additional financial risk margin of $\pm 0,90\%$. This reflects long-term investors' uncertainty as to whether the current financial situation will continue. A second specific margin for each property is defined according to risk and illiquidity. These two margins combined account for 2,72% of the portfolio.

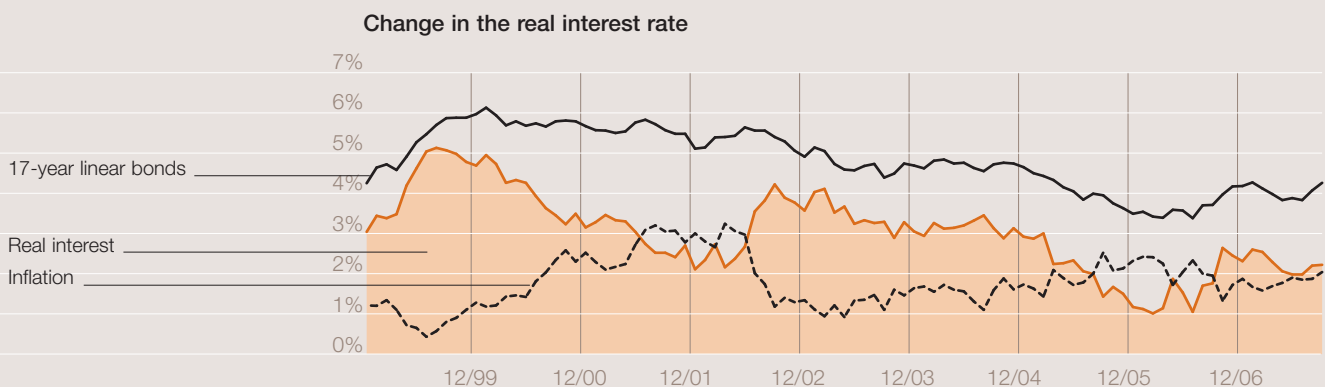
The real interest rate, which plays a preponderant role in financial analysis, therefore increased slightly from 5,81% at the end of 2005 to 5,28% at the end of 2006. Larger properties suitable for institutional investors generated significantly lower returns at the end of 2006.

8. Valuation methods

The chartered surveyors Stadim CVBA have visited the various properties, taken the necessary measurements, drawn up a description of the properties and installations and have examined the existing documents and plans sent to them.

The methods used by Stadim CVBA incorporate several, traditional approaches. The gross rental value (EUR 37,9 million) is compared with the project value (EUR 486,6 million), producing an average return on capital of 7,89% for the entire portfolio.

This return on capital varies from one property to another, ranging from 6,91 to 12,93%. Individual project values are calculated included transaction costs, construction and restoration expenses, fees and VAT.

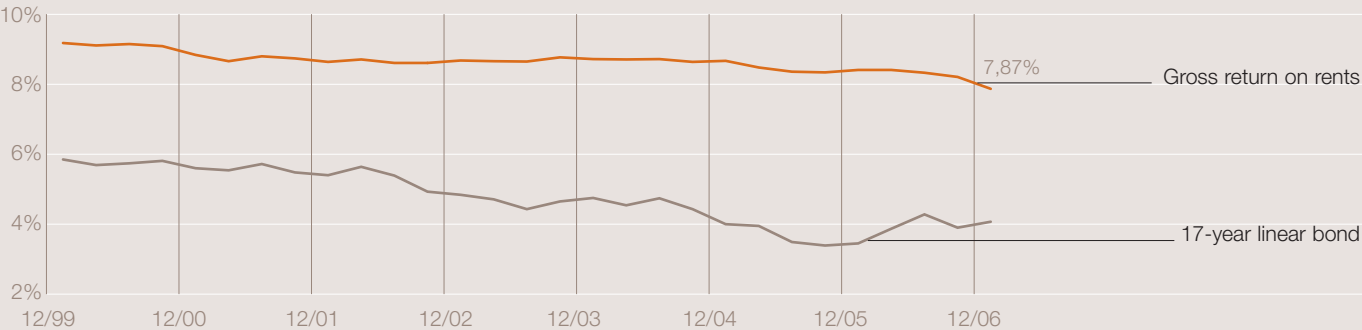


The valuation also takes into account, for each property, any foreseeable annual expenses and provisions, current lettings, as well as the lead time for the completion of construction and renovation work and its impact on the effective collection of rents. The net present value of revenue flow and the resale value, excluding transaction costs, is calculated ("discounted cash flow") on the basis of capital market interest rates (17-year linear bonds = 4,07%), together with a specific property investment margin (financial margin and illiquidity margin: 2,72% on average). This method makes it possible to include the impact of expected interest rate fluctuations and inflation (assumed to be 1,50%) in the valuation, in accordance with market practices.

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

For the Czech Republic, valuations at market prices were conducted by the surveyors Cushman & Wakefield.

Evolution of gross rental income compared with 17-year linear bonds



Property overview

Definitions used in the property overview

Capitalisation or return on rents:

the ratio between potential gross rent and the project's value.

Potential gross rent is calculated as follows:

the rent stipulated in the contract for the year 2006 plus the estimated value of the unlet parts, less the advance property tax payable by the owner and less any fees payable, e.g. when the land has been granted in concession.

The project's 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 increase or decrease in fair value, expressed as a percentage, on 31st December 2006, compared with the fair value on 31st December 2005.

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

Aalst, Tragel 11-12 - Garenstraat

Location A plot of 44.163 m² in the industrial zone, near the centre and the main traffic arteries.

Buildings A new construction built in 1998-1999, with 3.630 m² of offices and work-shops and 20.905 m² of warehouses with headroom of 8 to 12 metres. The warehouses are equipped with air heating and sprinklers.

Lettings Entirely let to Tech Data until 2010.

Changes in 2006 None.

Prospects for 2007 None.

Capitalisation
7,55%
Occupancy on 31-12-2006
100%
▲ Value compared
with 31-12-2005
+ 4,12%

Aalst, Wijngaardveld 3 - Dijkstraat 7

Location A plot of 39.822 m² in the industrial estate of Wijngaardveld, between the Aalst-Dendermonde road and the Dender.

Buildings Two warehouses with a total surface area of 17.319 m², built in 1992, with a headroom of 8 metres, also containing offices and social facilities. Air heating. A project with 4.750 m² of warehouses and offices was completed in 2003 on a plot which remained vacant.

Lettings Fully let to Aldeco, VPK Packaging and Spanolux.

Changes in 2006 VPK Packaging moved into the warehouses which had become vacant.

Prospects for 2007 VPK Packaging will let the entire warehouse when the Spanolux lease expires.

Capitalisation
11,17%
Occupancy on 31-12-2006
100%
▲ Value compared
with 31-12-2005
- 9,17%

Anderlecht, Boulevard Frans Van Kalken 9

Location A 20.638 m² plot of land which is fully owned and another 2.240 m² plot which is owned jointly. The two plots are in the Anderlecht-Forest industrial estate, alongside the Brussels-Charleroi canal, between the Boulevard de l'Industrie and the Chaussée de Mons. 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 warehouses, some of which are equipped with a heating installation and sprinklers, divided into 8 units. The two main units (7.172 m²) have headroom of 7 to 8 metres. The height of the other units varies between 3,5 and 5 metres. The 8-storey "Asar Tower" is on the second plot. WDP owns floors 3 to 8 (a total of 2.016 m² of offices), along with 40 parking spaces and 359 m² of archive space.

Lettings The Belgian Post is the main tenant, with a lease until 2012. AEG will move into the new warehouses in September 2007. AEG and The Belgian Post together account for 83% of the rent. The seventh and eighth floors of the tower have been renovated and leased until June 2011 at market rates.

Changes in 2006 The skating rink was converted into 2.731 m² of warehouses and 1.581 m² of offices. The lease will begin on 01-09-2007. The cost of the work is estimated at 2.390.000 EUR.

Prospects for 2007 The finalisation of the offices will be carried out subject to lettings, at an estimated budget of approximately 875.000 EUR.

Capitalisation
7,04%
Occupancy on 31-12-2006
100%
▲ Value compared with
31-12-2005
+ 31,21%

Asse (Mollem), Assesteenweg 25

Location A plot of land of approximately 47.800 m² in the SME park at Mollem, which is currently accessed from the centre of Asse. The plan to build a ringroad 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 m² of warehouses with headroom of 6,8 metres and 9 metres, equipped with 26 loading bays. There are also 2.111 m² of offices and 905 m² of workshops and business areas. A new, adjacent building with 7.175 m² of warehouses, 660 m² of offices and 330 m² of miscellaneous areas has been built.

Lettings The Vemoflex, AMP and Dandoy leases will run until 2013 at least. Only a part of the Warehouse B (± 1.930 m²) remains to be let. AMP will also occupy the new building as from 1st January 2007.

Changes in 2006 The extension work was completed during the month of May.

Prospects for 2007 None.

Boom, Langelei 114-120 - Industrieweg

Location A 71.412 m² 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 location on the Antwerp-Brussels road and its easy access to Sint-Niklaas and Mechelen. The creation of a direct road between the industrial estate and the A12 is envisaged for 2007.

Buildings A new complex built in 2000-2001 including 2.129 m² of offices equipped with air conditioning and 34.236 m² of warehouses. The warehouses have a headroom of 10,50 metres and 40 loading bays. They have been equipped with sprinklers, interior firewall partitions and external fire doors, anti-dust concrete 2,5T/m² flooring and air heating.

Lettings Entirely let at market rates to No Limit and Renault. Two vacant strips of land have also been let. The main leases run until 2009 and 2010.

Changes in 2006 None.

Prospects for 2007 None.

Boortmeerbeek, Industrieweg 16

Location Four plots with a total surface area of 40.151 m², in a small SME park alongside the Mechelen-Leuven road.

Buildings The complex is on one of the largest plots (28.028 m²) and dates from the early 1990s. It includes 3.250 m² of offices on three floors which can be rented separately and 14.335 m² of warehouses with a headroom of 7,50 metres, in which an additional 130 m² of office space has been developed.

Lettings Distri-Log rents the warehouses and the 130 m² of offices through a fixed, nine-year lease which will expire in 2009. The other offices are vacant. One of the remaining three plots has been set aside for use as a car park, and no definite plans have been decided for the other two.

Changes in 2006 None.

Prospects for 2007 None.

Capitalisation
7,76%
Occupancy on 31-12-2006
93,56%
▲ **Value compared with 31-12-2005**
+ 31,12%

Capitalisation
7,22%
Occupancy on 31-12-2006
100%
▲ **Value compared with 31-12-2005**
+ 12,94%

Capitalisation
7,71%
Occupancy on 31-12-2006
72,30%
▲ **Value compared with 31-12-2005**
+ 7,25%

Bornem, Rijksweg 19

Location A plot of 38.000 m² next to the road alongside the Willebroek-Temse-Sint-Niklaas national trunk road. Easy access to the A12 and the E17. Several large companies are located nearby. Several distribution centres are concentrated in this area, notably for Lidl, H&M, C&A and JVC.

Buildings The former Reco offices, production workshops and warehouses, have been entirely renovated and converted. A new building was completed in 2004 at the back of the site, increasing the total surface area of the offices to 1.714 m², with 343 m² of service areas and technical areas and 20.337 m² of warehouses and loading bays. The warehouses have headroom of between 5,94 and 10 metres and are equipped with a heating installation, sprinklers and 20 loading bays.

Lettings Most of the site is leased, notably to Disor, Opslag & Distributie Ter-Haeghe, SBE Belgium and Azerti.

Changes in 2006 Minor conversion work for the tenant, SBE Belgium.

Prospects for 2007 None.

Grimbergen, Eppegemstraat 31

Location A plot of land of approximately 121.260 m² in concession from the Port of Brussels 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 m² of offices and social areas were built in 1978 and the 48.017 m² of warehouses were built in 1996. The warehouses have 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 Danzas until 2013 and the rent is not index-linked. Current market prices are approximately 16% higher.

Changes in 2006 None.

Prospects for 2007 None.

Leuven, Vaart 25-35

Location A 3.170 m² plot between the Leuven canal basin, which was redeveloped into a marina, and the raised viaduct which forms part of the Leuven ring road. The plot faces the InBev site, and is excellently positioned for advertising.

Buildings The former "Moulins Hungaria" have been completely renovated to form a complex including 15.375 m² of rentable areas and 63 parking spaces.

Lettings Inbev continues to account for 71% of the rental income, with leases that will only expire on 31st March 2009. The National Employment Office (ONEM) is the second largest tenant with a 10% share and a lease which expires in 2013. The five areas on the roof reserved for antennas generate an annual income of 30.386 EUR.

Changes in 2006 None.

Prospects for 2007 None.

Capitalisation

6,73%

Occupancy on 31-12-2006

93,48%

▲ Value compared with 31-12-2005

+ 16,00%

Capitalisation

7,93%

Occupancy on 31-12-2006

100%

▲ Value compared with 31-12-2005

+ 1,81%

Capitalisation

8,84%

Occupancy on 31-12-2006

100%

▲ Value compared with 31-12-2005

+ 2,85%

Kontich, Satenrozen 11-13 and Elsbos

Location A 160.743 m² plot of land in the SME park, including 25.981 m² alongside the complex where lorries access the E19 in Kontich. An area of 27.856 m² is available to potentially construct an extension in the future.

Buildings The premises of the lighting company Massive SA, which now forms part of Philips Lighting. The older production premises and the large office block were built in 1985. The small office block was built in 1996. The warehouse, which is entirely automated and has a headroom of 16,90 metres, was built in 2002. The old production machines and ducts have now been entirely removed from the heated, adjoining production areas, to enable them to be converted into warehouses, despite their relatively low headroom of 5 to 8 metres. These buildings have 18 loading bays with levellers and shelters, as well as several entrance gates for lorries.

Lettings The buildings have been entirely leased to Massive SA since 1st September 2006 for a 15-year term. The lease can be terminated at any time by mutual agreement.

Prospects for 2007 None.

Capitalisation
7,12%
Occupancy on 31-12-2006
100%
▲ Value compared with 31-12-2005
-

Londerzeel, Nijverheidsstraat 13 - 15

Location A 42.115 m² 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 built in 1989-1991. Work was carried out in 2005 on n° 15 (additional offices and split into 3 units). The current rentable area therefore includes 1.601 m² of offices and social areas and 26.086 m² of warehouses with headroom of 6,40 and 3,25 metres, equipped with 18 loading bays.

Lettings
N° 13: rented out to Disor until 2007.
The current offices in the building (548 m²) have been leased to Tom & Co.
N° 15: rented out to BW Bouchout until June 2014.

Changes in 2006 None.

Prospects for 2007
N° 13: the complete renovation of the upper floor offices.
N° 15: leasing the remaining areas to Hessenatie Logistics SA. The offices and loading bays will be repaired and refurbished.

Capitalisation
7,15%
Occupancy on 31-12-2006
100%
▲ Value compared with 31-12-2005
+ 11,49%

Machelen, Rittwegerlaan 91-93 - Nieuwbrugstraat

Location A 12.360 m² 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 m² on the ground floor and the same surface area on the first floor, along with an extension of 782 m² on each 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 to Belgacom until 30th June 2013. The rent takes into account the specific conversions.

Changes in 2006 At the tenant's request, a 1.564 m² casco two-storey warehouse has been attached to the premises.

Prospects for 2007 None.

Capitalisation
10,01%
Occupancy on 31-12-2006
100%
▲ Value compared with 31-12-2005
+ 11,55%

Nivelles, Rue de l'Industrie 30

Location A 60.959 m² plot in phase two of the Nivelles-Sud industrial estate, close to the ringroad. Easy access to the E19. The industrial estate also notably houses Westinghouse, Roto, Belgacom, Marklin and Parker installations.

Buildings The buildings date from 1990-1991 and include 2.435 m² of offices spread over two floors and 20.633 m² of reinforced concrete warehouses equipped with 8 gates, 10 loading bays, fire doors and air heating systems.
A new building with 4.243 m² of warehouses and 633 m² of offices was also constructed on the site in 2004.

Lettings In 2002, 9-year leases were signed with Duchesne and Editor Belgium. Hospithera NV is renting the remaining part until 2014. WEG Europe is renting the new building until 2013.

Changes in 2006 None.

Prospects for 2007 There is still potential for a 1.766 m² warehouse extension.

Ternat, Industrielaan 24

Location A 28.274 m² 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 m² of offices and service areas and 13.913 m² of warehouses with headroom of 7 to 9,5 metres, equipped with 21 loading bays.

Lettings As Carrefour is leaving this site, Exbo is the main tenant here for the moment. Ferrero will move into the ground-floor area occupied by Pias – which is also leaving – once a refrigeration installation has been fitted.

Changes in 2006 Pias and Carrefour left the site on 31-12-2006.

Prospects for 2007 On 28th February 2007, Ferrero will move into the area vacated by Pias. Some 645 m² of separate offices and 6.800 m² of warehouses remain to be let.

Vilvoorde, Havendoklaan 12

Location A 27.992 m² 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 790 m² of offices, 4.243 m² of warehouses with a headroom of 11 metres and 145 m² for other purposes. The second phase, completed at the end of 2002, involved an additional 850 m² of offices and 7.875 m² of storage space with a headroom of 11 metres.

Lettings The phase one buildings have been occupied since June 2005 by Umicore Building Products. DLS Belgium has rented the phase two premises since 1st July 2002. Both leases run for a fixed period of 9 years.

Changes in 2006 None.

Prospects for 2007 None.

Capitalisation

9,07%

Occupancy on 31-12-2006

100%

▲ Value compared with 31-12-2005

+ 3,64%

Capitalisation

7,28%

Occupancy on 31-12-2006

59,32%

▲ Value compared with 31-12-2005

- 2,17%

Capitalisation

7,79%

Occupancy on 31-12-2006

100%

▲ Value compared with 31-12-2005

+ 9,29%

Vilvoorde, Havendoklaan 19

Location A 19.189 m² plot in the Cargovil business park, between Woluwelaan and the Insteekdok, within easy access of the E19 and Luchthavenlaan.

Buildings A project for 10.677 m² of concrete-framed warehouses with a headroom of 10,50 metres was completed on this plot in 2002-2003. The buildings are equipped with air heating systems, sprinklers and 14 loading bays. The site also includes two separate office buildings with a total surface area of 879 m².

Lettings Entirely leased to Taxipost since 1st July 2003 for a fixed term of 9 years.

Changes in 2006 None.

Prospects for 2007 None.

Capitalisation
7,32%
Occupancy on 31-12-2006
100%
▲ **Value compared with 31-12-2005**
+ 8,82%

Vilvoorde, Willem Elsschotstraat 5

Location A 47.203 m² plot of land alongside the Senne. It is in a recently developed industrial estate, within easy access of the Brussels motorway ring and the E19, immediately next to the Cargovil site, which several large logistics and distribution companies are moving into.

Buildings The existing buildings were entirely renovated in 1996-1997. The most recent extension was completed in 2005. The complex has a total of 1.875 m² of offices and 19.180 m² of warehouses with headroom of between 6 and 8 metres.

Lettings The main tenants are still Intertrans (37%), Deny Cargo (22%), Group 4 Courier (16%) and VBD Express NV (16%).

Changes in 2006 None.

Prospects for 2007 None.

Capitalisation
7,62%
Occupancy on 31-12-2006
100%
▲ **Value compared with 31-12-2005**
+ 8,34%

Willebroek, Koningin Astridlaan 14

Location Industrial premises composed of one 51.842 m² plot of land, on which 20.505 m² of industrial and office buildings have been built, and another plot of industrial land which has not yet been built on, with a surface area of 61.010 m², approximately 11.747 m² of which are in the green belt area. The property can be seen from the A12 and is situated near the Willebroek ring road.

Buildings The buildings were erected by the metal construction firm, Femont. The oldest ones (an office block and several workshops) were built in the 1970s. The most recent workshops and warehouses were built in 1999. The workshops and warehouses have headroom of between 2,50 and 7,43 metres and are nearly all heated. A building permit application has been submitted for the undeveloped part, in order to build 20.000 m² of office and warehouse premises for the mass marketing industry. The final configuration and size of this new construction largely depends on the planning authorities.

Lettings The existing buildings have been leased for 9 years to Femont and Femstaal, the site's former occupants.

Prospects for 2007 Construction and letting the new distribution premises.

Capitalisation
7,31%
Occupancy on 31-12-2006
100%
▲ **Value compared with 31-12-2005**
-

Zelev, Lindestraat 7 - Baaiensstraat

Location A 71.415 m² plot in the industrial estate alongside the main road between Lokeren and Dendermonde, near to the E17.

Buildings The complex includes a new construction and a renovated area. The project currently includes 2.146 m² of offices and 29.971 m² of warehouses with headroom of between 6,5 and 7,5 metres. It will still be possible to build another warehouse of at least 9.905 m² at a later date.

Lettings The Flanders Opera is renting 9.419 m² for a fixed term of 9 years. NV DSC is renting 13.458 m² of warehouses and offices, which were renovated at its own expense. The other tenants are Somnis Bedding NV (5.565 m²) and United Promotions NV (3.117 m²).

Changes in 2006 None.

Prospects for 2007 A new 2.635 m² warehouse will be built in early 2007. It will be equipped with 3 loading bays and will be used by United Promotions.

FRANCE

Aix-en-Provence, ZAC Gustave Eiffel II - Lot 22 - Rue G. Fraysinnet

Location A 31.179 m² plot of land in the Aix-en-Provence activity pole, close to the A15 and the A8.

Buildings A new construction completed in early 2000. The building includes 894 m² of offices, 534 m² of technical spaces and 7.863 m² of warehouses with a headroom of 7 metres. The site also has 16.399 m² of stabilised land intended for open-air storage.

Lettings Entirely let to Electricité de France-Gaz de France (EDF-GDF) until 2009.

Changes in 2006 None.

Prospects for 2007 None.

FRANCE

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

Location A plot with a total surface area of 31.689 m² 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 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, A25 and A27 motorways, and are 4 km from Lille-Lesquin airport.

Buildings The buildings, constructed in 1999, offer 16.720 m² of storage space with a headroom of 10 metres, split into two equal parts. The two parts are separated by a firewall and each have their own structure. The warehouse has sprinklers, 17 loading bays 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 2006 None.

Prospects for 2007 None.

Capitalisation

7,00%

Occupancy on 31-12-2006

100%

▲ Value compared with 31-12-2005

+ 14,54%

Capitalisation

7,80%

Occupancy on 31-12-2006

100%

▲ Value compared with 31-12-2005

+ 8,62%

Capitalisation

7,69%

Occupancy on 31-12-2006

100%

▲ Value compared with 31-12-2005

+ 9,21%

FRANCE

Lille, Templemars,
Route d'Ennetières 40

Location A plot with a total surface area of 44.071 m² which is 145 metres wide, alongside the A1 towards Paris.

Buildings The premises were built in 1987-1988 and include 12.000 m² of warehouses with a headroom of 10 metres, equipped with sprinklers and 8 loading bays, along with 1.822 m² of offices, part of which are used as a showroom. Possibility for a warehouse extension of ± 8.000 m².

Lettings The existing building has been entirely let to Massive France, which now forms part of Philips Lighting, until August 2021.

Changes in 2006 None.

Prospects for 2007 Warehouse extension of 5.146 m², to be undertaken jointly with the tenant.

THE NETHERLANDS

Hazeldonk, Breda
Industrieterrein, n° 6462 and 6464

Location Two plots with a total surface area of 53.172 m², bordering on three streets with boundaries of 220, 223 and 226 metres respectively. They are in the Hazeldonk SME park (phase I), alongside the A1-E19, close to the Belgian-Netherlands border, 8 km 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. There is currently an excess supply of industrial premises, which is causing rents to fall.

Buildings A distribution complex built in the early 1990s, with 1.320 m² of offices and 35.998 m² of warehouses with headroom of between 8,13 and 10,60 metres, equipped with sprinklers, air heaters, 16 loading bays and 10 additional access gates for lorries.

Lettings The warehouses are rented to Lidl for 5 years under a renewable lease. The offices are vacant.

Changes in 2006 None.

Prospects for 2007 None.

CZECH REPUBLIC

Mlada Boleslav - Neprevazka

Location Two plots of land with a total surface area of 30.612 m², near the Skoda factories. The region's development is increasingly focusing on logistics in general, and the automobile sector in particular.

Buildings On an initial plot, a new construction of 1.008 m² of offices, 3.880 m² of warehouses and 1.416 m² of sheltered areas and annexes have been completed. The new construction built on a second plot has 1.300 m² of offices and 7.114 m² of warehouses and annexes.

Lettings Entirely let to SAS, a subsidiary of the Siemens Group, and TI Automotive until 2014 and 2015 respectively. Some 67.965 m² on this site still remains in the portfolio for other projects.

Changes in 2006 Completion of the second project.

Prospects for 2007 Continuing the site's development as leases are signed for new projects (e.g. 12.000 m² for DHL).

Capitalisation

6,32%

Occupancy on 31-12-2006

100%

▲ Value compared
with 31-12-2005

-

Capitalisation

7,45%

Occupancy on 31-12-2006

100%

▲ Value compared
with 31-12-2005

+ 1,52%

Capitalisation

9,07%

Occupancy on 31-12-2006

100%

▲ Value compared
with 31-12-2005

+ 24,37%

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

Aalst, Tragel 5 - Gheeraertstraat 15-16

A 16.546 m² plot of land in the industrial estate between the Dender, Dendermondsesteenweg and Ringlaan. An old industrial complex including 12.317 m² of warehouses with a headroom of 5 metres.

Capitalisation
8,69%
Occupancy on 31-12-2006
90,71%
**▲ Value compared
with 31-12-2005**
- 0,78%

Antwerpen, Lefebvredok - Grevendilf - Vrieskaai

A 22.513 m² plot of land in concession from the Port Authorities until 31st December 2007. The complex includes 7 units with a total of 64 m² of offices and 18.786 m² of warehouses with headroom of between 4,11 and 8,42 metres. The complex has been entirely let. The tenants are Antwerp Stevedoring International (897 m² until 30th April 2008) and Durme-Natie (6.705 m² until 31st October 2015). Negotiations are currently in progress with the Port Authorities with a view to extending the concession for the current site or for another site.

Capitalisation
6,54%
Occupancy on 31-12-2006
38,15%
**▲ Value compared
with 31-12-2005**
- 1,87%

Beersel (Lot), Heideveld 3 - 4

A 22.459 m² plot in the Heideveld industrial estate, between the main Brussels-Mons road, the Brussels-Charleroi canal and the E19. A new construction was completed in 2001. The complex includes 456 m² of offices and business areas, a main warehouse of 6.450 m² with a headroom of 8,20 metres and a second one of 253 m² with a headroom of 6 metres. The office floor (with social areas) on the ground floor and all of the warehouses have been let since 1st September 2003 to TDS Logistics (the lease expires at the end of August 2007). 176 m² of offices still have to be completed.

Capitalisation
6,17%
Occupancy on 31-12-2006
100%
**▲ Value compared
with 31-12-2005**
+ 1,74%

Beringen (Paal), Industrieweg 135 - Rijsselstraat

A 21.438 m² plot of land in an industrial estate between Beringen-Paal and Tessenderlo. A recent construction including two warehouses which were completed in 2006. The first one is 870 m², with 336 m² of offices, and the second is 4.074 m², with 451 m² of offices. A third warehouse complex, with a surface area of 4.564 m², was completed in 2002. Rental to ISS, Alcoa and Verdifarm.

Capitalisation
7,76%
Occupancy on 31-12-2006
100%
**▲ Value compared
with 31-12-2005**
+ 7,19%

Bornem, Rijksweg 17

A plot of 31.100 m² next to the road alongside the Willebroek-Temse-Sint-Niklaas national trunk road. The complex was built in 1996. It includes a 1.616 m² office building with 323 m² of archive space, and 9.973 m² of steel-framed warehouses with a headroom of 9,40 metres. The entire site is leased 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.

Capitalisation
8,66%
Occupancy on 31-12-2006
100%
**▲ Value compared
with 31-12-2005**
+ 3,86%

Courcelles, Rue de Liège

A consortium has developed on a 106.824 m² area of industrial land in the Courcelles industrial estate. Phase 1 was completed on a 26.735 m² plot. The new construction, which was completed in early January 2007, was specifically built as a distribution centre for the tenant DPD (Deutsche Paket Dienst). It includes 7.705 m² of warehouses and approximately 600 m² of offices. There is a possibility for an extension of approximately 2.700 m² which has been envisaged on an adjoining 7.700 m² plot that has been reserved for this purpose and on which the footings have already been dug. The warehouses have a headroom of 5,97 metres. The loading bays are equipped with customised levellers.

Capitalisation
9,15%
Occupancy on 31-12-2006
100%
**▲ Value compared
with 31-12-2005**
-

**Grimbergen,
Industrieweg 16**

A 27.644 m² plot of industrial land, on part of the former Fabricom-GTI site, near the "Verbrande Brug" and the Cargovil industrial and distribution estate.
It is planned to construct a 15.081 m² heated distribution building there. The warehouse will have a headroom of 10,50 metres and will be equipped with 18 loading bays with levellers and shelters. An office area will be developed there, whose exact surface area will be defined by the future tenant.

Capitalisation
7,50%
Occupancy on 31-12-2006
-
▲ Value compared with 31-12-2005
-

**Jumet, Zoning industriel -
2nd street**

A 9.941 m² plot of land in the Jumet industrial estate, close to the A54, the R3 and the airport. Industrial premises totaling 4.477 m², part of which has an upper floor. The existing area has been renovated and extended. The site has another 346 m² of adjoining offices which still have to be renovated and 288 m² of recently constructed offices on a mezzanine above the loading bays. The property is entirely let to Conway (formerly Sügro) until 2016.

Capitalisation
7,60%
Occupancy on 31-12-2006
100%
▲ Value compared with 31-12-2005
+ 3,80%

**Kortenberg,
A. De Coninckstraat 2-4**

A recently constructed property on a plot of 10.663 m², entirely surrounded by the streets A. De Coninckstraat and J.B. Vinkstraat, in the Gulledele industrial estate.
The site includes an office building with floor-space of 710 m², along with two warehouses which both measure 2.344 and 1.061 m² of shared mezzanines. The warehouses have a headroom of 12,6 metres, are equipped with air heating systems and have 4 loading bays. One of them is equipped with shelving which can be moved around automatically. The property is entirely let to Link2Biz for a fixed term of 10 years.

Capitalisation
8,01%
Occupancy on 31-12-2006
100%
▲ Value compared with 31-12-2005
-

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

A 13.526 m² plot of land alongside the Leuven Canal, with a former industrial complex that was refurbished and modernised in the mid-1980s. The entire property includes 20.802 m² of areas rented out to 57 different tenants at market rates.

Capitalisation
11,70%
Occupancy on 31-12-2006
100%
▲ Value compared with 31-12-2005
+ 7,08%

**Merchtem, Wolvertemsesteenweg 1 -
Bleukenweg 5**

A 13.241 m² plot of land 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 m² with 8.515 m² of warehouses and cellars.
The main tenants are Fragodis, Calier & Co, Delfipar (Profi) and Alfor, whose leases will start to expire in 2007.

Capitalisation
7,86%
Occupancy on 31-12-2006
86,98%
▲ Value compared with 31-12-2005
- 0,43%

**Nivelles,
Rue du Bosquet**

A building is under construction on a 19.429 m² plot of industrial land in Zone II of the Nivelles-Sud industrial estate. It will be possible to divide the total 9.601 m² into 3 units, with approximately 180 m² of offices per unit, which can be potentially extended through mezzanine areas overlooking the loading bays. The warehouses will have a headroom of 10,5 metres. The work should be completed by April 2007. Negotiations with potential tenants have almost been finalised.

Capitalisation
8,37%
Occupancy on 31-12-2006
100%
▲ Value compared with 31-12-2005
+ 172,02%

**Puurs, Lichterstraat 31 -
Meersmansdreef**

A 23.569 m² plot of land on the edge of the Rijksweg 2 industrial estate.
The complex was built in 1974 and has 1.316 m² of offices and business spaces and 14.199 m² of warehouses with headroom of between 6,15 and 6,38 metres.
Fortis is suspending all of its activities in Puurs. The warehouses that will be vacated will be occupied by Distri-Log, which will then become the sole tenant of the entire complex, as from 1st March.

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

A 47.435 m² plot of land alongside the Rupel, mid way between the E19 (Rumst) and the A12 (Boom). The complete finalisation of unit 43 has increased the total area of the complex to 18.549 m², with 170 m² of offices and 3 residential units.
Acceptance of the new construction by the tenant ACB (2.639 m²) is planned for February 2007.

**Temse,
Kapelanielaan 10**

A 16.419 m² plot of land with 1.184 m² of offices and 8.913 m² of warehouses with headroom of between 6,36 and 7,35 metres, built in 1982. Let to Transport Bruno Meersman, NE Distriservice and Biscuiterie Seghers.

Capitalisation

7,71%

Occupancy on 31-12-2006

100%

▲ Value compared
with 31-12-2005

+ 2,43%

Capitalisation

9,63%

Occupancy on 31-12-2006

92,78%

▲ Value compared
with 31-12-2005

+ 5,60%

Capitalisation

7,22%

Occupancy on 31-12-2006

100%

▲ Value compared
with 31-12-2005

+ 12,26%

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

A 7.650 m² plot alongside the road connecting the E40 to the town and the Tirlmont-Hoegaarden road. The renovated complex consists of two discount stores with a total surface area of 1.852 m², leased to Profi and Fabrimode, and a 1.882 m² block that has been entirely converted into offices, which are leased to Sunnyland Distribution until 2010. The discount stores account for 36% of the rental income.

**Vilvoorde,
Jan Frans Willemsstraat 95**

A 13.853 m² plot of land in a recent industrial estate immediately alongside the Cargovil land. It is a former industrial complex, half of which was replaced in 2004 by new constructions, whilst the other half was renovated and transformed into 6.200 m² of warehouses with headroom of between 5,96 metres and 10 metres, and 180 m² of offices. The new warehouse has been let to Walon Nellessen, which will rent the entire complex as from 1st April.

**Vilvoorde,
Havendoklaan 13**

A 18.066 m² plot of land in the Cargovil business park, the back of which faces Woluwelaan. Easy access to the E19 and Luchthavenlaan. A renovated office building with a floor surface of 955 m² and a 3.150 m² warehouse with a headroom of 10,50 metres, completed in 2006.
A 1.621 m² building intended for Toyota is currently under construction. Fixed-term lease until the end of 2015.

Capitalisation

8,61%

Occupancy on 31-12-2006

100%

▲ Value compared
with 31-12-2005

+ 0,49%

Capitalisation

9,17%

Occupancy on 31-12-2006

100%

▲ Value compared
with 31-12-2005

+ 4,44%

Capitalisation

7,76%

Occupancy on 31-12-2006

100%

▲ Value compared
with 31-12-2005

+ 100,95%

**Zaventem,
Fabriekstraat 13**

A 14.501 m² plot of land within easy access of the Brussels ring road. It has a 701 m² office building constructed in 1984. The warehouses cover 6.811 m² and date from 1980, 1987 and 1993. Their headroom varies between 4,41 and 5,22 metres. Entirely let to the United States Embassy until 2008.

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

The two plots have a total surface area of 27.948 m² and are located in the Centre International de Transport, close to the E17. A 6.315 m² warehouse with a headroom of 9,80 metres, and 310 m² of offices were built in 1994 on plot 33. A similar building was built on plot 34. It includes 5.868 m² of warehouses and 504 m² of offices which were completed in March 2003. Both complexes are let to Frans Maas, partly until 2012 and partly on a short-term basis.

**FRANCE
Lille, Templemars,
Route de l'Epinoy 237/bis**

A 12.000 m² plot of land near the E17 and the airport. At the request of Tarkett, the tenant, the buildings are being extended and will include 2.935 m² of warehouses and 1.412 m² of offices. Completion is envisaged for the end of April 2007. A new lease has been signed for the entire property. It will run until the end of 2014.

Capitalisation
8,81%
Occupancy on 31-12-2006
100%
**▲ Value compared
with 31-12-2005**
+ 4,01%

Capitalisation
7,62%
Occupancy on 31-12-2006
100%
**▲ Value compared
with 31-12-2005**
+ 5,04%

Capitalisation
7,61%
Occupancy on 31-12-2006
100%
**▲ Value compared
with 31-12-2005**
+ 30,46%

**FRANCE
Neuville-en-Ferrain,
Sentier du Triez des Prêtres**

A 24.200 m² plot, accessible from the Rue de Reckem, in the Tourcoing-Nord industrial estate, near the E17/A22 junctions. Some 13.138 m² of warehouses with a headroom of 10 metres were built in 2006 and 355 m² of offices still have to be completed. Van Maercke, the developer, has provided a lease guarantee until the end of 2007. Negotiations are under way with several interested parties.

**CZECH REPUBLIC
Hradec Kralove,
Pilmarova 410**

A 8.289 m² plot alongside the ring, approximately 1 km to the North of the city centre. The site concentrates a large number of commercial outlets. The building, constructed in 1999, includes 2.400 m², divided equally into two commercial areas, with 124 parking spaces. Leased to It's Fashion and Okay.

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

This is a 13.189 m² plot of land, in one of the main commercial complexes in the outskirts of Prague. It includes a new 4.605 m² building completed at the end of 1999 with 100 parking spaces. The premises are fully let to Hilti and Okay.

Capitalisation
7,18%
Occupancy on 31-12-2006
100%
**▲ Value compared
with 31-12-2005**
-

Capitalisation
7,14%
Occupancy on 31-12-2006
100%
**▲ Value compared
with 31-12-2005**
+ 21,82%

Capitalisation
7,28%
Occupancy on 31-12-2006
100%
**▲ Value compared
with 31-12-2005**
+ 20,24%

3. Principal details of properties with a value of less than or equal to 2,5 million EUR

	Surface area (m²)				Capita- lisation (%)	Occupancy on 31-12-2006 (%)	▲ Value compared with 31-12-2005
	Land	Warehouses	Offices	Commercial			
Belgium							
Aalst							
Dendermondsesteenweg 75	9.195	-	-	4.501	8,21	100,00	+2,43
Aalst							
Denderstraat 54	7.518	2.964	576	-	7,95	100,00	+104,23
Beersel (Lot)							
Stationstraat 230	15.922	4.388	673	-	8,19	100,00	+4,76
Bierbeek							
Hoogstraat 35-35A	12.137	6.443	-	-	9,78	100,00	+5,12
Boom							
Groene Hofstraat 13	1.733	-	2.548	-	8,23	85,72	-23,88
Boom							
Kapelstraat (to be divided into plots)	4.292	-	-	-	-	-	+25,28
Boortmeerbeek							
Leuvensesteenweg 238 (project)	11.739	597	3.593	646	7,42	-	-12,67
Brussel (Neder-over-Heembeek)							
Vilvoordsesteenweg 146	6.450	4.257	685	-	8,63	94,69	-5,93
Genk							
Brikkenovenstraat	62.905	-	-	-	7,54	-	-
Haacht (Wespelaar)							
Dijkstraat 44	17.229	7.991	1.046	767	14,06	79,08	-2,99
Lebbeke (Wieze)							
Kapittelstraat 31	8.619	5.652	-	-	10,61	100,00	+39,58
Vilvoorde							
Steenkade 44	5.148	8.745	-	-	12,58	91,67	+4,78
Willebroek							
Breendonkstraat (land)	45.416	-	-	-	-	-	+5,28
Abroad							
Czech Republic							
Jablonec	2.750	-	-	1.075	8,55	100,00	+12,27
Ostry Roh 466 02							
Mlada Boleslav I	4.477	-	-	1.327	7,82	100,00	+14,59
Jicinska 1329							
Mlada Boleslav	67.965	-	-	-	-	-	-
Neprevazka (extension)							

The property portfolio is structured as follows (EUR):

	fair value*	insured value**	acquisition value ***
warehouses	383.802.100	336.044.088	281.346.266
offices	15.267.300	15.016.488	8.010.512
commercial	12.696.800	10.104.700	11.657.642
miscellaneous	20.788.500	34.157.858	12.976.665
TOTAL	432.554.700	395.323.135	313.991.086

*Fair value = including the value of the land and transaction costs 31-12-2006.

**Insured value = new construction value of the buildings.

***Acquisition value = historic purchase price + completed investments.

WDP shares

Share price

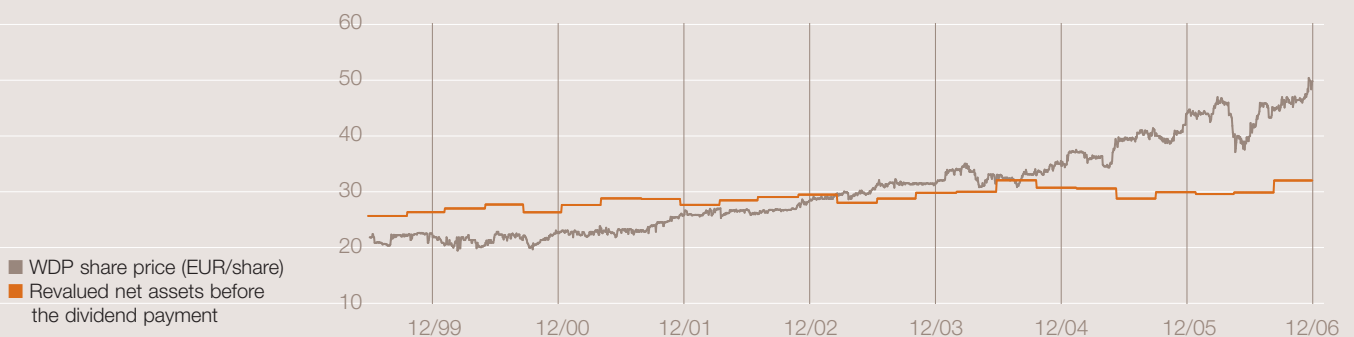
WDP share prices increased once again in 2006, from 44 EUR at the start of the year to almost 50 EUR at the end of December. The increase was mainly recorded in the second half of the year. The price remained stable until the dividend payout in May, with a minor peak of 46 EUR. Slight uneasiness in the market then resulted in a fall to 38 EUR, but the share price picked up again at the end of June, first reaching 40 EUR and then 45,50 EUR with the approach of the dividend payout on 22nd August. The increase in capital which took place on 31st August as part of the PLI transaction also sustained the price, which rose even higher in the autumn. The price was just under the 50 EUR mark at the end of December, but was exceeded in 2007.

The evolution of the price – and its stability – is notably explained by the fact that since 2005, WDP has been paying out an interim dividend, which makes it possible to distribute the share in the profits faster to shareholders. This distribution cushions the impact of the dividend payout on the share price.

Compared with the share's intrinsic value, i.e. 31,99 EUR, the closing price of 49,85 EUR on 31st December represents a premium of 56%. This is notably explained by the very low interest rates in Europe and by the fact that investors are seeking stable dividends.

But another factor is also involved. Shareholders and potential investors are increasingly aware of the added value offered by WDP, which greatly exceeds its intrinsic value, i.e. the purely arithmetic figure of the investment value of the various property assets. This added value arises notably from WDP's position as the market leader in Belgian semi-industrial property and the favourable tax system under which the cepic operates in both Belgium and France. The fact that WDP is a self-managed fund – with technical and commercial management in the company which is entirely at the service of its shareholders – is also highly appreciated by investors. In addition to this, WDP also develops its own logistical property, which enables it to obtain a better return than if it simply purchased properties from third parties.

Comparison between the share price and the revalued net assets



Turnover velocity and liquidity

The share turnover velocity – i.e. the number of shares traded in one year divided by the total number of shares at the end of the year – increased slightly to 38%, which amounts to over 13.000 shares per day.

This stability in its liquidity is explained by several factors. The first is the increasing interest in WDP shares, with property investments gaining further ground as an investment instrument. For institutional investors and private investors alike, these investments increasingly constitute an essential element in a diversified investment portfolio. The amount of free float was also increased from 70 to 72%, following the private placement of 8% of the shares by PLI at the end of August 2006. The payment of an interim dividend has a further favourable impact on share liquidity.

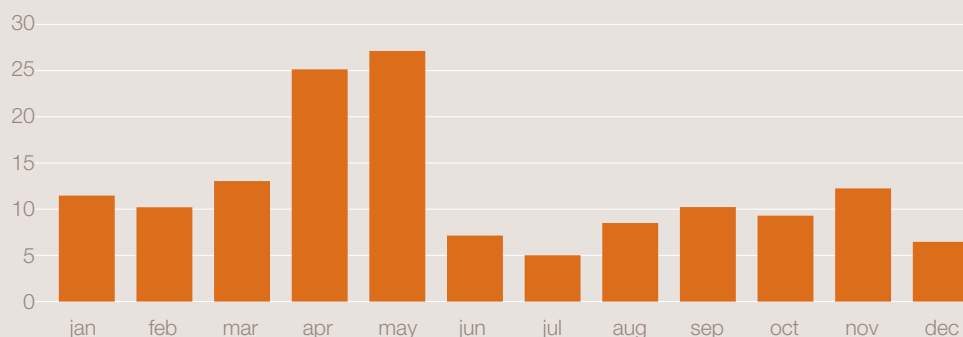
Return

The gross return for WDP shares in 2006 was 21,58%, an improvement on its average result of 19,16% on an annual basis since its stock market floatation in June 1999. WDP shares are also performing better than most other Belgian and European property securities. According to the Global Property Research GPR 250 EUROPE index, the average return on European listed property was 50% in 2006. According to the GPR 250 BELGIUM index, the average return on Belgian property shares over the same period was 18%, i.e. a slightly lower return than that of WDP shares.

See also the graph and the monthly update of figures on the www.wdp.be website.

In 2006, WDP progressed in line with the Bel20 index, whose gross return was 23,65%.

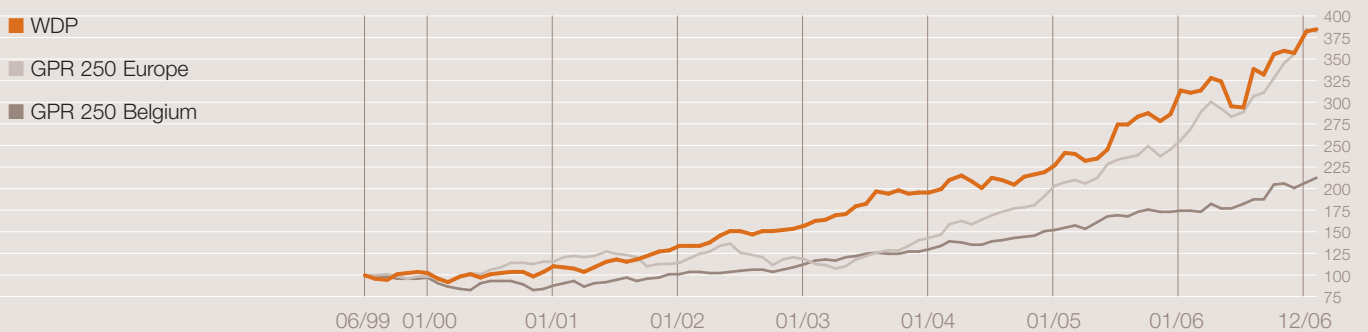
Evolution of the WDP share volume on Euronext Brussels in 2006 (EUR m)



Conclusion

The share's sound performance in 2006 confirms WDP's reputation as a stable investment. WDP effectively combines the solid reputation of property shares in general and a highly coherent niche strategy, supported by a strategic growth plan which is being conducted on schedule. Through the attention it focuses on the desiderata and specific requirements of European distributors and logistics firms, the cepic guarantees its continued growth in the semi-industrial property market. For its investors, this provides a guarantee of a stable dividend and stable, long-term income, together with growth prospects for the future.

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



*This table compares the return on WDP shares with that on the GPR 250 indexes, taking the situation on 30-06-1999 as a benchmark (100).

Figures per share (in EUR)	31-12-2006	31-12-2005	31-12-2004
Number of shares	8.592.721	7.885.249	7.885.249
Free float	72%	70%	70%
Market capitalisation	428.347.142	346.950.956	275.983.715
Traded volume in shares per year	3.291.286	2.717.445	2.914.667
Average daily volume in EUR	994.836	411.094	367.354
Velocity*	38,30%	34,46%	36,96%
Stock exchange price			
highest	50,45	44,96	35,50
lowest	36,75	34,30	30,75
closing	49,85	44,00	35,00
Net asset value after profit distribution	31,17	27,48	27,44
Dividend payout ratio	90%	94%	96%
	12m	12m	12m
Operating profit/share**	2,75	2,56	2,56
Gross dividend/share**	2,47	2,47	2,47
Net dividend/share**	2,10	2,10	2,10

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

**Based on a weighting factor (first 8 months of 2006: 7.885.249 shares, as from September 2006: 8.592.721 shares).

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



Agenda (for update: see www.wdp.be)

General meeting	Wednesday 25th April 2007 10 a.m. (annually on the last Wednesday in April)
2006 dividend payout on coupon n° 12	from Wednesday 2nd May 2007
Publication of 1st quarter results	Tuesday 15th May 2007
Publication of half-yearly results 2007	Tuesday 28th August 2007
2007 interim dividend payout on coupon n° 13	Wednesday 5th September 2007
Publication of 3rd quarter results	Tuesday 20th November 2007
Announcement of annual results 2007	week 9 2008

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 partnership limited by shares (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 properties.

Closed-End Property Investment Companies have been in existence for a long time in various countries. Real Estate Investment Trusts (REIT) were also introduced in the United States in the 1960s, even though they only really became popular in the 1990s. Similar structures are now found in Australia, Japan, the Netherlands (FBI or Fiscale Beleggingsinstellingen), Luxembourg, France (SIIC or Sociétés d’Investissement Immobilier Cotées), Italy (FII or Fondi di Investimento Immobiliare) and of course in Belgium. In Belgium, the legal structure for Closed-End Property Investment Companies has been in place since 1990, although the rights and obligations of this instrument were not defined in concrete terms until 1995. This investment instrument was created by the 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. Since then, Great Britain and Germany have also taken legal measures to create similar investment companies. Property Investment Funds (PIF) and “German REIT” or “G-REIT” should be created in these countries respectively in the near future.

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 opted for SIIC status for WDP France, in order to be able to benefit from fiscal advantages there related to the Closed-End Investment Company status.

The fiscal characteristics of sicafs and SIICs are quite similar (cf. the table below): 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” charge 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 charge applicable to sicafs was fixed at 16,5% (17% if we include the additional emergency tax). The payment of the exit charge 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 profits have to be distributed at the end of the year following that in which it was earned. Also with regard to SIICs, dividends from subsidiaries which are exempt from corporate taxation have to be entirely distributed during the year when they are 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. In France, it has to be 40%. SIICs are not restricted to a maximum gearing ratio. Sicafs on the other hand previously had a maximum gearing ratio of 50%, which has now been raised to 65% by the Royal Decree of 21st June 2006.

	Belgium (sicaf)	France (SIIC)
Year of creation	1990	2003
Corporate taxation	0%*	0%
Exit charge	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)
Minimum free float (%)	30%	40%
Maximum authorised gearing ratio	65% maximum	No restriction



*Except for disapproved expenditure or abnormal or fringe benefits.

The landscape of sicafs and SIIC

At the end of December 2006, there were 14 Closed-End Property Investment Companies operating in various sectors of the Belgian property market:

office buildings:	Befimmo, Cofinimmo
commercial premises:	Intervest Retail, Retail Estates, Asencio
residential:	Home Invest Belgium, Serviceflats Invest, Aedifica
semi-industrial:	WDP, Montea
mixed:	Intervest Offices, Leasinvest RE, Warehouses Estates Belgium, Wereldhave Belgium

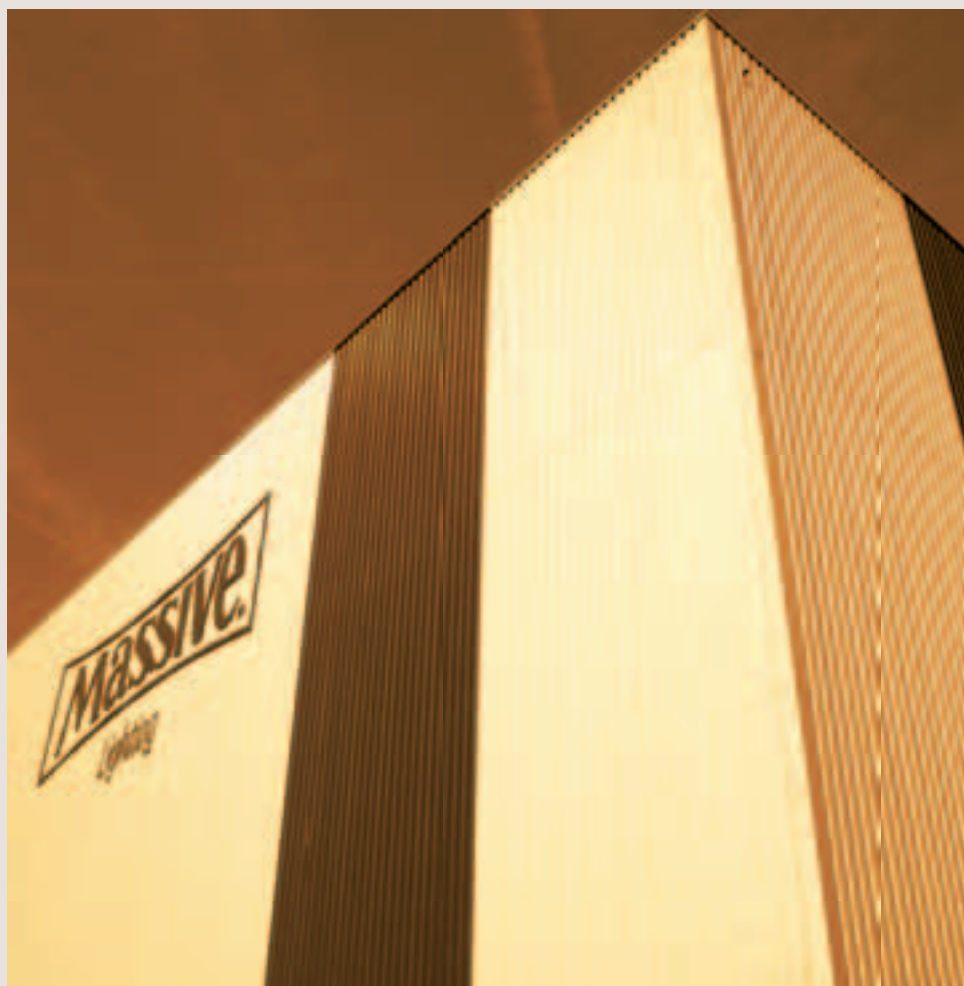
In France, most French and foreign SIICs operate both in the office premises market and in commercial spaces, sometimes even in combination with residential property. They rarely invest in industrial or semi-industrial premises.

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;
- portfolio management is conducted 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 their 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.

Annual financial statements



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Balance sheet - Liabilities

	31-12-2006 EUR (x 1.000)	31-12-2005 EUR (x 1.000)
CAPITAL AND RESERVES (note IX)	274.926	227.330
A. Capital (note X)	68.913	79.498
D. Reserves (note XI)	184.983	125.030
E. Result (note XII)	31.016	32.296
F. Impact on the fair value of costs and transfer taxes estimated at the time of the notional transfer of the investment property and of the valuation of development projects at cost	-11.743	-9.494
H. Translation differences	1.757	0
LIABILITIES	182.274	126.653
I. Non-current liabilities	7.470	5.466
A. Provisions (note XIII)	970	1.762
B. Non-current financial liabilities (note XIV)	2.192	2.505
- Credit institutions	2.192	2.505
F. Deferred tax liabilities	4.308	1.199
- Exit tax	2.159	0
- Other	2.149	1.199
II. Current liabilities	174.804	121.187
B. Current financial liabilities (note XIV)	160.714	110.434
- Credit institutions	160.714	110.434
D. Trade payables and other current debts	7.479	6.636
- Suppliers	5.587	4.083
- Tax, salary and social security	1.892	2.553
E. Other current liabilities (note XV)	5.250	3.186
- Other	5.250	3.186
F. Accrued charges and deferred income	1.361	931
TOTAL LIABILITIES	457.200	353.983

Income statement

	31-12-2006 EUR (x 1.000)	31-12-2005 EUR (x 1.000)
I. Rental income (note XVII)	30.263	27.139
Rents	30.054	26.473
Indemnification for early termination of lease	209	666
III. Rental charges (note XVIII)	-340	-182
Rent to be paid for leased premises	-148	-141
Valuation allowances for trade receivables and reversals	-317	-41
Reversal of valuation allowances for trade receivables	125	0
NET RENTAL RESULT	29.923	26.957
V. Recovery of rental charges normally paid by the tenant for leased properties (note XIX)	3.542	3.055
Re-invoicing of rental charges paid out by the owner	1.630	1.247
Re-invoicing of advance property levy and taxes on leased properties	1.912	1.808
VII. Rental charges and tax normally paid by the tenant for leased properties (note XIX)	-3.922	-3.528
Rental charges paid out by the owner	-1.631	-1.340
Advance levies and taxes on leased property	-2.291	-2.188
VIII. Other income and charges related to leases (note XX)	351	323
Property management fees	351	323
PROPERTY RESULT	29.894	26.807
IX. Technical costs (note XXI)	-610	-636
Recurrent technical costs	-685	-836
- Repairs	-342	-483
- Insurance premiums	-343	-353
Non-recurrent technical costs	75	200
- Major repairs (building contractors, architects, engineering firm, etc.)	107	206
- Accidents	-106	-48
- Compensation claims by insurers	74	42
X. Commercial costs (note XXII)	-323	-250
Agency commissions	-126	-111
Advertising	-136	-108
Lawyers fees and legal costs	-61	-31
XII. Property management costs (note XXIII)	-175	-160
Fees paid to (external) managers	-42	-39
(Internal) property management charges	-133	-121
XIII. Other property charges	-10	0
PROPERTY CHARGES	-1.118	-1.046
PROPERTY OPERATING RESULT	28.776	25.761
XIV. General company expenses	-1.983	-1.812
XV. Other operating income and charges	14	0
OPERATING RESULT BEFORE PORTFOLIO RESULT	26.807	23.949

	31-12-2006 EUR (x 1.000)	31-12-2005 EUR (x 1.000)
XVI. Result from sale of investment property (note XXVI)	-1.593	-206
Net property sales	12.810	3.089
Book value of properties sold	-14.403	-3.117
Result from the sale of a subsidiary outside the group	0	-178
XVIII. Variations in the fair value of investment property (note XXVII)	17.884	9.665
Positive variations in the fair value of investment property	22.630	13.537
Negative variations in the fair value of investment property	-3.443	-5.859
Deferred tax on market fluctuations	-501	-243
Impairment of assets under construction (established and reversed)	-435	1.343
Reversal of deferred tax on market value fluctuations	0	1.318
Deferred tax on reversal of amortisation	-367	-432
OPERATING RESULT	43.098	33.408
XIX. Financial income (note XXVIII)	3.769	672
Interest and dividends received	243	72
Remuneration of financial leasing and related products	36	0
Capital gains from the revaluation of financial instruments	3.455	582
Other financial income	35	18
XX. Interest charges	-4.579	-4.210
Nominal interest on loans	-4.853	-3.625
Reconstituted nominal value of financial debts	0	-555
Recognised interest during construction	307	78
Charges for financial instruments used for hedging purposes	-31	-108
Other interest charges	-2	0
XXI. Other financial charges	-28	-44
Bank charges and other commissions	-26	-32
Other financial charges	-2	-12
FINANCIAL RESULT	-838	-3.582
PRE-TAX RESULT	42.260	29.826
XXIII. Corporate taxation	-215	405
Corporate taxation	-424	-125
Future tax benefits resulting from recoverable losses	209	530
XXIV. Exit tax	0	-1.289
TAXATION (note XXIX)	-215	-884
NET RESULT	42.045	28.942
NUMBER OF SHARES	8.592.721	7.885.249
PROFIT PER SHARE (EUR)	5,18*	3,67

*Based on a weighting factor (first 8 months of 2006: 7.885.249 shares, as from September 2006: 8.592.721 shares).

Notes

I. CONSOLIDATION METHOD 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 profits are 100% eliminated.

II. INFORMATION ABOUT THE SUBSIDIARIES

Participating
interest

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 France s.a.r.l. - Rue Cantrelle 28 - 36000 Châteauroux - France	100%
WDP Nederland bv - Postbus 128 - 5300 AC Zaltbommel - The Netherlands	100%
De Polken nv - Blakenberg 15 - 1861 Wolvertem	100%
Willebroekse Beleggingsmaatschappij nv - Blakenberg 15 - 1861 Wolvertem	100%

III. STATEMENT OF INTANGIBLE ASSETS (asset item B) (in EUR thousands)

Software

ACQUISITION COST

At the end of the previous period	87
Movements during the period:	
- Acquisitions, including produced fixed assets	23
- Disposals and retirements	-20

AT THE END OF THE PERIOD 90

DEPRECIATION AND AMOUNTS WRITTEN DOWN

At the end of the preceding period	64
Movements during the period:	
- Recorded or reversed in the income statement	11
- Sales and disposals	-20

AT THE END OF THE PERIOD 55

NET BOOK VALUE AT THE END OF THE PERIOD 35

IV. INVESTMENT PROPERTY - STATEMENT OF CHANGES (asset item C) (in EUR thousands)

	Year ending 31-12-2006			Year ending 31-12-2005		
	Western Europe	Central and Eastern Europe	Total	Western Europe	Central and Eastern Europe	Total
AT 01-01	315.464	18.516	333.980	321.888	11.615	333.503
Capital expenditure (external suppliers)	16.621	1.158	17.779	6.631	3.720	10.351
Capitalisation of own personnel costs	338	6	344	292	0	292
Interim interest	86	71	157	26	0	26
New acquisitions	5.057	0	5.057	0	0	0
Contribution of investment properties resulting from the partial split of Partners in Lighting International	29.415	0	29.415	0	0	0
Acquisition of investment properties by means of share-based payment transactions	8.589	0	8.589	0	0	0
Transfers from (to) development projects	13.765	0	13.765	4.473	490	4.963
Disposals	-14.326	-5	-14.331	-22.834	0	-22.834
Fair value variations	17.332	1.855	19.187	4.988	2.691	7.679
AT 31-12	392.341	21.601	413.942	315.464	18.516	333.980

V. PROJECT DEVELOPMENTS - STATEMENT OF CHANGES (asset item D) (in EUR thousands)

	Year ending 31-12-2006			Year ending 31-12-2005		
	Western Europe	Central and Eastern Europe	Total	Western Europe	Central and Eastern Europe	Total
AT 01-01	8.901	0	8.901	6.884	0	6.884
Capital expenditure (external suppliers)	11.278	0	11.278	1.279	490	1.769
Capitalisation of own personnel costs	172	0	172	73	0	73
Interim interest	220	0	220	51	0	51
New acquisitions	4.744	0	4.744	3.744	0	3.744
Acquisition of investment properties by means of share-based payment transactions	4.583	0	4.583	0	0	0
Transfers from/to investment properties	-13.765	0	-13.765	-4.473	-490	-4.963
Disposals	-14	0	-14	0	0	0
Depreciation (established/reversed)	-435	0	-435	1.343	0	1.343
AT 31-12	15.684	0	15.684	8.901	0	8.901

Notes (continued)

VI. STATEMENT OF OTHER TANGIBLE FIXED ASSETS (asset item E) (in EUR thousands)

	Plant, machinery and equipment	Furniture and vehicles	Other tangible assets	Total
a) ACQUISITION COST				
At the end of the previous year	449	684	42	1.175
Movements during the year:				
- New acquisitions		364	225	589
- Subsequent expenditure capitalised				
- Transfers from one heading to another		-130		-130
- Sales and disposals				
AT THE END OF THE PERIOD	449	918	267	1.634
b) REVALUATION SURPLUSES				
At the end of the previous year				
Movements during the year:				
- Recorded				
- Transfers from one heading to another				
- Reversals				
AT THE END OF THE PERIOD				
c) DEPRECIATION AND AMOUNTS WRITTEN DOWN				
At the end of the previous year	187	446	17	650
Movements during the year:				
- Recorded or reversed in the income statement	18	94	2	114
- Transfers from one heading to another				
- Reversals		-83		-83
AT THE END OF THE PERIOD	205	457	19	681
d) NET BOOK VALUE AT THE END OF THE PERIOD	244	461	248	953

VII. FINANCING LEASE RECEIVABLES (asset items I.G and II.C) (in EUR thousands)

	Amounts payable current portion		
	not more than 1 year	between 1 and 5 years	over 5 years
Breakdown of receivables with an initial duration of more than one year, according to their residual duration (asset items I.G and II.C)	68	321	107
TOTAL	68	321	107

VIII. TAX ASSETS AND OTHER CURRENT ASSETS (in EUR thousands)

	Year ending 31-12-2006	Year ending 31-12-2005
Taxation	1.152	1.265
Receivables from purchasers of property assets	12.787	163
Other	120	124
TOTAL	14.059	1.552

Notes (continued)

IX. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(in EUR thousands)

	Subscribed capital	Legal reserves	Available reserves	Reserves not available for distribution	Total reserves
SHAREHOLDERS' EQUITY ON 31-12-2005	79.498	76	286	124.668	125.030
Increase in capital on the occasion of the partial split of Partners in Lighting International	29.415				
Reduction in capital upon the creation of available reserves	-40.000	0	40.000	0	40.000
Dividends paid out					
Shareholders' remaining dividend (for 2005)					
Shareholders' interim dividends (for 2006)					
Addition of reserves for the financial year from WDP CZ to legal reserves		29			29
Annual result					
Increase in the value of the property portfolio		0	0	17.884	17.884
Other		0	-98	0	-98
Adjustments to the impact of estimated transfer taxes on the occasion of the recent increase in value of the property portfolio		0	0	2.249	2.249
Czech translation differences for the 2006 financial year			-111		-111
SHAREHOLDERS' EQUITY ON 31-12-2006	68.913	105	40.077	144.801	184.983

	Result brought forward from the previous financial year	Annual result	Result	Impact*	Translation differences	Total shareholders' equity
SHAREHOLDERS' EQUITY ON 31-12-2005	21.831	10.465	32.296	-9.494	0	227.330
Increase in capital on the occasion of the partial split of Partners in Lighting International						29.415
Reduction in capital upon the creation of available reserves						0
Dividends paid out						
Shareholders' remaining dividend (for 2005)	-203	-10.465	-10.668			-10.668
Shareholders' interim dividends (for 2006)	0	-12.987	-12.987			-12.987
Addition of reserves for the financial year from WDP CZ to legal reserves		-29	-29			0
Annual result	0	42.045	42.045			42.045
Increase in the value of the property portfolio	0	-17.884	-17.884			0
Other						-98
Adjustments to the impact of estimated transfer taxes on the occasion of the recent increase in value of the property portfolio				-2.249		0
Czech translation differences for the 2006 financial year	-1.757	0	-1.757		1.757	-111
SHAREHOLDERS' EQUITY ON 31-12-2006	19.871	11.145	31.016	-11.743	1.757	274.926

*Impact on the fair value of transfer costs and taxes estimated at the time of the notional transfer of the investment property and of the valuation of development projects at cost price.

X. CAPITAL (liabilities item A) (in EUR thousands)

	Year ending 31-12-2006	Year ending 31-12-2005
Creation of Rederij De Pauw	50	50
Capital increase through incorporation of reserves	12	12
Capital increase by public issue (incl. premium on share issue)	69.558	69.558
Capital increase through merger and demerger transactions	53	53
Capital increase through incorporation of reserves with a view to rounding up in euros	327	327
Capital increase to defray losses	-20.575	-20.575
Capital increase resulting from the takeover of Caresta	2.429	2.429
Capital increase through incorporation of reserves with a view to rounding up in euros	46	46
Capital increase by public issue (incl. premium on share issue)	27.598	27.598
Increase in capital on the occasion of the partial split of Partners in Lighting International	29.415	0
Reduction in capital upon the creation of available reserves	-40.000	0
TOTAL	68.913	79.498

XI. RESERVES (liabilities item D) (in EUR thousands)

	Year ending 31-12-2006
Available reserves	40.077
Unavailable reserves	144.801
Legal reserves	105
	184.983

XII. RESULT BROUGHT FORWARD (liabilities item E) (in EUR thousands)

	Year ending 31-12-2006
Result brought forward from previous years	19.871
Annual result	11.145
Profit to be carried forward	34.597
Proposed dividend	-23.452
	31.016

Notes (continued)

XIII. PROVISIONS (liabilities item I.A) (in EUR thousands)

Nature of the liabilities	Belgium		
	Taxation (exit tax)	Reme- diation	Disputes
Opening balance	704	740	172
Other provisions		678	
Amounts used	-704	-2	
Unused amounts reversed		-678	-86
Transferred to other entities outside the group			
CLOSING BALANCE	0	738	86
Expected deadline for utilisation of provisions	-	< 5 years	uncertain

Nature of the liabilities (continued)	Italy	France	TOTAL
	Guarantees in Italy on disposal of shareholding	Provision for potential tax adjustment	
Opening balance	131	15	1.762
Other provisions		-	678
Amounts used			-706
Unused amounts reversed			-764
Transferred to other entities outside the group			0
CLOSING BALANCE	131	15	970
Expected deadline for utilisation of provisions	< 5 years	< 5 years	-

XIV. STATEMENT OF AMOUNTS PAYABLE (items I.B and II.B of liabilities) (in EUR thousands)

	Amounts payable maturing		
	within one year	between one and 5 years	after 5 years
A. Breakdown of amounts payable with an initial duration of more than one year, according to their residual duration (liabilities items I.B and II.B)			
Financial debts			
4. Credit organisations	313	1.253	939
B. Current debts (liabilities item II.B)			
Financial debts			
4. Credit organisations	160.401		
TOTAL	160.714	1.253	939

XV. OTHER CURRENT LIABILITIES (liabilities item II.E) (in EUR thousands)

	Year ending 31-12-2006	Year ending 31-12-2005
Purchase price of new buildings	4.830	2.703
Outstanding dividends payable for previous financial years	360	439
Deposits and rental guarantees received	45	38
Other	15	6
TOTAL	5.250	3.186

XVI. GROSS RENT PER GEOGRAPHIC SECTOR (in EUR thousands)

	Year ending 31-12-2006			Year ending 31-12-2005		
	Western Europe	Central and Eastern Europe	Total	Western Europe	Central and Eastern Europe	Total
Gross rental income	28.560	1.587	30.147	25.376	1.105	26.481
TOTAL	28.560	1.587	30.147	25.376	1.105	26.481

XVII. RENTAL INCOME (income statement I) (in EUR thousands)

	Year ending 31-12-2006			Year ending 31-12-2005		
	Western Europe	Central and Eastern Europe	Total	Western Europe	Central and Eastern Europe	Total
Rental income	28.467	1.587	30.054	25.368	1.105	26.473
Indemnities for early termination of leases	209	0	209	666	0	666
TOTAL	28.676	1.587	30.263	26.034	1.105	27.139

Notes (continued)

XVIII. CHARGES ASSOCIATED WITH RENTAL (income statement III) (in EUR thousands)

	Year ending 31-12-2006	Year ending 31-12-2005
Rent to be paid on rented assets	-148	-141
Valuation allowances for trade receivables	-317	-41
Reversal of valuation allowances for trade receivables	125	0
TOTAL	-340	-182

The rent payable for rented assets concerns concession charges paid for land at the Port of Antwerp and in Grimbergen.

XIX. RENTAL CHARGES AND TAX AND THEIR RECOVERY (income statement V and VII)
(in EUR thousands)

	Year ending 31-12-2006	Year ending 31-12-2005
Re-invoicing of rental charges paid out by the owner	1.630	1.247
Invoicing of advance property levy and taxes on leased properties	1.912	1.808
Rental charges paid out by the owner	-1.631	-1.340
Advance levies and taxes on leased property	-2.291	-2.188
TOTAL	-380	-473
Net rental charges (rental charges that can not be re-invoiced)	-1	-93
Net advance levies and taxes (advance levies that can not be re-invoiced)	-379	-380
TOTAL	-380	-473

XX. OTHER INCOME AND EXPENDITURE RELATED TO RENTALS (income statement VII)
(in EUR thousands)

	Year ending 31-12-2006	Year ending 31-12-2005
Management fees received	351	323
TOTAL	351	323

XXI. TECHNICAL COSTS (income statement IX) (in EUR thousands)

	Year ending 31-12-2006	Year ending 31-12-2005
Recurrent technical costs	-685	-836
Repairs	-342	-483
Insurance premiums	-343	-353
Non-recurrent technical costs	75	200
Major repairs (building contractors, architects, engineering firm, etc.)	107	206
Accidents	-106	-48
Indemnities paid by insurers for claims	74	42
TOTAL	-610	-636

XXII. COMMERCIAL COSTS (income statement X) (in EUR thousands)

	Year ending 31-12-2006	Year ending 31-12-2005
Agency commissions	-126	-111
Advertising	-136	-108
Lawyers' fees and legal costs	-61	-31
TOTAL	-323	-250

Agency commissions relating to initial rentals are capitalised.

Agency commissions relating to subsequent leasing are recorded in the result in instalments over the duration of the relevant lease (first possibility for termination).

XXIII. PROPERTY MANAGEMENT COSTS (income statement XII) (in EUR thousands)

	Year ending 31-12-2006	Year ending 31-12-2005
External management fees	-42	-39
Property management costs (internal)	-133	-121
TOTAL	-175	-160

Internal property management costs essentially relate to salaries for technical and unskilled employees. WDP invoices fees to its tenants for this management (posted in the "other rental income" item).

XXIV. AVERAGE WORKFORCE AND BREAKDOWN OF MEMBERS OF PERSONNEL
(in EUR thousands)

	Year ending 31-12-2006	Year ending 31-12-2005
In fully consolidated companies		
Average workforce	13,8	12,3
a) Unskilled	5,4	4,0
b) Employees	8,4	8,3
Personnel costs	778	676
a) Remuneration and direct fringe benefits	441	415
b) Employer's national insurance contributions	189	177
c) Employer's supplementary insurance premiums	35	33
d) Other personnel costs	113	51

Notes (continued)

XXV. SALES

The (parts of the) following properties were sold during the course of 2006:

BELGIUM

Neder-Over-Heembeek, Vilvoordsesteenweg 146 - Meudonstraat

The 16a 38ca plot of land (Meudonstraat 2) which was fully owned and the 10a 46ca plot (Meudonstraat 2) which was jointly owned, were sold. The plots are situated in an industrial estate alongside the Brussels-Willebroek canal.

Merchtem, Kattestraat 27

A 6.060 m² plot of land in the centre of Merchtem and another 1.423 m² plot on the other side of the road, used as a car park. The building (the former "Ginder Ale" brewery) has a total rentable surface area of 10.798 m², 4.661 m² of which are on the ground floor, with headroom of between 7,5 and 8 metres. The remaining 6.137 m² are divided between four floors and have headroom of 4 metres.

Temse, Kapelanielaan 10

A 16.419 m² plot of land close to the E17. The buildings include 1.184 m² of offices and 8.913 m² of warehouses with headroom of between 6,36 and 7,35 metres, built in 1982.

Mechelen, Olivetenvest 4-8

A 4.272 m² plot of land in an advantageous location in terms of advertising, alongside the ring road and close to several chain stores. The building has three discount areas with a total of 2.367 m² of warehouses on the ground level and 736 m² of warehouses in the basement.

Molenbeek Saint-Jean, Rue Delaunoy 58-94

A plot of 10.271 m² in a densely built-up district between Chaussée de Ninove and Chaussée de Gand. An industrial building – the former Belle-Vue brewery – with approximately 21.061 m² of rentable surface area in the basement (931 m²), ground floor (7.128 m² + 2.040 m² car park) and six floors. Most of this property has already been renovated and reorganised into multi-purpose areas for shows, exhibitions and workshops. A call option was granted in 2003 to the ASBL Ligue d'Entraide Islamique for the 3.253 m² plot (including a 1.616 m² warehouse with headroom of 6 metres) on Rue Delaunoy 34-36. At the end of 2006, this option had still not been exercised.

Vilvoorde, Willem Elsschot 5 - Frans Willemsstraat

A 47.203 m² plot of land next to the Zenne, in a recently developed industrial estate within easy access of the Brussels motorway ring and the E19, immediately alongside the Cargovil land, where several large logistics and distribution companies are based or are planning to establish premises. The existing buildings were entirely renovated in 1996-1997. New constructions were completed in 1999, 2004 and 2005. The complex has a total of 1.875 m² of offices and 19.180 m² of warehouses with headroom of between 6 and 8 metres. A 1a 35ca plot of land along with the underground pipe in a 40ca plot were sold in 2006.

CZECH REPUBLIC

Mlada Boleslav III

Several m² in the total Mlada Boleslav III plot were sold. This involved an insignificant area in terms of m².

XXVI. RESULTS FROM THE SALE OF INVESTMENT PROPERTIES (income statement XVI) (in EUR thousands)

	Year ending 31-12-2006
Total sales price of property assets sold	12.810
Book value of properties sold	-14.403
RESULT FROM SALE OF INVESTMENT PROPERTY	-1.593

XXVII. VARIATIONS IN THE FAIR VALUE OF INVESTMENT PROPERTIES (income statement XVIII) (in EUR thousands)

	Year ending 31-12-2006			Year ending 31-12-2005		
	Western Europe	Central and Eastern Europe	Total	Western Europe	Central and Eastern Europe	Total
Unrealised capital gain on existing properties	19.628	2.623	22.251	13.537	0	13.537
Unrealised capital loss on existing properties	-2.674	-769	-3.443	-5.859	0	-5.859
Unrealised capital gain on new properties	379	0	379	0	0	0
Depreciation of development projects (establishment and reversal)	-607	0	-607	-132	0	-132
Reversal of depreciation for assets under construction during the prev. year which were completed during the year	172	0	172	1.475	0	1.475
Deferred tax on market value fluctuations	-19	-482	-501	431	-674	-243
Reversal of deferred tax on market value fluctuations	0	0	0	1.319	0	1.319
Deferred tax on reversal of amortisation	-170	-197	-367	-181	-251	-432
TOTAL	16.709	1.175	17.884	10.590	-925	9.665

XXVIII. FINANCIAL INCOME (income statement XIX) (in EUR thousands)

	Year ending 31-12-2006	Year ending 31-12-2005
Variations in fair value IRS (IAS 39)	3.455	582
Interest and dividends received	243	72
Remuneration of financial leasing and related products	36	0
Other financial income	35	18
TOTAL	3.769	672

XXIX. TAXATION (in EUR thousands)

	Year ending 31-12-2006	Year ending 31-12-2005
Potential taxation charges (income)	-211	-1.352
Adjustments recognised during the year on taxation due relating to previous years	30	-21
Amount of the deferred tax charge (income) resulting from the origination and reversal of timing differences	-34	-11
Amount of the deferred tax charge (income) resulting from changes in the taxation rate or for new taxes imposed	0	500
TOTAL	-215	-884

Notes (continued)

XXX. TRANSACTIONS BETWEEN ASSOCIATED COMPANIES (in EUR thousands)

Year ending
31-12-2006

Director indemnification invoiced by the management board De Pauw NV to WDP	530
TOTAL	530

XXXI. OFF-BALANCE-SHEET RIGHTS AND COMMITMENTS

- Commitment in favour of Dexia, CBC and Fortis Bank not to further mortgage fixed assets in Belgium or establish proxies for this purpose (negative pledge).
- Financial securities worth 0,930 million EUR pledged in favour of the Flemish waste management company (OVAM).
- The estimated investment cost for the completion of projects in progress is 45 million EUR.

Interest rate hedging (IRS)

amount (x 1.000 EUR)	remaining duration on 01-01-2007	interest rate
25.000	2 days	3,35%
10.000	2 years	2,98%
15.000	2 years and 11,5 months	3,73%
10.000	4 years	3,16%
10.000	4 years	3,85%
15.000	6 years	3,35%
5.000	7 years	3,39%
10.000	7 years	3,39%
5.000	8 years	4,11%
5.000	8 years	4,05%
20.000	9 years	3,19%
10.000	9 years and 11,5 months	3,88%
5.000	12 years	4,26%
5.000	12 years	4,18%

- 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 initially matured on 30th June 2005. It was decided to prolong it for an unlimited duration, whilst awaiting the requisite environmental certificates. If the buyer exercises the option, the 100.000 EUR paid will be considered to be a down payment on the selling price.
- WDP gave a mandate to DTZ Italia to sell the shares of WDP Italia Srl. The effective sale of WDP Italia shares was agreed with the firm Ercolano Immobiliare. The company under Luxembourg law Fin Mag International nevertheless claimed that a contract had been established between WDP and Fin Mag International through their unconditional acceptance on 02-09-2005 of the draft contract sent to it by DTZ Italia. In October 2006, Fin Mag International took WDP to court, claiming 6,1 million EUR in damages. Supported by its legal advisers, WDP is disputing these claims.

Notes (continued)

ANALYTICAL PRESENTATION BY GEOGRAPHIC SEGMENT

	Western Europe 2006	Central and Eastern Europe 2006	TOTAL 2006	Western Europe 2005	Central and Eastern Europe 2005	TOTAL 2005
Operating income	29.036	1.584	30.620	26.013	1.112	27.125
Net rental income	27.805	1.580	29.385	24.728	1.097	25.825
Other operating income	1.231	4	1.235	1.285	15	1.300
Operating charges	-3.707	-107	-3.814	-3.049	-125	-3.174
Property management costs	-1.004	-56	-1.060	-1.086	-51	-1.137
General incidental expenses	-2.703	-51	-2.754	-1.963	-74	-2.037
Operating result	25.329	1.477	26.806	22.964	987	23.951
Financial income	3.723	46	3.769	660	11	671
Financial charges	-4.450	-156	-4.606	-4.223	-31	-4.254
Pre-tax operating result	24.602	1.367	25.969	19.401	967	20.368
Taxation	-78	-137	-215	404	0	404
Operating results	24.524	1.230	25.754	19.805	967	20.772
Portfolio result	15.108	1.183	16.291	6.406	1.764	8.170
Reversal of unrealised capital gain	0	0	0	0	0	0
Disposal in Italy	0	0	0	-178	0	-178
Realised capital gains and losses	-1.600	7	-1.593	-28	0	-28
Unrealised capital gains	20.006	1.855	21.861	10.846	2.691	13.537
Unrealised capital losses	-2.675	0	-2.675	-5.859	0	-5.859
Impairment (posted)	-675	0	-675	-1.288	0	-1.288
Impairment (reversed)	241	0	241	2.631	0	2.631
Deferred tax on market value fluctuations	-19	-482	-501	1.751	-676	1.075
Deferred tax on reversal of amortisation	-170	-197	-367	-181	-251	-432
Exit tax (change in the tax system)	0	0	0	-1.288	0	-1.288
TOTAL RESULT	39.632	2.413	42.045	26.211	2.731	28.942

ASSETS AND LIABILITIES PER GEOGRAPHIC SEGMENT

	Western Europe	Central and Eastern Europe	TOTAL
Assets			
Intangible assets	35	0	35
Investment property	392.341	21.601	413.942
Development projects	15.684	0	15.684
Other tangible assets	732	221	953
Financing lease receivables	428	0	428
Amounts receivable after more than one year	3.639	0	3.639
Deferred tax assets	836	0	836
Financing lease receivables	68	0	68
Trade receivables	2.855	304	3.159
Other receivables	14.015	44	14.059
Cash and cash equivalents	1.570	1.450	3.020
Deferred charges and accrued income	1.373	4	1.377
TOTAL ASSETS	433.576	23.624	457.200
Shareholders' equity			
Capital	68.913	0	68.913
Reserves	183.381	1.602	184.983
Result	29.872	1.144	31.016
Impact on the fair value of transfer costs and taxes estimated at the time of the notional transfer of investment property (-)	-11.192	-551	-11.743
Translation differences	0	1.757	1.757
TOTAL SHAREHOLDERS' EQUITY	270.974	3.952	274.926
Liabilities			
Provisions	970	0	970
Deferred tax	1.925	2.383	4.308
Non-current financial debts	2.192	0	2.192
Current financial debts	155.264	5.450	160.714
Current trade debts	5.467	120	5.587
Social security and fiscal debt	1.817	75	1.892
Other current debts	5.239	11	5.250
Accrued charges and deferred income	1.002	359	1.361
TOTAL LIABILITIES	173.876	8.398	182.274

Notes to the balance sheet

Intangible assets

Intangible assets refer to the recognition of management and accounting software (34.914 EUR).

Tangible assets

For the first time this year, tangible assets have been valued at their fair value in accordance with IFRS rules, as established by the independent chartered surveyor, Stadim SCRL on 31st December 2006. For further details on the precise valuation method, please refer to the press release of 6th February 2006 issued by the Belgian Asset Managers Association on the website www.beama.be. For the entire portfolio, we thus arrive at a value of 429.626.043 EUR, compared with 342.880.731 EUR at the end of 2005.

The portfolio's overall value has increased by 86,745 million EUR. For further details, see point "6. Evolution of the portfolio in relation to 31st December 2005", in the chapter "Evaluation of the portfolio by the chartered surveyor", on page 49.

After recognition of investments and disinvestments undertaken during the past financial year, for a net total of 67,993 million EUR, we can observe a net unrealised increase in value of 18,749 million EUR.

Total variation of the fair value of investment property amounted to 17,884 million EUR, after deduction of:

- deferred tax of 0,501 million EUR in the Netherlands and the Czech Republic, where WDP does not benefit from the cepic status. In the event of an effective sale, the capital gains on the property portfolio are therefore not exempt from tax in these two countries, unlike in Belgium and France where WDP has this status;
- deferred tax on the reversal of amortisation of 0,367 million EUR.

This net increase is reflected in the equity capital of the Closed-End Property Investment Company under the "Reserves not available for distribution" 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: "Development projects", which stands at 15,684 million EUR. At the end of 2006, these items were estimated at 18,628 million EUR, excluding transaction costs, by the chartered surveyor Stadim. In accordance with the IFRS rules, unrealised capital gains associated with these projects have not yet been stated at the balance sheet date and will only be recognised once the work is completed.

Deferred tax assets

Following tax losses in WDP Nederland, a deferred tax asset of 836.000 EUR was recorded.

Cash at bank and in hand

This item, worth 3,020 million EUR, includes a 7.801 EUR investment in Water Company in the Czech Republic and liquid assets of 3.011.881 EUR.

Provisions for liabilities and charges

Analyses, monitoring activities and remediation in progress were continued during the year in order to satisfy all the local legal obligations for soil remediation. At the end of 2006, the "provisions" item still included the 0,738 million EUR of provisions mainly reserved for the potential remediation of land at Beersel - Stationstraat, Anderlecht - Frans Van Kalkenstraat, Lot - Heideveld, Neder-Over-Heembeek - Vilvoordsesteenweg, Molenbeek Saint-Jean- Rue Delaunoy and Vilvoorde - Willem Elsschotstraat.

Furthermore, there are notably other provisions worth 0,086 million EUR for current disputes, as well as a 0,131 million EUR provision established in 2005 for guarantees given upon the disposal of WDP Italia. Another provision of 0,015 million EUR was established in France in view of a potential increase in taxation.

Financial debts

Warehouses De Pauw has been able to greatly simplify its debt structure over recent years.

WDP thus no longer operates with separate bank borrowing per country and per company. It has been possible to convert almost all debts into a single, consolidated debt payable by the Belgian parent company, with intra-group loans in line with market conditions to the various subsidiaries. This operation offers the major advantage of enabling WDP to negotiate more efficient financing at more advantageous conditions. The treasury note programme introduced jointly with Fortis and Dexia Bank in autumn 2005 was extended.

At the end of 2006, WDP's debt was structured as follows:

- a long-term loan of 2,505 million EUR in France;
- treasury notes worth 101,980 million EUR;
- straight loans worth a total of 55,450 million EUR;
- other current borrowing from financial institutions, worth a total of 2,971 million EUR.

The gearing at the end of the year was 40,26% (including the dividend recognised as a debt).

At the consolidated level, WDP has the following unused lines of credit:

- a further 48 million EUR can be borrowed under the treasury note programme;
- lines of credit with Dexia, Fortis Bank, ING and Banca Monte Paschi worth over 50 million EUR.

Interest rate hedge

The fact that the sources of WDP's funding are now essentially short-term commitments has not prevented the cepic from hedging the risk of interest rate changes. WDP uses the following breakdown for this: one third is hedged for less than three years, one third over three to seven years, and one third over more than seven years.

Almost all of its debts were hedged on the basis of this conservative, prudent strategy in 2006. Approximately 150 of the 163 million EUR of debts were thus permanently hedged in the various categories, for periods of between 1 and 12 years. Given the forecast that the short-term interest rate (1-month Euribor) may increase to a maximum of 4%, existing debts result in a total interest rate charge of 4% in 2007.

Once new investments are approved, WDP will re-examine its interest rate position and will continue to hedge risks in line with the strategy described above.

No significant event which is likely to have any major influence on the company's assets as presented to you have taken place since the end of the financial year on 31st December 2006.

Summary of the results

	31-12-2006 EUR (x 1.000) fair value	31-12-2005 EUR (x 1.000) fair value
OPERATING INCOME	30.619	27.125
Net rental income	29.384	25.825
Other operating income	1.235	1.300
Recurrent	350	324
Non-recurrent	885	976
OPERATING CHARGES	-3.814	-3.176
Property management costs	-1.060	-1.137
General operating costs	-2.754	-2.039
Management	-467	-246
Administration	-492	-464
External services	-771	-684
Costs related to listing	-669	-575
Amounts written off on trade debtors	-178	131
Other charges	-177	-201
OPERATING PROFIT	26.805	23.949
Financial income	3.769	672
Financial charges	-4.606	-4.253
Income tax	-215	404
OPERATING RESULT (available for appropriation)	25.753	20.772
RESULT ON THE PORTFOLIO	16.292	8.170
- Result from sale of investment property	-1.593	-206
• Net property sales	12.810	3.089
• Book value of properties sold	-14.403	-3.117
• Disposal in Italy	0	-178
- Variations in the fair value of investment property	17.884	8.376
• Positive variations in the fair value of investment property	22.630	13.537
• Negative variations in the fair value of investment property	-3.443	-5.859
• Deferred tax on market value fluctuations	-501	-243
• Impairment of assets under construction (established and reversed)	-435	1.343
• Reversal of deferred tax on market value fluctuations	0	1.318
• Deferred tax on reversal of amortisation	-367	-432
• Exit tax in France	0	-1.288
TOTAL RESULT	42.045	28.942

Discussion of the results

1. Operating results

Current net operating profits amounted to 22,30 million EUR, an increase of 10% compared with the 2005 financial year.

1.1. Operating income

Total operating income increased by 13% in 2006, from 27,1 million EUR in 2005 to 30,6 million EUR in 2006.

Net rental income

WDP's net rental income – i.e. rental income less the advance property levy and charges for the concession payable by WDP Comm.VA – increased in 2006 to 29,38 million EUR, compared with 25,83 million EUR in 2005.

This increase was essentially the result of rent generated by investments in new buildings (Femont, Massive, etc.), the completion and renting out of new projects and the high occupancy rate in the remainder of the portfolio.

Other income

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

- recurrent management fees, totalling 350.000 EUR. These fees 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 conversion work organised and carried out by WDP at the request of its tenants, amounting to 123.000 EUR;
- isolated payments, such as various payments for renunciation and breach of contract paid by tenants who terminated their lease in advance, payments for expenses incurred during the examination of new projects, various amounts recovered, etc. In 2006, these payments made a positive contribution to results worth 762.000 EUR.

Thus, 97% of operating results are accounted for by long-term recurrent income: rental income and management fees.

1.2. Operating charges

Operating charges increased by 20% during the 2006 financial year, to 3,814 million EUR. They fall into two categories: costs relating to property on the one hand and general operating expenses on the other.

Expenses relating to property

These are costs related to maintenance, management, shares in water, gas and electricity bills and insurance premiums payable by the owner, as well as agents' fees for re-letting property. 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 2006, these expenses had fallen by 7% to 1,060 million EUR or 3,57% of gross rental value, compared with 1,137 million EUR or 3,65% at the end of 2005.

General operating charges

The increase (in line with forecasts) of 35,1% in general operating charges, from 2,039 million EUR in 2005 to 2,754 million EUR in 2006, is explained by two factors:

- various recurrent items worth 408.000 EUR, covering:
 - personnel charges (including remuneration of the management company);
 - the cost of external services connected with the accomplishment of the strategic plan;
 - charges related to the floatation on the stock market resulting from the increase in market capitalisation.
- various miscellaneous items worth 300.000 EUR: whereas in 2005 there was a reversal for the valuation allowances for trade receivables worth 131.000 EUR, 178.000 EUR were recorded as a precautionary measure in 2006.

1.3. Financial results

As the gearing ratio has remained more or less the same as for the previous year, financial charges as a proportion of WDP's total costs have also remained unchanged. Financial charges account for approximately 55% of total operating charges.

Given the importance of this cost factor, WDP is striving to develop the most effective possible debt structure. On this subject, please refer to the notes to the consolidated balance sheet on page 94.

Interest income has been valued at its market value. The variation of the market value of IRSs concluded by WDP had a positive impact of 3,5 million EUR.



2. Portfolio result

The portfolio result totalled 16,292 million EUR, compared with 8,170 million EUR in 2005.

2.1. Capital gains and losses

In 2006, six Belgian and Czech properties were entirely or partly sold for a total value of 12,810 million EUR. For further details on these disposals, please refer to the Report on Activities, on page 32.

As the total book value of the properties in question was 14,403 million EUR, a total capital loss of 1,593 million EUR was realised. This capital loss can be imputed to the sale of the Molenbeek Saint-Jean property (realised capital loss: 1,828 million EUR), considered to be non-strategic, both in terms of the building and the clientele. It also resulted in significant internal management costs, and was subject to structural vacancy.

2.2. Unrealised capital gains

New acquisitions in 2006

In relation to the acquisitions in Grimbergen - Industrieweg and Genk - "Hermes" industrial land, WDP has not recorded increases in value for the new investments which were still under development on the reporting date. IAS 40 (fair value estimation) does not apply here, and the estimate has to be made using the purchase price until the project is completed.

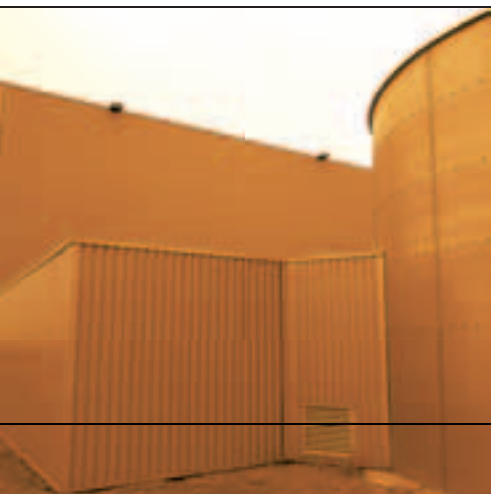
Construction and renovation work in the existing portfolio

On the other hand, WDP recorded an unrealised capital gain of 2,0 million EUR for the parts of the Vilvoorde - Havendoklaan 13, Aalst - Denderstraat, Courcelles - Rue de Liège, Terhagen - Polder and Mollem - Assesteenweg sites where extension work was completed in 2006.

No investments have been made in the remainder of the existing portfolio

A net capital gain totalling 16,752 million EUR was recorded for the rest of the existing property portfolio.

After the deduction of deferred tax for market fluctuations worth 0,501 million EUR and deferred tax on the reversal of amortisation worth 0,367 million EUR, there was a resulting total variation of 17,884 million EUR in the fair value of investment properties.



Cash flow statement

	31-12-2006 EUR (x 1.000)	31-12-2005 EUR (x 1.000)
CASH AND CASH EQUIVALENTS, OPENING BALANCE	4.537	3.371
NET CASH FROM OPERATING ACTIVITIES	15.893	23.813
1. Cash flows concerning operations	16.000	23.866
Operating result	46.730	34.494
- Profit for the period	42.045	28.942
- Interest charges	4.578	4.210
- Received interests	-279	-72
- Exit tax to be paid in France	0	1.289
- Taxes on gains	386	125
Adaptations for elements without cash result	-19.965	-13.418
- Depreciations	125	100
- Writedowns	-29	40
- Movements in provisions	-792	-40
- Movements in deferred taxes	2.240	-2.741
- Changes in fair value of investment properties	-17.883	-9.665
• Positive variation of fair value of investment properties	-21.861	-13.537
• Negative variation of fair value of investment properties	2.675	5.859
• Impairment (establishment and reversal)	435	-1.343
• Deferred taxes and latent taxation	868	-644
- Deferred operating taxes	-171	-530
- Impact IAS 39	-3.455	-582
Movements in working capital	-10.765	2.790
- Movements in trade receivables and other receivables	-1.852	43
- Price to receive for the sale of land & buildings	-12.787	-164
- Movements in trade debts and other current debts	-825	329
- Price to pay for the acquisition of land & buildings	4.822	2.702
- Movements in tax debts	-661	3
- Takeover of working capital - Femont	-2.166	0
- Other	2.704	-123
2. Cash flows concerning other operating activities	-107	-53
Interest received classified as operating activities	279	72
Taxes on gains paid/received	-386	-125
NET CASH FROM INVESTING ACTIVITIES	-68.559	6.129
1. Acquisitions	-81.370	-16.501
Acquisition of land and buildings	-80.805	-16.308
Acquisition of other tangible and intangible fixed assets	-565	-193
2. Transfers	12.811	22.630
Sale of land and buildings	12.811	22.630
NET CASH FROM FINANCING ACTIVITIES	51.149	-28.776
1. Cash received from financings	84.975	107.783
Increase in capital	29.415	0
- Contribution resulting from the partial split of Partners in Lighting International	29.415	0
Changes in financial debts payable within 1 year	55.560	107.783
- Drawing of new credits	55.560	107.783
2. Cash paid for financings	-5.593	-104.055
Changes in financial debts payable after 1 year	-313	-85.116
- Redemption of current loans	-313	-85.116
Changes in financial debts payable within 1 year	-5.280	-18.939
- Redemption of current loans	-5.280	-18.939
3. Interest charges classified as financing activities	-4.578	-4.210
4. Dividends paid	-23.655	-28.294
Outstanding dividend for the previous financial year	-10.668	-19.481
Interim dividend for the financial year	-12.987	-8.813
NET INCREASE OF CASH AND CASH EQUIVALENTS	-1.517	1.166
CASH AND CASH EQUIVALENTS, CLOSING BALANCE	3.020	4.537

Rental income overview

		2006 (EUR)	2005 (EUR)
BELGIUM		25.207.904,17	22.066.314,31
Aalst	Dendermondsesteenweg 75	162.340,02	159.149,89
Aalst	Denderstraat 97	97.500,00	0,00
Aalst	Tragel 5	232.866,95	228.907,40
Aalst	Tragel 11-12	1.088.979,32	1.068.409,69
Aalst	Wijngaardveld 3, Dijkstraat 7	669.333,94	611.394,43
Anderlecht	Frans Van Kalkenlaan 9	707.038,54	769.259,96
Antwerpen	Lefebvredok, Kaai 59	432.183,36	535.597,25
Beersel (Lot)	Heideveld 3-4-4A	437.088,36	425.650,44
Beersel	Stationstraat 230	188.228,24	156.219,07
Beringen (Paal)	Industrieweg 135	263.946,15	334.311,13
Bierbeek	Hoogstraat 35-35A	174.271,47	170.890,24
Boom	Groene Hofstraat 13	123.817,71	133.533,47
Boom	Langelei 114-116	1.659.979,24	1.490.767,68
Boortmeerbeek	Leuvensesteenweg 238	0,00	8.740,00
Boortmeerbeek	Industrielaan 16	435.233,41	433.862,58
Bornem	Rijksweg 17	590.037,36	576.766,86
Bornem	Rijksweg 19	769.481,12	698.509,38
Neder-O.-Heembeek	Steenweg op Vilvoorde 146	157.072,99	182.104,57
Buggenhout	Kalkestraat 19	0,00	249.145,47
Grimbergen	Eppegemstraat 31	1.016.520,72	1.012.135,92
Haacht (Wespelaar)	Dijkstraat 44	192.804,44	183.133,91
Jumet	Zoning Industriel	248.449,26	100.580,16
Kontich	Satenrozen II (building Massive)	734.674,96	0,00
Kortenbergh	A. De Coninckstraat 2-4	250.066,28	0,00
Lebbeke (Wieze)	Kapittelstraat 31	80.193,12	110.595,19
Leuven	Kol. Begaultlaan 9 + 17-21	592.562,97	604.623,39
Leuven	Vaart 25-35	1.273.751,86	1.235.447,19
Londerzeel	Nijverheidstraat 13-15	660.250,21	714.346,61
Machelen	Rittwegerlaan 91-93	1.349.404,71	1.316.836,26
Mechelen	Olivetenvest 4-6-8	55.907,45	42.970,12
Merchtem	Kattestraat 27	152.396,48	140.079,10
Merchtem	Wolvertemse Steenweg 1	186.282,11	169.240,85
Molenbeek Saint-Jean	Rue Delaunoy 35-36 + 58-60	546.843,94	486.329,59
Mollem	Assesteenweg	963.992,25	644.928,63
Nivelles	Rue de l'Industrie	1.403.723,20	1.340.801,16
Puurs	Lichterstraat 31	421.514,61	413.150,65
Rumst (Terhagen)	Polder 3	411.922,96	389.036,51
Temse	Kapelanielaan 10	236.956,22	97.537,50
Ternat	Industrielaan 24	840.938,10	849.891,86
Tienen	Getelaan 100	252.796,97	247.919,68
Vilvoorde	W. Elsschotstraat 5	855.629,32	813.299,79
Vilvoorde	Havendoklaan 12	873.683,34	742.780,74
Vilvoorde	Havendoklaan 13	41.343,75	0,00
Vilvoorde	Havendoklaan 19	631.646,88	619.294,02
Vilvoorde	Steenkade 44	192.706,51	181.246,25
Vilvoorde	Jan Frans Willemsstraat 95	355.636,08	340.195,06
Willebroek	Breendonkstraat	2.280,64	2.280,62
Willebroek	Koningin Astridlaan	777.184,18	0,00
Zaventem	Fabriekstraat 13	380.869,83	373.518,99
Zeel	Lindestraat 7	1.035.572,64	660.895,05
FRANCE		2.292.185,46	1.847.328,05
Aix-en-Provence	ZAC Gustave Eiffel II	675.720,89	645.274,38
Lesquin	Rue des Hauts de Sainghin, plots 179 and 180	704.310,13	672.473,61
Roncq	Avenue de l'Europe, plots 33 and 34	528.730,09	376.125,30
Templemars	Route de l'Epinoy, plot 237 bis	383.424,35	153.454,76
Templemars	Route d'Ennetière	186.683,33	0,00
ITALY		0,00	1.257.555,52
Milan	San Giuliano Milanese Via Tolstoj 63-65	0,00	1.257.555,52
CZECH REPUBLIC		1.586.961,69	1.104.519,44
Pruhonice	Uhrineveska 734, 25243	406.222,23	397.212,31
Hradec Kralové	Pilmarova 410, 500 03	186.091,94	184.064,96
Jablonec	Nad Nisou, Ostry Roh, 466 02	51.866,72	51.167,49
Mlada Boleslav	Jicinska 1329/III, 29 301	126.621,97	124.819,11
Mlada Boleslav	Neprevazka	816.158,83	347.255,56
THE NETHERLANDS		1.060.085,00	204.794,00
Hazeldonk	Breda Industrierrein n° 6462 and 6464	1.060.085,00	204.794,00
TOTAL		30.147.136,32	26.480.511,32

Profit appropriation

The unconsolidated profits for the financial year in the corporate financial statements amounted to 30.672.000 EUR. Taking into account the results carried over from the previous financial year (15.477.000 EUR), stated earnings totalled 46.149.000 EUR.

After allocation of the revaluation surpluses for net unrealised capital gains resulting from impact of market fluctuations on the portfolio (13.177.000 EUR), profits of 32.972.000 EUR remain to be allocated.

We propose to allocate the result as follows:

Capital remuneration *20.064.000 EUR*

i.e. 7.885.249 shares x net dividend of 2,1 EUR and 707.472 shares x net dividend of 0,70 EUR, plus the tax deducted at source. Of this amount, a total of 12.987.469 EUR, i.e. 7.885.249 shares x 1,4 EUR plus the tax deducted at source, has already been distributed through an interim dividend.

Profits carried forward *12.908.000 EUR*

These dividends are payable as from Wednesday 2nd May 2007 from your financial institution, upon presentation of coupon n° 12 for bearer shares.

Accounting rules

The consolidated accounting rules of Warehouses De Pauw Comm.VA have been established in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS), as applicable on the reporting date and approved by the European Commission.

1. General principles

1.1. Entities included in the consolidation

The annual consolidated financial statements include financial information on WDP Comm.VA and its subsidiaries. WDP Comm.VA owns no entity which is jointly controlled, nor any joint participation.

Subsidiaries are recorded at the time when control was acquired.

All operations conducted within the group, and all unpaid balance sheet items within the group are eliminated from the consolidation.

1.2. Foreign currencies

The annual consolidated financial statements are drawn up in EUR.

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 the depreciation, valuation allowances and adjustments relating to these assets are converted using the historical exchange rate. The assets, liabilities, monetary rights and obligations are converted at the reporting date exchange rate. Income and charges are converted using the average exchange rate over the financial year. Unrealised exchange gains or losses are recorded in the income statement. The part that is attributable to other companies is included in the income statement under the item "Share of minority interests in the result".

At the end of the financial year during which the cepic has acquired a property, it directly deducts the proportion of the registration fees relating to the property from its shareholders' equity. Any subsequent increase or decrease in this proportion – both in absolute terms and as a percentage of the value including all costs – is also respectively deducted from or added to the shareholders' equity.

1.3. Sectoral information

WDP Comm.VA divides its properties according to geographic segment for the initial breakdown of its sectoral reporting.

The geographic segment is defined on the basis of the location of the property. A distinction is made between properties in Western Europe (Belgium, the Netherlands and France) and Central and Eastern Europe (Czech Republic).

2. Balance sheet

2.1. Formation expenses

In principle, formation expenses are immediately included as charges. Expenses relating to increases in capital are deducted from shareholders' equity.

2.2. Intangible assets other than goodwill

An intangible asset is only recognised in assets if:

- it is probable that any future economic advantages which may be imputed to the asset will flow to the company, and that
- its purchase price can be reliably determined.

Intangible assets are valued at their purchase price.

Intangible assets with a limited lifetime are amortised using the straight-line method over the duration of their estimated lifetime.

Intangible assets with an unlimited lifetime are not amortised, but each year are subjected to a depreciation test (cf. "2.9. Specific impairment test", page 108).

2.3. Positive goodwill

Goodwill represents the positive difference, on the takeover date, between the purchase price of the group of companies included and the group share in the fair value of identifiable acquired assets and (contingent) liabilities.

No amortisation is recorded on goodwill, but all the items of goodwill are subjected at least once a year to a depreciation test (cf. "2.9. Specific impairment test", page 108).

2.4. Negative goodwill

Negative goodwill is the excess of the fair value of the group's share of the identifiable net assets when they were acquired compared with the cost of their acquisition, for the group of companies included.



After a revaluation of net identifiable assets and the purchase price of the group of companies, any surplus will immediately be recognised in the income statement.

2.5. Investment property

Land and buildings held in order to generate rental income (investment property) are initially valued at their acquisition price, including the transaction costs and expenses which can be directly imputed to them. Financing costs which can be directly imputed to the acquisition of investment property are also capitalised.

If specific financial resources have been borrowed for a particular property, the effective financing costs of this loan are capitalised over the period, minus any income obtained from the temporary investment of such borrowings.

In general, when financial resources are borrowed and used to acquire assets, the amount of the financing costs to be capitalised is determined based on the weighted-average financing cost associated with general company loans established during the acquisition period.

Apart from the financing costs, the following expenditure which can be directly imputed is also included (non-exhaustive list):

- building site insurance;
- agency fees associated with the initial rental.

The valuation of buildings used for investment purposes is established at their fair value. This represents the amount for which the property could be exchanged between well-informed parties, who agree and operate under normal competitive conditions. From the seller's perspective, the valuation should be established after deduction of registration fees.

Independent surveyors conducting regular valuations of cepic properties consider that for transactions involving buildings with an overall value of less than 2,5 million EUR in Belgium, registration fees of between 10 and 12,5% should be included, according to the region in which the property is situated.

For transactions concerning properties with an overall value of more than 2,5 million EUR, property experts have established the weighted-average cost at 2,5%, owing to the range of property transfer methods available in Belgium. This percentage will be revised each year as necessary by increments of 0,5%. The surveyors will confirm the agreed percentage to be deducted in their regular reports to shareholders.

The deduction of registration fees upon the first application of the IAS/IFRS standards will be included under the specific item of shareholders' equity.



Development projects

This section covers construction and/or renovation projects in progress which are still being conducted at the reporting date. These property investments conducted by the cepic itself are valued at the purchase price of raw materials, direct labour costs and any expenditure which can be directly imputed to them.

Financing costs which can be directly imputed to the construction of investment property are also capitalised.

If specific financial resources have been borrowed for a given property, the effective financing costs of this loan are capitalised over the period, minus any income obtained from the temporary investment of such borrowings.

In general, when financial resources are borrowed and used to acquire assets, the amount of the financing costs to be capitalised is determined based on the weighted-average financing cost associated with general company loans established during the construction period.

These development projects are submitted at the end of each quarter to a specific valuation allowance test (cf. "2.9. Specific impairment test", page 108).

When a development project is completed, it is transferred to the investment property item and valued at its fair value in accordance with the IAS 40 standard.

2.6. Property other than investment property and development projects

Other property is recognised as assets if:

- it is probable that any future economic advantages which may be imputed to the asset will flow to the company;
- its purchase price can be reliably determined.

Property which is not included under land or buildings is posted at its acquisition value, after deduction of any accumulated amortisation and specific accumulated valuation allowances.

The acquisition value is the acquisition price or potentially the production cost. Apart from the purchase price, the acquisition price also includes costs which can be directly imputed to the asset. Apart from the acquisition cost of the raw materials, the manufacturing cost also includes direct labour costs and a proportional fraction of overhead expenses.

Subsequent expenditure for repairs are immediately posted as charges, except if they result in an increase in the future economic utility of the part of the property concerned.

Property is systematically amortised over the estimated useful lifetime of the asset. The amortisation is calculated on the acquisition value minus the residual value. This residual value is determined when the asset is acquired.

Property is amortised using the straight-line method in accordance with the following percentages:

- plant, machinery and equipment: 10-33%;
- vehicles: 10-33%;
- office furniture and fittings: 10-33%;
- computers: 10-33%;
- projection installation: 20%;
- other tangible assets: 10-20%.

The amortisation period and method will be evaluated each year and revised in the event of a significant modification of estimates.

Where necessary, tangible assets will be subject to specific additional amortisation (cf. "2.9. Specific impairment test" below).

2.7. Leasing

A lease contract transferring almost all of the liabilities and advantages inherent to the ownership of an asset is considered as a financing lease.

Assets acquired under a financing lease contract are recognised at the fair value of the leased asset. If their value is lower, they are recognised at the cash equivalent value of the minimum leasing repayments, less the accumulated amortisation and the specific accumulated valuation allowances.

2.8. Receivables

Amounts receivable after more than one year and within one year are valued at their face value, after deduction of valuation allowances for bad debts.

2.9. Specific impairment test

On the reporting date, receivables resulting from remuneration of personnel and expenses are determined for all of the group's assets, except for deferred tax assets, if there is an indication that the book value of an asset exceeds its realisable value. If this appears to be the case, the asset's realisable value should be estimated.

Every year, goodwill is subjected to a specific impairment test.

A specific valuation allowance is recognised when the book value of an asset, or the cash-generating unit to which the asset belongs, is higher than its realisable value.

The realisable value is the higher of the following values: the intrinsic value and the realisable value of the asset.

The intrinsic value is the estimated amount of future cash flows which should result from the prolonged use of an asset and its disposal at the end of its useful lifetime, discounted at a rate which takes into account the current market appreciation of the time value of the money and the asset's inherent risks.

The realisable value is the sum which can be obtained from the sale of an asset in the context of an objective business transaction between independent parties who are well informed and agree to the price, after deduction of any assignment fees.

For an asset which does not generate significant income itself, the recoverable amount is determined on the basis of the cash-generating unit to which it belongs.

The recoverable value of development projects is determined quarterly by the chartered surveyor.

Specific valuation allowances, i.e. the difference between the book value and the recoverable value, are recognised in the income statement.

Specific valuation allowances recognised for previous years are reversed if a subsequent increase in the recoverable value can be objectively connected with circumstances or an event arising after the recognition of the specific valuation allowance.

Specific valuation allowances on goodwill are in general not reversed.

2.10. Provisions

A provision is established when:

- the group has to fulfil a commitment – legal or de facto – resulting from a prior event;
- it is probable that financial resources which will have to be spent to accomplish this commitment; and that
- the amount of the commitment can be reliably estimated.

The provision for soil remediation is adapted each year on the basis of the environmental expert's revised report, in consultation with OVAM (the Flemish public waste management company).

2.11. Pensions and similar commitments

The group only takes part in defined contribution pension plans.



The contributions paid under these defined contribution pension plans are recorded in the income statement at the time when they fall due.

2.12. Interest-bearing debts

Interest-bearing debts are initially recognised at their face value, after deduction of any transaction costs. They are subsequently valued at their amortised cost, which is calculated using the effective interest rate method. The difference is recorded in the income statement.

2.13. Interest-free debts

Interest-free debts are valued at cost.

2.14. Derivative financial instruments

Interest rate swaps are valued at their fair value. Until the end of 2004, the impact was recognised directly in shareholders' equity at 31-12-2004. As from 2005, the variation has been posted in the income statement.

3. Income statement

3.1. Recognition of income

Income is recognised once it becomes probable that the economic benefits associated with a transaction will flow to the entity. Income is estimated at the fair value of the remuneration received or for which entitlement is obtained, minus any reductions, VAT and other taxation associated with the sale.

3.2. Tax on profits

Tax on profits includes current and deferred tax.

Current tax includes the amount of tax to be paid on the profits for the reporting period and adjustments of previous years' taxes.

Deferred taxes are calculated on the basis of all the temporary differences between the value of assets and liabilities for tax purposes used for the calculation of current taxation and the carrying value of these assets and liabilities in the consolidated financial statements. Deferred taxes are valued on the basis of tax rates which will probably apply during the period when the assets are realised or liabilities are settled.

Deferred tax assets are only recognised if it is probable that sufficient taxable profit will be generated in the future to make use of the fiscal benefit. Deferred tax assets are reversed when it becomes unlikely that it will be possible to make use of the fiscal benefit related to it.



Auditor's report on the annual consolidated financial statements

Statutory auditor's report to the general meeting of shareholders of the limited partnership with share capital "Warehouses De Pauw" on the consolidated financial statements for the year ended 31 December 2006

In accordance with legal and statutory requirements, we report to you on the performance of our audit mandate. This report includes our opinion on the consolidated financial statements together with the required additional comment.

Unqualified audit opinion on the consolidated financial statements

We have audited the consolidated financial statements of the limited partnership with share capital "Warehouses De Pauw" ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated accounts comprise the consolidated balance sheet as of 31 December 2006 and the consolidated statements of income, changes in equity (recognized income and expense) and cash flows for the year then ended, as well as the summary of significant accounting policies and the other explanatory notes. The total of the consolidated balance sheet amounts to EUR 457.200(000) and the consolidated income statement shows a profit for the year (group share) of EUR 42.045(000).

The managing director of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing, legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. We have also evaluated the appropriateness of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, we have obtained from management and responsible officers of the company the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the group's net worth and financial position as of 31 December 2006 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Additional comments

The preparation of the management report and its content, as well as the Company's compliance with the Company Code and their bylaws are the responsibility of the managing director.

Our responsibility is to supplement our report with the following additional comments, which do not modify our audit opinion on the financial statements:

The management report on the consolidated financial statements includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the group is facing, and on its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Luc Van Couter
Statutory auditor

Wolvertem, 23 March 2007

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Balance sheet - Liabilities

	Year ending 31-12-2006 EUR (x 1.000)	Year ending 31-12-2005 EUR (x 1.000)
CAPITAL AND RESERVES	247.825	207.802
I. capital	68.913	79.498
A. Issued Capital (note VII)	68.913	79.498
III. Revaluation surpluses	118.050	104.873
IV. Reserves	47.954	7.954
A. Legal reserve	0	0
B. Reserves not available for distribution		
2. Other	7.954	7.954
D. Reserves available for distribution	40.000	0
V. Accumulated profits	12.908	15.477
PROVISIONS AND DEFERRED TAXATION	955	1.747
VII. A. Provisions for liabilities and charges (note VIII)	955	1.747
2. Taxation	0	704
3. Major repairs and maintenance	738	741
4. Other liabilities and charges	217	302
CREDITORS	172.644	121.490
VIII. Amounts payable after one year	0	0
A. Financial debts	0	0
4. Credit institutions	0	0
IX. Amounts payable within one year	171.874	120.961
A. Current portion of amounts payable after one year	0	0
B. Financial debts	154.941	103.238
1. Credit institutions	154.941	8.500
2. Other loans	0	94.738
C. Trade debts	4.069	2.389
1. Suppliers	4.069	2.389
E. Taxes, remuneration and social security (note IX)	559	1.377
1. Taxes	504	1.316
2. Remuneration and social security	55	61
F. Other amounts payable	12.305	13.957
X. Accrued charges and deferred income (note X)	770	529
TOTAL LIABILITIES	421.424	331.040

Income statement

	Year ending 31-12-2006 EUR (x 1.000)	Year ending 31-12-2005 EUR (x 1.000)
INCOME STATEMENT		
I. Operating income	31.050	27.789
A. Turnover	24.431	22.066
B. Fixed assets - own construction	492	400
C. Other operating income	6.127	5.323
II. Operating charges	-9.188	-7.582
B. Services and other goods	5.985	4.805
C. Remuneration, social security costs and pensions (note XI)	779	722
D. Depreciation	114	86
E. Increase (+), Decrease (-) in amounts written off trade debtors (note XI)	-29	36
F. Increase (+), Decrease (-) in provisions for liabilities and charges (note XI)	-87	-156
G. Other operating charges (note XI)	2.426	2.089
III. Operating profit	21.862	20.207
IV. Financial income	1.508	915
A. Income from financial fixed assets	1.379	859
B. Income from current assets	86	45
C. Other financial income (note XII)	43	11
V. Financial charges	-4.249	-2.883
A. Interest and other debt charges	4.230	2.864*
C. Other financial charges (note XII)	19	19
VI. Income taxes (note XIII)	-26	-84
A. Income taxes	-56	84
B. Adjustment of income taxes and write-back of tax provisions	30	0
VII. Profit for the period	19.096	18.155
RESULT ON THE PORTFOLIO		
VIII. Gain or loss on disposal of elements of the portfolio (by reference to their historical value)	-1.601	3.873
A. Property assets (within the meaning of the Royal Decree of 10/04/95)	-1.601	3.873
1. Buildings and property rights	-1.601	3.873
- Gains	513	3.980
- Losses	-2.114	-107
IX. Change in market value of elements of the portfolio	13.177	6.614
A. Property assets (within the meaning of the Royal Decree of 10/04/95)	13.177	6.614
1. Buildings and property rights	13.177	6.614
- Gains	16.050	8.275
- Losses	-2.675	-3.004
- Impairment (recorded/reversed)	-198	1.343
X. Profit (-loss) on the portfolio	11.576	10.487

	Year ending 31-12-2006 EUR (x 1.000)	Year ending 31-12-2005 EUR (x 1.000)
EXTRAORDINARY RESULT		
XI. Extraordinary income	0	0
XII. Extraordinary charges	0	0
XIII. Extraordinary profit (Extraordinary loss)	0	0
RESULT FOR APPROPRIATION		
XIV. Profit for the period	30.672	28.642
XVI. Appropriation for changes in market value of elements in the portfolio		
A. Transfer to unavailable reserve account	13.177	6.614
XVII. Profit for the period available for appropriation	17.495	22.028

Appropriation account	Year ending 31-12-2006 EUR (x 1.000)	Year ending 31-12-2005 EUR (x 1.000)
A. Profit (-loss) to be appropriated	32.972	22.052
1. Profit (-loss) for the period available for appropriation	17.495	22.028
2. Profit (-loss) brought forward	15.477	24
B. Transfers from capital and reserves	0	12.906
2. From reserves	0	12.906
D. Result to be carried forward	-12.908	-15.477
1. Profit to be carried forward	12.908	15.477
F. Distribution of profit	-20.064	-19.481
1. Dividends	20.064	19.481

**Following the modification in 2005 of rules in the Netherlands relating to thin capitalisation (limitation of the debt to equity ratio), problems relating to the tax deductibility of WDP Nederland's interest charges have arisen. A subordinated loan granted by WDP Belgium to WDP Nederland was consequently converted into capital in 2005. Interest of 110.000 EUR was again erroneously invoiced in 2005 for this subordinated loan. The correction was made by WDP Nederland by altering the figures for 2005. In order to bring its figures into line with this correction, an inverse modification for the same amount was recorded in Belgium. This explains the difference between the simplified annual financial statements for 2005 as mentioned in the 2005 annual report and those shown in this annual report.*

Notes

I. STATEMENT OF INTANGIBLE ASSETS (asset item II) (in EUR thousands)

Concessions,
patents,
licences, etc.

a) ACQUISITION COST	
At the end of the preceding period	67
Movements during the period:	
- Acquisitions	23
AT THE END OF THE PERIOD	90
c) DEPRECIATION AND AMOUNTS WRITTEN DOWN	
At the end of the preceding period	44
Movements during the period:	
- Recorded	11
AT THE END OF THE PERIOD	55
d) NET BOOK VALUE AT THE END OF THE PERIOD	35

II. LAND AND BUILDINGS (asset item III.A) (in EUR thousands)

Year ending
31-12-2006

AS AT 01-01	276.071
Capital expenditure (external suppliers)	6.750
Capitalisation of own personnel costs	304
Interim interest	39
New acquisitions	5.057
Contribution of investment properties resulting from the partial split of Partners in Lighting International	29.415
Acquisition of investment properties by means of share transactions	0
Transfers from (to) development projects	7.753
Disposals	-14.317
Fair value variations	13.375
AS AT 31-12	324.447

III. ASSETS UNDER CONSTRUCTION AND ADVANCE PAYMENTS (asset item III.F)
(in EUR thousands)

	Year ending 31-12-2006
AS AT 01-01	8.550
Capital expenditure (external suppliers)	5.586
Capitalisation of own personnel costs	166
Interim interest	206
New acquisitions	4.744
Acquisition of investment properties by means of share transactions	0
Transfers from/to land and buildings	-7.753
Disposals	-14
Depreciation (established/reversed)	-198
AS AT 31-12	11.287

IV. STATEMENT OF TANGIBLE FIXED ASSETS (asset item III.B, C and D) (in EUR thousands)

	Plant, machinery and equipment	Furniture and vehicles	Other tangible assets
a) ACQUISITION COST			
At the end of the previous year	167	684	42
Movements during the year:			
- Acquisitions, including produced fixed assets	0	364	225
- Sales and disposals		-129	
- Transfers from one heading to another			
AT THE END OF THE PERIOD	167	919	267
b) REVALUATION SURPLUSES			
At the end of the previous year			
Movements during the year:			
- Recorded			
- Transfers from one heading to another			
- Reversals			
- Adjustment for fair value conversion			
AT THE END OF THE PERIOD			
c) DEPRECIATION AND AMOUNTS WRITTEN DOWN			
At the end of the previous year	137	446	17
Movements during the year:			
- Recorded	7	94	2
- Transfers from one heading to another			
- Reversals		-83	
AT THE END OF THE PERIOD	144	457	19
d) NET BOOK VALUE AT THE END OF THE PERIOD	23	461	248

Notes (continued)

V. STATEMENT OF FINANCIAL FIXED ASSETS (asset item IV) (in EUR thousands)

	Affiliated enterprises	Others
1. Participating interests and shares		
a) ACQUISITION COST		
At the end of the preceding period	9.755	
Movements during the period:		
- Acquisitions	11.956	
- Transfer and retirements	0	
- Conversion of the subordinated loan into capital	3.300	
AT THE END OF THE PERIOD	25.011	
NET BOOK VALUE AT THE END OF THE PERIOD	25.011	
2. Amounts receivable		
NET BOOK VALUE AT THE END OF THE PRECEDING PERIOD	30.319	16
Movements during the period:		
- Additions	9.000	0
- Reimbursements	-350	
- Conversion of the subordinated loan into capital	-3.300	
NET BOOK VALUE AT THE END OF THE PERIOD	35.669	16

VI. DEFERRED CHARGES AND ACCRUED INCOME (asset item X) (in EUR thousands)

	Year
Breakdown of item 490/1 of assets if it includes significant amounts.	
charges to be carried forward:	
- concession fees carried forward	17
- commissions on re-letting carried forward	159
- interest charges on treasury notes carried forward	314
- commercial communications carried forward	0
- expenditure approved for projects not yet acquired carried forward	440
revenues received:	
- interest received	37

NAME and REGISTERED OFFICE	Shares held by the company in its subsidiaries		Financial statements at	Information from the last available financial statements		
	Number	%		Currency	Capital	Net result
WDP CZ s.r.o. Belehradská 18 Prague CZECH REPUBLIC	100	100,00	31-12-2006	CZK	127.804	13.058
WDP France s.a.r.l. Rue Cantrelle 28 36000 Châteauroux FRANCE	770	100,00	31-12-2006	EUR	402	246
WDP Nederland bv Postbus 128 5300 AC Zaltbommel THE NETHERLANDS	180	100,00	31-12-2006	EUR	6.669	-582
De Polken nv Blakenberg 15 1861 Wolvertem	24.000	100,00	31-12-2006	EUR	128.555	-20.445
Willebroekse Beleggings- maatschappij nv Blakenberg 15 1861 Wolvertem	40.006	100,00	31-12-2006	EUR	14.384.487	389.397

VII. STATEMENT OF CAPITAL (asset item I.A)

	Amounts (in EUR thousands)	Number of shares
A. CAPITAL		
1. Issued capital (heading 100 of liabilities)		
- At the end of the preceding period	79.498	
- Changes during the period	-10.585	
AT THE END OF THE PERIOD	68.913	
2. Structure of capital		
2.1. Different categories of shares		
Ordinary shares, without mention of par value	68.913	8.592.721
2.2. Registered shares and bearer shares		
Registered		2.921.776
Bearer		5.670.045
G. STRUCTURE OF SHAREHOLDERS OF THE ENTERPRISE AT YEAR-END, as it appears from the statements received by the enterprise:	Number of shares	%
Robert De Pauw	592.000	6,9
Anne De Pauw	592.000	6,9
Tony De Pauw	592.000	6,9
Kathleen De Pauw	592.000	6,9

Notes (continued)

VIII. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

(item VII of liabilities) (in EUR thousands)

Year

Analysis of item 163/5 of liabilities if the amount is significant:	
- provisions for disputes	86
- provisions for taxes in Italy	131
- provisions for major maintenance and the environment	738

IX. STATEMENT OF AMOUNTS PAYABLE (item VII.E of liabilities) (in EUR thousands)

Year

C. AMOUNTS PAYABLE FOR TAXES, REMUNERATION AND SOCIAL SECURITY	
1. Taxes (item 450/3 of the liabilities)	
b) Non expired taxes payable	504
2. Remuneration and social security (item 454/9 of the liabilities)	
b) Other amounts payable relating to remuneration and social security	55

X. DEFERRED INCOME AND ACCRUED CHARGES (item X of liabilities)

(in EUR thousands)

Year

Analysis of item 492/3 of liabilities if the amount is significant:	
- Rental income carried forward	80
- Income from damages, interest and lease termination compensation carried forward	100
- Interest charges accrued	24
- CBI tax and CBFA fees	175
- Custodial fees accrued	5
- Interest to be reimbursed	325
- Temse interest carried forward	56
- Paris stock market floatation costs accrued	4
- Subscriptions to professional organisations accrued	1

XI. OPERATING RESULTS (in EUR thousands)

	Year	Previous year
C1. WORKERS RECORDED IN THE PERSONNEL REGISTER		
a) Number of workers at the closing date	16	14
b) Average number of employees in full-time equivalents	11,9	12,6
c) Number of actual working hours	21.080	21.149
C2. PERSONNEL CHARGES (income statement II.C)		
a) Remuneration and direct social benefits	456	465
b) Employers' contribution for social security	178	173
c) Employers' premium for non-statutory insurance	35	33
d) Other personnel charges	110	51
D. AMOUNTS WRITTEN OFF (income statement II.E)		
2. On trade debtors		
- Recorded	96	123
- Reversals	-125	-87
E. PROVISIONS FOR LIABILITIES AND CHARGES (item 635/7) (income statement II.G)		
Increases		
Used and decreases	-87	-156
F. OTHER OPERATING CHARGES (income statement II.G)		
Taxes related to operations	2.426	2.088
Other charges	0	1

XII. FINANCIAL RESULTS (in EUR thousands)

	Year	Previous year
A. OTHER FINANCIAL INCOME (income statement IV.C)		
Discount on receivables following the sale of property		
Interest on arrears	1	8
Other	42	3
C. CAPITALISED INTERESTS (of 4,5%)	244	78
D. OTHER FINANCIAL CHARGES (income statement V.C)	19	19
Bank charges	17	19
Other	2	0

Notes (continued)

XIII. INCOME TAXES (income statement VI) (in EUR thousands)

Year

1. Income taxes for the current year:	42
a. Taxes and withholding taxes due or paid	42
c. Estimated additional charges	0
2. Income taxes for previous years:	-16
a. Additional charges for income taxes due or paid	-16

XIV. VALUE ADDED TAX AND TAXES BORNE BY THIRD PARTIES (in EUR thousands)

Year Previous
 year

A. Value added tax charged:		
1. to the enterprise	2.615	2.078
2. by the enterprise	6.534	5.102
B. Amounts retained on behalf of the third parties for:		
1. company withholding taxes	127	119
2. withholding taxes on investment income	3.182	4.037

XV. OFF-BALANCE-SHEET RIGHTS AND COMMITMENTS

- Commitment in favour of Dexia, CBC and Fortis Bank not to further mortgage fixed assets in Belgium or establish proxies for this purpose (negative pledge).
- Financial securities worth 0,930 million EUR pledged in favour of the Flemish waste management company (OVAM).
- The estimated investment cost for the completion of projects in progress is 45 million EUR.

Interest rate hedging (IRS)

amount (x 1.000 EUR)	remaining duration on 01-01-2007	interest rate
25.000	2 days	3,35%
10.000	2 years	2,98%
15.000	2 year and 11,5 months	3,73%
10.000	4 years	3,16%
10.000	4 years	3,85%
15.000	6 years	3,35%
5.000	7 years	3,39%
10.000	7 years	3,39%
5.000	8 years	4,11%
5.000	8 years	4,05%
20.000	9 years	3,19%
10.000	9 years and 11,5 months	3,88%
5.000	12 years	4,26%
5.000	12 years	4,18%

- 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 initially matured on 30th June 2005. It was decided to prolong it for an unlimited duration, whilst awaiting the requisite environmental certificates. If the buyer exercises the option, the 100.000 EUR paid will be considered to be a down payment on the selling price.
- WDP gave a mandate to DTZ Italia to sell the shares of WDP Italia Srl. The effective sale of WDP Italia shares was agreed with the firm Ercolano Immobiliare. The company under Luxembourg law Fin Mag International nevertheless claimed that a contract had been established between WDP and Fin Mag International through their unconditional acceptance on 02-09-2005 of the draft contract sent to it by DTZ Italia. In October 2006, Fin Mag International took WDP to court, claiming 6,1 million EUR in damages. Supported by its legal advisers, WDP is disputing these claims.

Notes (continued)

XVI. RELATIONSHIPS WITH AFFILIATED ENTERPRISES AND ENTERPRISES LINKED
BY PARTICIPATING INTERESTS (in EUR thousands)

	Year	Previous year
1. FINANCIAL ASSETS		
- investments	25.010	9.755
- other receivables	35.669	30.319
2. AMOUNTS RECEIVABLE		
- within one year	112	36
4. DEBTS		
- within one year	15	0
7. FINANCIAL RESULTS		
- income from financial fixed assets	1.379	859

XVII. FINANCIAL RELATIONSHIPS (in EUR thousands)

	Year
Direct and indirect remuneration and pensions for directors and executives included in the income statement	530

4. SOCIAL REPORT*

	Full-time	Part-time	Total (T) or total in full-time equivalents	Total (T) or total in full-time equivalents
	Year	Year	Year	Previous year
I. STATEMENT OF THE PERSONS EMPLOYED				
A. EMPLOYEES RECORDED IN THE PERSONNEL REGISTER				
1. During the financial period and the preceding financial period				
Average number of employees	9,6	4,2	11,9	12,6
Actual number of hours worked	16.816	4.264	21.080	21.149
Personnel costs (in EUR thousands)	621	158	779	722
Fringe benefits			7	
2. At the closing date of the financial period				
a. Number of employees recorded in the personnel register	11	5	13,8	
b. By nature of employment contract				
Permanent contract	11	5	13,8	
c. By gender				
Male	9	1	9,8	
Female	2	4	4	
d. By professional category				
Employees	6	4	8,4	
Workers	5	1	5,4	
II. LIST OF PERSONNEL MOVEMENTS DURING THE YEAR				
A. RECRUITMENTS				
a. Number of employed persons recorded in the personnel register during the financial period	9	1	9,4	
b. By nature of the employment contract				
Contract of unlimited duration	9	1	9,4	
c. By gender and level of education				
Male:				
primary education	6		6	
higher education (non-university)	1		1	
Female:				
primary education	1	1	1,4	
higher education (non-university)	1		1	
B. DEPARTURES				
a. Number of staff whose contracts were terminated in the personnel register during the period	8		8	
b. By nature of the employment contract				
Contract of unlimited duration	8		8	
c. By gender and level of education				
Male:				
primary education	3		3	
secondary education	1		1	
higher education (non-university)	1		1	
higher education	1		1	
Female:				
primary education	2		2	
d. By reason of termination of contracts				
Pension				
Dismissal	7		7	
Voluntary departure	1		1	

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

Accounting rules

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 Investment 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 included as expenses for the year in which they were incurred.

Tangible assets

Investment property

Land and buildings retained in order to generate rental income (investment property) are initially valued at their acquisition price, including the transaction costs and expenses which can be directly imputed to them. Financing costs which can be directly imputed to the acquisition of investment property are also capitalised. If specific financial resources have been borrowed for a given property, the effective financing costs of this loan are capitalised over the period, minus any income obtained from the temporary investment of such borrowings.

In general, when financial resources are borrowed and used to acquire assets, the amount of the financing costs to be capitalised is determined based on the weighted-average financing cost associated with general company loans established during the acquisition period.

Apart from the financing costs, the following expenditure which can be directly imputed is also included (non-exhaustive list):

- building site insurance;
- agency fees associated with the initial rental.

The valuation of buildings used for investment purposes is established at their fair value. This represents the amount for which the property could be exchanged between well-informed parties, who agree and operate under normal competitive conditions. From the seller's perspective, the valuation should be established after deduction of registration fees.



Independent surveyors conducting regular valuations of cepic properties consider that for transactions involving buildings with an overall value of less than 2,5 million EUR in Belgium, registration fees of between 10 and 12,5% should be included, according to the region in which the property is situated.

For transactions concerning properties with an overall value of more than 2,5 million EUR, property experts have established the weighted-average cost at 2,5%, owing to the range of property transfer methods available in Belgium. This percentage will be revised each year as necessary by increments of 0,5%. The surveyors will confirm the agreed percentage to be deducted in their regular reports to shareholders.

Development projects

This section covers construction and/or renovation projects in progress which are still being conducted at the reporting date. These property investments conducted by the cepic itself are valued at the purchase price of the materials, direct labour costs and any expenditure which can be directly imputed to them.

Financing costs which can be directly imputed to the construction of investment property are also capitalised. If specific financial resources have been borrowed for a given property, the effective financing costs of this loan are capitalised over the period, minus any income obtained from the temporary investment of such borrowings.

In general, when financial resources are borrowed and used to acquire assets, the amount of the financing costs to be capitalised is determined based on the weighted-average financing cost associated with general company loans established during the construction period.

At the end of each quarter, checks are made based on the surveyor's valuation to ensure that the fair value is not lower than the capitalised acquisition price. If this is the case, an additional (Lower Of Cost or Market - LOCM) devaluation is recognised.

When a development project is completed, it is transferred to the investment property item and valued at its fair value.

Property other than investment property and development projects

Other property is posted in assets if:

- it is probable that any future economic advantages which may be imputed to the asset will flow to the company;
- its purchase price can be reliably determined.

Property which is not included under land or buildings is posted at its acquisition value, after deduction of any accumulated amortisation and specific accumulated valuation allowances.

The acquisition value is the acquisition price or potentially the production cost. Apart from the purchase price, the acquisition price also includes costs which can be directly imputed to the asset. Apart from the acquisition cost of the raw materials, the manufacturing cost also includes direct labour costs and a proportional fraction of fixed production costs.

Subsequent expenditure for repairs are immediately posted as charges, except if they result in an increase in the future economic utility of the part of the property concerned.

Property is systematically amortised over the estimated useful lifetime of the asset. The amortisation is calculated on the acquisition value minus the residual value. This residual value is determined when the asset is acquired.

Property is amortised using the straight-line method in accordance with the following percentages:

- plant, machinery and equipment: 10-33%;
- vehicles: 10-33%;
- office furniture and fittings: 10-33%;
- computers 10-33%;
- projection installation: 20%;
- other tangible assets: 10-20%.

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 where appropriate, the period over which they will be 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 in the context of property companies and property investment companies will be included in the inventory every time it is established. The valuation surpluses recorded are directly posted under item III of liabilities: "Revaluation surpluses".

Articles 10 and 14 §1 of the Royal Decree of 8th March 1994 relating to the accountancy 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 more than one year and within one year are valued at their face value, after deduction of valuation allowances for bad debts.

Short-term investments

Short-term investments are valued at their acquisition value or their market value if this is lower, excluding incidental expenses which are posted in the income statement.

Provisions for liabilities and charges

Each year, the Board of Directors examines the need to make provisions to cover the liabilities and charges facing the cepic.

Provisions for repairs and major maintenance are established based on the Board of Directors' decisions to carry out repair and maintenance work.

Debts

Debts are valued at their face value.

Derogation

A renewal of the derogation was requested on the basis of article 15 of the Act of 17th July 1975 relating to the accountancy and annual financial statements of companies in order to present the annual information in another format so that unrealised capital gains and losses on items in the portfolio resulting from market fluctuations could be included in parallel in the income statement. If it is positive, the unrealised results on items in the portfolio are not actually distributed, but are posted in a reserve which is not available for distribution. This particular presentation, used by most cepics, has been adopted by WDP since its stock market floatation in 1999. The Minister of Economic Affairs has not yet replied to the renewal request.



Auditor's report on the annual corporate financial statements

Statutory auditor's report to the general meeting of shareholders of the limited partnership with share capital "Warehouses De Pauw" on the financial statements for the year ended December 31, 2006

In accordance with legal and statutory requirements, we report to you on the performance of our audit mandate. This report includes our opinion on the financial statements together with the required additional comments.

Unqualified audit opinion on the financial statements

We have audited the financial statements of the limited partnership with share capital "Warehouses De Pauw" for the year ended December 31, 2006, prepared in accordance with the financial reporting framework applicable in Belgium, which show a balance sheet total of 421.424 KEUR and a profit for the year of 30.672 KEUR.

The Board of Directors, the sole director, the manager of the company is responsible for the preparation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. We have also evaluated the appropriateness of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the financial statements, taken as a whole. Finally, we have obtained from management and responsible officers of the company the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the financial statements as of December 31, 2006 give a true and fair view of the company's net worth, financial position and results in accordance with the financial reporting framework applicable in Belgium.

Additional comments

The preparation of the management report and its content, as well as the Company's compliance with the Company Code and their bylaws are the responsibility of the Board of Directors, the sole director, the manager.

Our responsibility is to supplement our report with the following additional statements, which do not modify our audit opinion on the financial statements:

- The Management report includes the information required by law and is consistent with the financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the company is facing, and on its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.
- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- There are no transactions undertaken or decisions taken in violation of the company's bylaws or the Company Code that we have to report to you.

Luc Van Couter
Statutory auditor

Wolvertem, 23 March 2007

Report of the Statutory Auditor relating to the limited review of the statement of assets and liabilities as at June 30, 2006 in respect of the proposed distribution of an interim dividend

Engagement

In respect of the proposed distribution of a first interim dividend of EUR 12.987.468,94 we have been requested by the managing director of Warehouses De Pauw Comm.VA, in accordance with Articles 618 and 657 of the Belgian Company Law, to report upon the statement of assets and liabilities as at June 30, 2006.

Findings

As shown in the statement of assets and liabilities as at June 30, 2006, a net profit of EUR 9.438(000) million was realized over the period from January 1, 2006 to June 30, 2006. The profit for the current year, taking into account the transfer of the fluctuations in the fair value of the portfolio to the unavailable reserves, is together with the retained earnings as at December 31, 2005 of EUR 15.587(000) sufficient for the distribution of an interim dividend of EUR 25.025(000) at maximum.

On the basis of our limited review, we have noted that:

- the distribution of an interim is allowed by the statutes;
- the decision to distribute an interim dividend will be taken after the first six months of the accounting year ending December 31, 2006 and after approval of the annual accounts for the year ended December 31, 2005;
- at the date of the decision to distribute an interim dividend, the statement of assets and liabilities will not be older than the maximum term of two months assuming the decision will be taken at August 31, 2006 at the latest;
- article 617 of the Belgian Company Law has been complied with;
- the accounting law has been complied and the valuation rules have been consistently applied.

Conclusion

We declare that we have performed a limited review of the statement of the assets and liabilities of Warehouses De Pauw Comm.VA as at June 30, 2006, with total assets of EUR 360.212(000) and a profit for the period from January 1, 2006 to June 30, 2006 of EUR 9.438(000). Our review has been performed in the context of the proposed distribution of an interim dividend. Our review procedures consisted mainly of analysis, comparison and discussion of the financial information in accordance with the recommendation of the "Institut des Reviseurs d'Entreprises - Instituut der Bedrijfsrevisoren" in the framework of a limited review. As a result, these review procedures do not constitute a full scope audit. Our review procedures did not reveal any information, which would result in significant adjustments to be made to the statement of assets and liabilities as at June 30, 2006, that will serve as the basis for the distribution of an interim dividend of EUR 12.987.468,94.

Luc Van Couter
Statutory Auditor

Wolvertem, 23 August 2006

Permanent Document

1. Basic information

1.1. Company name

“Warehouses De Pauw”, abbreviated to “WDP”.

1.2. Legal form, formation and publication (*)

The company was established as a company limited 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 amendments to the articles of association in relation to this operation were made conditionally, through a deed executed on 20th May 1999 in the presence of the notary public Siegfried Defrancq, in Asse-Zellik, as published in the Annexes of the Belgian Bulletin of Acts and Decrees on 16th June under the reference numbers 990616-1 to 22 inclusive, and ratified by two deeds dated 28th June 1999 executed in the presence of the aforementioned notary public and published in the Annexes of the Belgian Bulletin of Acts and Decrees on 20th July 1999 under the reference numbers 990720-757 and 758. Since 28th June 1999, WDP Comm.VA has been registered with the Banking, Finance and Insurance Commission as a “Belgian Closed-End Property Investment Company”, abbreviated to sicafi under Belgian law. It is consequently subject to the regulations governing fixed-capital investment funds as defined by the Act of 20th July 2004 relating to certain forms of joint management of investment portfolios, along with the Royal Decree of 10th April 1995 relating to sicafis, as amended by the Royal Decrees of 10th June 2001 and 21st June 2006.

The company name was changed to “Warehouses De Pauw” at the extraordinary 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 2001 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 Deeds 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.



(*) See also “7. Key dates in the history of WDP”, on page 141.

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.

On 27th April 2005, the management board's authorisation to increase the capital was renewed in the context of authorised capital, along with its authorisation to acquire and sell its own shares in order to avoid any serious damage which may threaten the company. The threshold for the transparency declaration has been further reduced to three per cent (3%), and the articles of association have been duly amended. This was enacted 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 25th May 2005 under number 20050525-73117.

On 31st August 2006, through a deed executed in the presence of the notary public Yves De Ruyver in Liedekerke, the capital was increased by 7.654.847,04 EUR on the first occasion, by means of a contribution in kind resulting from the sale of the capital of Massive NV after the company was split, when 707.472 new shares were issued, and again through the incorporation of the share premium of 21.760.152,96 EUR. In the same deed, the authorisation granted to the management company to acquire, dispose of or accept its own shares as security was prolonged and extended, and the capital was reduced by 40.000.000,00 EUR for the purposes of constituting a cash reserve. The capital currently amounts to 68.913.368,00 EUR and is represented by 8.592.721 shares. This deed was published in the Annexes of the Belgian Bulletin of Acts and Decrees of 20th September 2006 under the reference 20060920-0144983.

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. Trade Registration number

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

1.5. Duration

The company has been formed for an indefinite duration.



1.6. Corporate object

Article 4 of the articles of association:

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

Property is taken to mean:

1. property as defined in articles 517 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 two or article 137 of the Act of the fourth December nineteen hundred and ninety, relating to financial transactions and financial markets;
5. mortgage debentures as defined in article 106 of the Act of the fourth December nineteen hundred and ninety, relating to financial transactions and financial markets and article 44 of the Royal Decree of 10th April nineteen hundred and ninety-five relating to Closed-End Property Investment Companies;
6. rights arising from contracts giving the company leasehold of one or several properties;
7. and all other assets, shares or rights defined as property by the Royal Decrees implementing the Act of the fourth December nineteen hundred and ninety, relating to financial transactions and financial markets which are applicable to collective investment institutions investing in property. Within the boundaries of its investment policy, as defined in article 5 of the articles of association and in accordance with the applicable legislation for Closed-End Property Investment Companies, the company may involve itself in:
 - *the acquisition, alteration, fitting out, letting, sub-letting, management, exchange, sale, dividing up, and inclusion of properties as described above into a system of joint ownership;*
 - *the acquisition and lending of securities without prejudicing the application of article 51 of the Belgian Royal Decree of the tenth April nineteen hundred and ninety-five relating to sicafig;*
 - *take on leases of properties, with or without option to buy, in accordance with article 46 of the Belgian Royal Decree of the tenth April nineteen hundred and ninety-five relating to sicafig;*
 - *and on an incidental basis, grant leases on properties, with or without option to buy, in accordance with article 47 of the Belgian Royal Decree of the tenth April nineteen hundred and ninety-five relating to sicafig;*
 - *the company may only occasionally act as a property developer, as defined in article 2 of the Belgian Royal Decree of the tenth April nineteen hundred and ninety-five.*

In accordance with the applicable legislation on Closed-End Property Investment Companies, the company may also:

- *on an incidental or provisional basis, undertake investments in securities other than fixed assets and liquid assets it holds in accordance with article 41 of the Belgian*

Royal Decree of the 10th April 1995 relating to sicafig. 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 Belgian Royal Decree of the 10th April 1995 relating to sicafig;*
- *grant loans and stand surety for a subsidiary of the company that is also an investment institution as defined in article 49 of the Belgian Royal Decree of the 10th April 1995 relating to sicafig.*

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 or companies and enterprises, or those yet to be formed, in Belgium or abroad, which have an identical corporate object to its own, or which by its nature furthers the accomplishment of its own object, through cash contributions or contributions in kind, merger, subscription, 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 Belgian Royal Decree of 4th March 1991 relating to certain joint investment trusts".

All references to the Act of 4th December 1990 relating to financial transactions and financial markets in the company's object should be removed, as the articles of the Act to which they refer have been repealed. they should be replaced by the provisions of the Act of 20th July 2004 relating to certain forms of joint management of investment portfolios.
The adaptation will be made when the company's articles are next amended.

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. However, the printed version in Dutch is the only legally valid version of the annual report. The company declines all liability in terms of the accuracy 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.

2. Capital stock

2.1. Subscribed capital

The subscribed capital of Warehouses De Pauw Comm.VA amounts to 68.913.368,00 EUR and is represented by 8.592.721 shares, with no indication of their par value, each representing a 1/8.592.721 share of the capital.

2.2. Authorised capital

The management is authorised to increase the authorised capital on one or several occasions, on the dates and under the conditions which it will determine, by 68.913.368,00 EUR. This authorisation is valid for five years as from the publication of the minutes of the General Meeting of 27th April 2005. This authorisation can be renewed.

This (these) increase(s) in capital can be achieved through cash subscription, a contribution in kind or through the conversion of reserves, in accordance with the rules decreed by the Companies Code, article 11 of the Royal Decree of 10th April 1995 relating to Closed-End Property Investment Companies and the current articles of association.

In the event of an increase in capital decided by the management board, the share premiums should where appropriate be placed by the management board in an unavailable account after deduction of any charges. This account will constitute the guarantee for third parties in the same way as the capital, and can only be reduced or removed through a decision of the General Meeting sitting under the conditions stipulated in Article 612 of the Companies Code, except in the event of a capital conversion as envisaged above.



2.3. Buyback of shares

The management board is authorised to acquire its own shares if this acquisition is necessary to protect the company from a threat of serious damage. This authorisation is valid for three years as from the publication of the minutes of the extraordinary General Meeting of 31st August 2006 and can be renewed for a similar period.

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 Code.

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 Code, by the General Meeting or the management board.

On 31st December 2006, WDP Comm.VA did not hold any of its own shares, and the De Pauw NV management board held 438 WDP shares.

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 75 of the Act of 20th July 2004 and articles 28 and thereafter of the Royal Decree of 10th April 1995 relating to sicafigs.

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 Code, 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 Code 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, Mr. Tony De Pauw, who was appointed in this capacity following a Board of Directors' decision on 20th January 2003, with retroactive effect as from 1st September 2002, in accordance with Article 61§2 of the Companies Code.

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 "1.1. A few words about the context: the limited partnership with share capital", in the chapter "Corporate governance", on page 14.

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 auditor's fees for his ordinary audit activities were 22.674 EUR for the 2006 financial year. Some 8.000 EUR were invoiced by people associated with him for auditing the group's foreign entities.

An additional 7.000 EUR excluding VAT was invoiced in 2006 for auditing the IFRS annual financial statements 2005 and a further 3.600 EUR excluding VAT for the preparation of the report relating to a contribution transaction.

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

- for WDP France s.a.r.l.: the company KPMG France, represented by Mr. R.Tabuteau;
- for WDP CZ s.r.o.: the company KPMG Česká Republika (Prague), represented by Mr. Bent Walde-Jensen;
- for WDP Nederland bv: the company KPMG ('s-Hertogenbosch), represented by Mr. R.P.A.M. Engelen.

4. Depositary bank

Fortis Bank is the depositary bank for WDP Comm.VA.
Its annual remuneration is 10.000 EUR.

5. Financial agent

For Belgium:

Petercam NV (C. Liègois +32 2 229 65 31)
Afdeling Effecten
Sint-Goedeleplein 19
1000 Brussels

CBC Banque
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 surveyor appointed by WDP Comm.VA is the company Stadim SCRL.

6.2. Task

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

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

Each property to be acquired or sold 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 Property 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 the proposed transaction confers any advantage on the aforementioned parties.

7. Key dates in the history of WDP

Origins

WDP developed from the assets of the family group Jos De Pauw de Merchtem, whose activities were limited, during the first half of the twentieth century, to vinegar making. Their activities were then diversified to barrel conditioning, sand extraction, river navigation and finally property. The group then gradually placed greater emphasis on the creation of an industrial property portfolio.

1977

Creation of SA Rederij De Pauw, grouping together the property assets of the nine companies in the group. One of the principal properties in the new company was the warehouses of SBT, the logistics subsidiary of Unilever subsequently taken over by Danzas/DHL Solutions. At present, the site still accounts for 50% of WDP's portfolio.

The 1980s and 1990s

With his children Tony and Anne, Jos De Pauw developed the Jos De Pauw group into a property company specialising in semi-industrial properties. The company acquired old, disused industrial sites and transformed them into warehouses. New warehouses were then built at customers' requests.

1998

The value of the property portfolio passed the 100 million EUR milestone.

1999

The company was renamed "Warehousing & Distribution De Pauw". Its legal form was also changed: the limited company became a limited partnership with share capital (Comm.VA).

The assets were grouped into a Closed-End Property Investment Company in order to guarantee growth and the financing of the business.

The Jos De Pauw group was floated on the stock market in June with a capital increase of some 40 million EUR. The first listing of the WDP cepic on Euronext Brussels took place on 28th June 1999, with a property portfolio worth 135 million EUR.

The first acquisitions in Italy and the Czech Republic were accompanied by the creation of WDP Italia and WDP CZ.



2000

WDP entered the French market through the acquisition of a project in Aix-en-Provence. Formation of WDP France.

2001

The company name was changed to "Warehouses De Pauw", its current name.

Merger following the takeover of Caresta SA.

Start of activities in the Netherlands through a "sale and rent back" operation at Hazeldonk (Breda). Creation of WDP Nederland.

In the middle of the year, the portfolio doubled its value at the time of its stock market floatation: 270 million EUR.

2003

30 million EUR is amassed through a successful increase in capital.

2004

The Jos De Pauw family sells 20% of its WDP shares through private placement. The family remains the reference shareholder with a 30% strategic holding. The operation enables the free float to be increased to 70%.

2005

WDP sells WDP Italia and focuses on its two main regions: the Breda-Antwerp-Brussels-Lille axis and the Czech Republic.

2006

WDP announces the 2006-2010 long-term strategic plan, whose objective is to double the portfolio value to 700 million EUR over four years.

Acquisition of all of the shares of the companies De Polken NV and De Willebroekse Beleggingsmaatschappij NV.

Increase in the capital through the acquisition of part of the capital of Massive NV.

Agenda (for update: see www.wdp.be)

General meeting	Wednesday 25th April 2007 10 a.m. (annually on the last Wednesday in April)
2006 dividend payout on coupon n° 12	from Wednesday 2nd May 2007
Publication of 1st quarter results	Tuesday 15th May 2007
Publication of half-yearly results 2007	Tuesday 28th August 2007
2007 interim dividend payout on coupon n° 13	Wednesday 5th September 2007
Publication of 3rd quarter results	Tuesday 20th November 2007
Announcement of annual results 2007	week 9 2008

This annual report has been prepared under the responsibility of the Board of Directors of De Pauw SA (management board).

The annual report will be available on line as from the end of March.



