

Annual report 2007 / financial report



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

General meeting
Wednesday 30th April 2008
(annually on the last Wednesday in April at 10 a.m.)

Final dividend 2007 available for payment
(coupon n° 14)
from Wednesday 7th May 2008

Announcement of the first quarter results for 2008
Tuesday 20th May 2008

Announcement of the interim results for 2008
Wednesday 27th August 2008

Interim dividend 2008 available for payment
(coupon n° 15)
from Wednesday 3rd September 2008

Announcement of the third quarter results for 2008
Tuesday 25th November 2008

Announcement of the annual results for 2008
(week 8-9, 2009)

Table of contents

4	>	2007 Annual consolidated financial statements
4	>	Income statement
6	>	Balance sheet - Assets
7	>	Balance sheet - Liabilities
10	>	Cash flow statement
12	>	Consolidated statement of changes in shareholders' equity
14	>	Notes
60	>	Notes to the balance sheet
63	>	Summary of the results
64	>	Discussion of the results
66	>	Rental income overview
70	>	Overview of future rental income (WDP as lessor)
71	>	Profit appropriation
72	>	Auditor's report on the annual consolidated financial statements
76	>	2007 Annual corporate financial statements
76	>	Income statement
78	>	Balance sheet - Assets
79	>	Balance sheet - Liabilities
82	>	Permanent document

2007 Annual consolidated financial statements

Income statement

	31-12-2007 EUR (x 1.000)	31-12-2006 EUR (x 1.000)
I. Rental income (note XVIII)	38.508	30.263
Rents	38.334	30.054
Indemnification for early termination of lease	174	209
III. Rental charges (note XIX)	-160	-340
Rent to be paid for leased premises	-149	-148
Valuation allowances for trade receivables	-161	-317
Reversal of valuation allowances for trade receivables	150	125
NET RENTAL RESULT	38.348	29.923
V. Recovery of rental charges and tax normally paid by the tenant on let properties (note XX)	3.826	3.542
Re-invoicing of rental charges paid out by the owner	1.910	1.630
Re-invoicing of advance property levy and taxes on let properties	1.916	1.912
VII. Rental charges and tax normally paid by the tenant on let properties (note XX)	-4.270	-3.922
Rental charges paid out by the owner	-1.684	-1.631
Advance levies and taxes on let property	-2.586	-2.291
VIII. Other income and charges related to leases (note XXI)	372	351
Property management fees	372	351
PROPERTY RESULT	38.276	29.894
IX. Technical costs (note XXII)	-863	-610
Recurrent technical costs	-915	-685
- Repairs	-655	-342
- Insurance premiums	-260	-343
Non-recurrent technical costs	52	75
- Major repairs (building contractors, architects, engineering firm, etc.)	44	107
- Accidents	-52	-106
- Claims paid by insurers	60	74
X. Commercial costs (note XXIII)	-284	-323
Agency commissions	-120	-126
Advertising	-96	-136
Lawyers fees and legal charges	-68	-61
XII. Property management costs (note XXIV)	-242	-175
Fees paid to (external) managers	-18	-42
(Internal) property management costs	-224	-133
XIII. Other property costs	0	-10
PROPERTY CHARGES	-1.389	-1.118
PROPERTY OPERATING RESULTS	36.887	28.776
XIV. General company expenses	-2.675	-1.983
XV. Other operating income and charges	0	14
OPERATING RESULTS BEFORE RESULT ON PORTFOLIO	34.212	26.807

	31-12-2007 EUR (x 1.000)	31-12-2006 EUR (x 1.000)
XVI. Result on disposals of investment property (notes XXVI and XXVII)	-930	-1.593
XVIII. Variations in the fair value of investment property (note XXVIII)	27.218	17.884
Positive variations in the fair value of investment property	38.292	22.630
Negative variations in the fair value of investment property	-10.992	-3.443
Deferred tax on market fluctuations	-989	-501
Impairment of assets under construction (recognised and reversed)	157	-435
Deferred tax assets on market value fluctuations	1.035	0
Deferred tax on reversal of amortisation	-285	-367
OPERATING RESULT	60.500	43.098
XIX. Financial income	7.424	3.769
Interest and dividends received	1.608	243
Remuneration of finance leases and related products	24	36
Income from financial instruments used for hedging purposes	4.762	3.455
Other financial income	1.030	35
XX. Interest charges	-9.794	-4.548
Nominal interest on loans	-10.338	-4.853
Reconstituted nominal value of financial debts	0	0
Interest capitalised during constuction	554	307
Other interest charges	-10	-2
XXI. Other financial charges	-4.632	-59
Bank charges and other commissions	-517	-26
Costs of financial instruments used for hedging purposes	-4.073	-31
Other financial charges	-42	-2
FINANCIAL RESULT (NOTE XXIX)	-7.002	-838
PRE-TAX RESULT	53.498	42.260
XXIII. Corporate tax	-302	-215
Corporate tax	-208	-424
Future tax benefits resulting from recoverable losses	-94	209
XXIV. Exit tax	0	0
TAXES (NOTE XXX)	-302	-215
NET RESULT	53.196	42.045
NUMBER OF SHARES	8.592.721	8.592.721
EARNINGS PER SHARE (EUR)	6,19	5,18

2007 Annual consolidated financial statements
Balance sheet - Assets

	31-12-2007 EUR (x 1.000)	31-12-2006 EUR (x 1.000)
FIXED ASSETS	626.388	435.517
B. Intangible assets (note III)	105	35
C. Investment property (note IV)	570.794	413.942
D. Development projects (note V)	43.310	15.684
E. Other tangible assets (note VI)	1.090	953
F. Financial fixed assets	0	0
G. Finance lease receivables (note VII)	355	428
H. Trade receivables and other non-current assets	10.069	3.639
I. Deferred tax assets	665	836
CURRENT ASSETS	37.062	21.683
A. Assets held for sale (note VIII)	2.476	0
C. Finance lease receivables (note VII)	73	68
D. Trade debtors (note X)	10.057	3.159
E. Tax benefits and other current assets (note IX)	13.379	14.059
F. Cash and cash equivalents	9.015	3.020
G. Deferred charges and accrued income	2.062	1.377
TOTAL ASSETS	663.450	457.200

2007 Annual consolidated financial statements
Balance sheet - Liabilities

	31-12-2007 EUR (x 1.000)	31-12-2006 EUR (x 1.000)
EQUITY (NOTE IX)	310.200	274.926
I. Shareholders' equity attributable to the parent company's shareholders	309.759	274.926
A. Capital (note XI)	68.913	68.913
D. Reserves (note XII)	219.449	184.983
E. Result (note XIII)	38.202	31.016
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	-18.662	-11.743
H. Exchange rate differences	1.857	1.757
II. Minority interests	441	0
LIABILITIES	353.250	182.274
I. Non-current liabilities	219.118	7.470
A. Provisions (note XIV)	1.486	970
B. Non-current financial liabilities (note XV)	202.445	2.192
- Credit institutions	176.894	2.192
- Finance lease	22.164	0
- Other	3.387	0
C. Other non-current liabilities	3.911	0
F. Deferred tax liabilities	11.276	4.308
- Exit tax	0	2.159
- Other	11.276	2.149
II. Current liabilities	134.132	174.804
B. Current financial liabilities (note XV)	120.151	160.714
- Credit institutions	118.736	160.714
- Finance lease	1.342	0
- Other	73	0
D. Trade payables and other current debts	10.580	7.479
- Suppliers	8.377	5.587
- Tax, salary and social security	2.203	1.892
E. Other current liabilities (note XVI)	1.640	5.250
- Other	1.640	5.250
F. Accrued charges and deferred income	1.761	1.361
TOTAL LIABILITIES	663.450	457.200





2007 Annual consolidated financial statements

Cash flow statement

	31-12-2007 EUR (x 1.000)	31-12-2006 EUR (x 1.000)
CASH AND CASH EQUIVALENTS, OPENING BALANCE	3.020	4.537
NET CASH FROM OPERATING ACTIVITIES	25.487	15.893
1. Cash flows concerning operations	24.181	16.000
Operating result	62.625	46.730
- Profit for the period	53.196	42.045
- Interest charges	10.735	4.578
- Interest receivable	-1.608	-279
- Exit tax to be paid in France	0	0
- Income tax	302	386
Adjustments to non-monetary items	-27.251	-19.965
- Depreciations	229	125
- Writedowns	11	-29
- Movements in provisions	516	-792
- Movements in deferred taxes	0	2.240
- Variation in fair value of investment properties	-27.218	-17.883
• Positive variation	-38.292	-21.861
• Negative variation	10.992	2.675
• Impairment (recognition and reversal)	-157	435
• Deferred tax	239	868
- Deferred operating income taxes	0	-171
- Impact of IAS 39	-789	-3.455
Movements in working capital	-11.193	-10.765
- Movements in trade receivables and other receivables	1.024	-1.852
- Price receivable for the sale of land & buildings	-2.476	-12.787
- Movements in accounts payable and other current debts	-9.772	-825
- Price payable for the acquisition of land & buildings	0	4.822
- Movements in tax debts	483	-661
- Takeover of working capital - Femont	0	-2.166
- Other	-452	2.704
2. Cash flows concerning other operating activities	1.306	-107
Interest received classified as operating activities	1.608	279
Income tax paid/received	-302	-386

	31-12-2007 EUR (x 1.000)	31-12-2006 EUR (x 1.000)
NET CASH FROM INVESTING ACTIVITIES	-101.066	-68.559
1. Acquisitions	-107.977	-81.370
Acquisition of land and buildings	-64.280	-80.805
Acquisition of other tangible and intangible fixed assets	-436	-565
Business combinations	-43.261	
2. Disposals	6.911	12.811
Sale of land and buildings	6.911	12.811
NET CASH FROM FINANCING ACTIVITIES	81.573	51.149
1. Cash received from financing	114.893	84.975
Increase in capital	0	29.415
- Contribution resulting from the partial split of Partners in Lighting International	0	29.415
Changes in financial debts payable within 1 year	114.452	55.560
- Drawing of new credits	114.452	55.560
Minority interests	441	0
2. Cash paid for financing	-4.389	-5.593
Changes in financial debts payable after 1 year	-1.418	-313
- Redemption of existing loans	-1.418	-313
Changes in financial debts payable within 1 year	-2.971	-5.280
- Redemption of existing loans	-2.971	-5.280
3. Interest charges classified as financing activities	-10.735	-4.578
4. Dividends paid	-18.196	-23.655
Outstanding dividend for the previous financial year	-7.076	-10.668
Interim dividend for the financial year	-11.120	-12.987
NET INCREASE OF CASH AND CASH EQUIVALENTS	5.995	-1.517
CASH AND CASH EQUIVALENTS, CLOSING BALANCE	9.015	3.020

2007 Annual consolidated financial statements
Consolidated statement of changes in shareholders' equity
2006-2007

EUR (x 1.000)

	Subscribed capital	Legal reserves	Available reserves	Unavailable reserves	Total reserves
SHAREHOLDERS' EQUITY ON 31-12-2006	68.913	105	40.077	144.801	184.983
Dividends paid out					
- Shareholders' final dividend (for 2006)					
- Shareholders' interim dividend (for 2007)					
Addition of reserves for the financial year from WDP CZ to legal reserves		44			44
Annual result					
Transfer from the increase in value of the property portfolio to unavailable reserves not available for distribution				27.503	27.503
Other					
Adjustments to the impact of estimated transfer taxes owing to the further increase in value of the property portfolio				6.919	6.919
Minority interests					

SHAREHOLDERS' EQUITY ON 31-12-2007	68.913	149	40.077	179.223	219.499
---	---------------	------------	---------------	----------------	----------------

	Result brought forward from the previous financial year	Annual result	Result	Impact*	Exchange rate differences	Minority interests	Total shareholders' equity
SHAREHOLDERS' EQUITY ON 31-12-2006	19.871	11.145	31.016	-11.743	1.757	0	274.926
Dividends paid out							
- Shareholders' final dividend (for 2006)	-7.076		-7.076				-7.076
- Shareholders' interim dividend (for 2007)	0	-11.120	-11.120				-11.120
Addition of reserves for the financial year from WDP CZ to legal reserves		-44	-44				0
Annual result	0	53.196	53.196				53.196
Transfer from the increase in value of the property portfolio to unavailable reserves not available for distribution		-27.503	-27.503				
Other		-7	-7				-7
Adjustments to the impact of estimated transfer taxes owing to the further increase in value of the property portfolio				-6.919			0
Minority interests						441	441
Dutch exchange rate differences for the 2007 financial year					-63		-63
Czech exchange rate differences for the 2007 financial year	-260		-260		-173		-433
Romanian exchange rate differences for the 2007 financial year					336		336
SHAREHOLDERS' EQUITY ON 31-12-2007	12.535	25.667	38.202	-18.662	1.857	441	310.200

*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.

2007 Annual consolidated financial statements
Consolidated statement of changes in shareholders' equity
2005-2006

EUR (x 1.000)

	Subscribed capital	Legal reserves	Available reserves	Unavailable reserves	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' final dividend (for 2005)					
- Shareholders' interim dividend (for 2006)					
Addition of reserves for the financial year from WDP CZ to legal reserves		29			29
Annual result					
Transfer from the increase in value of the property portfolio to unavailable reserves not available for distribution		0	0	17.884	17.884
Other		0	-98	0	-98
Adjustments to the impact of estimated transfer taxes owing to the further increase in value of the property portfolio		0	0	2.249	2.249
Czech exchange rate 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*	Exchange rate 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' final dividend (for 2005)	-203	-10.465	-10.668			-10.668
- Shareholders' interim dividend (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
Transfer from the increase in value of the property portfolio to unavailable reserves not available for distribution	0	-17.884	-17.884			0
Other						-98
Adjustments to the impact of estimated transfer taxes owing to the further increase in value of the property portfolio				-2.249		0
Czech exchange rate 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.

2007 Annual consolidated financial statements

Notes

GENERAL INFORMATION ABOUT THE COMPANY

WDP (Warehouses De Pauw) is a cepic and takes the form of a limited company with share capital under Belgian law. Its registered offices are at Blakenberg 15, 1861 Wolvertem (Belgium).

The company's annual consolidated financial statements as at 31st December 2007 include the company and its subsidiaries. The financial statements have been drawn up and their publication authorised by the Board of Directors meeting of 18th February 2008. WDP is listed on Euronext (Brussels and Paris).

BASIS OF THE PRESENTATION

The consolidated financial statements are drawn up in accordance with international financial reporting standards (IFRS) as approved by the European Union and in accordance with the Royal Decree of 21st June 2006. These standards include all of the new standards and revised versions of existing standards published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), insofar as they apply to the group's activities and are effective for the financial years beginning on 1st January 2007.

The consolidated annual financial statements are presented in thousands of EUR, rounded up to the nearest thousand.

The accounting principles have been applied consistently for all the financial years presented.

New or revised standards and interpretations applicable in 2007

The group has applied IFRS 7 Financial instruments: disclosures, which entered into force on 1st January 2007, and the resulting revised version of IAS 1 Presentation of financial statements. This is reflected by several additional notes. The following interpretations published by the IFRIC also entered into force for the current year: IFRIC Interpretation 7 Applying the restatement approach under IAS 29, Financial reporting in hyperinflationary

economies: IFRIC Interpretation 8 Scope of IFRS 2, IFRIC Interpretation 9 Reassessment of embedded derivatives and IFRIC 10 Interim financial reporting and impairment.

The application of these interpretations has not resulted in any modification of the bases for the financial reporting as used by the group.

New or revised standards and interpretations that have not yet entered into force

Several new standards, revised versions of existing standards and interpretations that have not yet entered into force in 2007 can already be applied. Except where stated otherwise, the group has not yet introduced them. The impact of their application – insofar as the new standards, revised versions of existing standards and interpretations are relevant to the group – on the consolidated annual financial statements for 2007 and the following years is presented below.

- IFRS 8 Operating segments

This new standard which will enter into force on 1st January 2009 will replace IAS 14 Segment reporting. This new standard provides new guidelines on the information that should be contained in the notes to the various segments. In terms of the choice of segments to be distinguished and the information to be detailed, it appears to enable closer alignment with current internal reporting. Neither does the group expect the application to result in any significant modifications in the consolidated annual financial statements.

- IFRIC 11 Group and treasury share transactions

This interpretation will be effective for the financial years beginning on 1st March 2007 or later. It has no consequence for the group, which does not operate any such programme.

- IFRIC 12 Service concession agreements

This interpretation will be effective for the financial years beginning on 1st January 2008 or later. This interpretation should not have any influence on the annual financial statements for 2008.

- IFRIC 13 Customer loyalty programmes

This interpretation will be effective for the financial years beginning on 1st July 2008 or later. It has no consequence for the group, which does not operate any such programme.

- IFRIC 14 IAS 19 Limit on a defined benefit asset, minimum funding requirements and their interaction

This interpretation will be effective for the financial years beginning on 1st January 2008 or later. Given the limited size of the defined benefit pension plans subscribed by the group, this interpretation should not have any practical impact on the annual financial statements for 2008.

- IAS 23 Borrowing costs (revised version)

This version will be effective for the financial years beginning on 1st January 2009 or later. It has already been applied, although it has no impact on the financial reporting bases used by the group, which already capitalises the financing costs that can be directly imputed to the acquisition or construction of investment property. The modification of IAS 23 effectively results in borrowing costs no longer being immediately recognised as expenses when they are incurred.

- IAS 1 Presentation of financial statements (revised version)

This version will be effective for the financial years beginning on 1st January 2009 or later. This standard will have consequences on the presentation of the annual financial statements for 2009.

ACCOUNTING RULES

1. > General principles

1.1. > Entities included in the consolidation

The consolidated annual financial statements include financial information concerning WDP Comm. VA and its subsidiaries, along with the entities in which it exercises joint control and affiliated companies in which it owns stakes.

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

Exchange rate differences

Realised and unrealised exchange rate differences are recorded in the income statement, except for those relating to the repayment of intra-group loans, which are recorded directly as a specific equity item, as intra-group loans are a net investment in the entity whose financial statements are presented in a foreign currency.

Conversion of annual financial statements expressed in foreign currencies into the functional currency

- Assets and liabilities are converted at the spot exchange rate at the balance sheet date, except for property, which is converted at the historical exchange rate.
- The income statement is converted at the average exchange rate.

The resulting exchange rate differences are recorded under a specific equity item.

2007 Annual consolidated financial statements

Notes (continued)

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 18).

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 18).

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 cost of this loan is 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 18).

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 benefits 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

2007 Annual consolidated financial statements

Notes (continued)

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 based 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" on page 18).

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 finance lease.

Assets acquired under a finance 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 intrinsic value or 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 realisable value of development projects is determined quarterly by the chartered surveyors.

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 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.

2007 Annual consolidated financial statements

Notes (continued)

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 taxes 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 tax 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.



2007 Annual consolidated financial statements

Notes (continued)

BUSINESS COMBINATION WITH THE ROYVELDEN GROUP

In 2007, WDP became the owner of the property portfolio managed by the fruit and vegetable specialist group Univeg, better known by the name "De Weide Blik".

Through this acquisition, WDP became the owner of the following companies:

- Royvelden NV
- Royvelden Holding BV
- Royvelden Beheer BV
- Royvelden Vastgoed BV

WDP acquired eight refrigerated warehouse sites in Belgium and the Netherlands, 75% of which, determined by value, are leased for a fixed term of 20 years to companies in the Univeg Group, whilst the remaining 25% are leased for a fixed term of 15 years.

Six of the eight sites are in Belgium and account for a total surface area of 60.000 m², whilst the other two sites in the Netherlands also have a total area of 60.000 m².

The Belgian properties are in Asse-Mollem, Doornik and four are in Sint-Katelijne-Waver, which is also where the head offices of the Univeg Group are situated, along with the main distribution centre for all the fruit and vegetable activities and the central depot for several distribution chains.

Two of the sites are in the Netherlands: in Ridderkerk, near Rotterdam (fruit and vegetable distribution centre for various Dutch distribution

chains) and in Voorhout, near Aalsmeer (distribution centre for flowering bulbs).

A total of four new construction projects are planned for the sites in Doornik, Sint-Katelijne-Waver (two projects) and Ridderkerk (NL).

WDP will complete them in 2007, 2008 and 2009. These projects have also already been pre-let to companies in the group.

The results of the merged companies have been included in the consolidated financial statements of WDP as from 1st July 2007, i.e. the most practical date that could be used as close as possible to the effective handover date for the part acquired (on 13/07/2007, the date when the contract was signed), given that the agreed price was based on a balance sheet for the absorbed part established on 30/06/2007 and that the property acquired was valued by the chartered surveyor as at 30/06/2007.

Through this acquisition, WDP became the 100% owner of the shares of Royvelden NV and thus the 100% owner also of the shares of the other aforementioned companies.

N.B. Royvelden Holding BV owns 10% of the ordinary shares of Royvelden Beheer BV with an option on the remaining 90% of the capital, which is represented by cumulative preference shares. This option can be exercised on 30/11/2008.

For accountancy purposes, this acquisition has been treated as a business combination in the sense of IFRS 3.

Cost of the business combination

Price paid for the shares of Royvelden NV based on the contract	36.475
Price paid for the subsoil	6.500
Due diligence and structuring costs	290
TOTAL	43.265

WDP has taken into account the following assets and (conditional) commitments

Fair value of existing Belgian properties	46.390
Fair value of the project margin relating to the central offices at Sint-Katelijne-Waver	953
Deferred tax associated with the Belgian buildings (17%)	-2.713
Fair value of the existing Dutch properties	56.676
Deferred tax associated with the Dutch buildings (25%)	-6.153
Fair value (M to M) of IRS contracts (after deduction of deferred tax)	3.410
Funding loss to pay (deferred tax liability)	-224
Supplement to pay included in the value of the preferential share option for Royvelden Beheer BV	-21
Other net tangible assets	5.759
Provisions and debts (essentially bank loans)	-60.816
TOTAL	43.261

**Amount recorded in the income statement
(2nd half of 2007, period following the acquisition date)**

Royvelden

Operating results	2.043
Result related to the IRSs	-687
Evolution of the portfolio	-4.143
TOTAL	-2.787

**Income from the merged entity as though
the Royvelden group formed part of WDP
since 01/01/2007**

	Royvelden	WDP (other countries)	WDP
Operating income	8.237	38.229	46.466
Earnings related to the IRSs	1.127	4.762	5.889
Evolution of the portfolio	-	-	-*
TOTAL	9.364	42.991	52.355

**Profits from the merged entity as though
the Royvelden group formed part of WDP
since 01/01/2007**

	Royvelden	WDP (other countries)	WDP
Operating results	3.566	24.227	27.793
Result related to the IRSs	1.127	1.508	2.635
Evolution of the portfolio	-	-	-*
TOTAL	4.693	25.735	30.428

*No valuation at 01/01/2007 is available for the Univeg Group's property portfolio.

2007 Annual consolidated financial statements

Notes (continued)

SEGMENT INFORMATION

ANALYTICAL PRESENTATION BY GEOGRAPHIC SEGMENT*

	Year ending 31-12-2007			Year ending 31-12-2006		
	Western Europe	Central and Eastern Europe	Total	Western Europe	Central and Eastern Europe	Total
Operating income	36.297	2.204	38.501	29.036	1.584	30.620
Net rental income	35.626	2.204	37.830	27.805	1.580	29.385
Other operating income	671	0	671	1.231	4	1.235
Operating charges	-4.131	-158	-4.289	-3.707	-107	-3.814
Property management costs	-1.178	-67	-1.245	-1.004	-56	-1.060
General incidental expenses	-2.953	-91	-3.044	-2.703	-51	-2.754
Operating result	32.166	2.046	34.212	25.329	1.477	26.806
Financial income	6.418	1.006	7.424	3.723	46	3.769
Financial charges	-13.261	-1.165	-14.426	-4.450	-156	-4.606
Pre-tax operating result	25.323	1.887	27.210	24.602	1.367	25.969
Taxes	-12	-290	-302	-78	-137	-215
Operating results	25.311	1.597	26.908	24.524	1.230	25.754
Result on portfolio	24.430	1.858	26.288	15.108	1.183	16.291
Reversal of unrealised capital gain	0	0	0	0	0	0
Disposal in Italy	0	0	0	0	0	0
Realised capital gains and losses	-930	0	-930	-1.600	7	-1.593
Unrealised capital gains	35.057	3.235	38.292	20.006	1.855	21.861
Unrealised capital losses	-10.992	0	-10.992	-2.675	0	-2.675
Impairment (recognised)	-171	-311	-482	-675	0	-675
Impairment (reversed)	639	0	639	241	0	241
Deferred tax on market value fluctuations	837	-791	46	-19	-482	-501
Deferred tax on reversal of amortisation	-10	-275	-285	-170	-197	-367
Exit tax (change in the tax system)	0	0	0	0	0	0
TOTAL RESULT	49.741	3.455	53.196	39.632	2.413	42.045

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 buildings in Western Europe (Belgium, the Netherlands and France) and Central and Eastern Europe (Romania and the Czech Republic).
The second criterion (by activity) has only been used for the sectoral reporting given that WDP's principal activity is approximately 95% identical.
More detailed reporting per activity is not deemed to be relevant.

*For the definitions of the various items, please refer to page 10 of the "strategy" section.

ASSETS AND LIABILITIES PER GEOGRAPHIC SEGMENT

	Western Europe	Central and Eastern Europe	Total
Assets			
Intangible assets	105	0	105
Investment property	538.914	31.880	570.794
Development projects	33.472	9.838	43.310
Other tangible assets	804	285	1.089
Finance lease receivables	355	0	355
Amounts receivable after more than one year	10.069	0	10.069
Deferred tax assets	665	0	665
Assets held for sale	2.476	0	2.476
Finance lease receivables	73	0	73
Trade receivables	9.563	494	10.057
Other receivables	13.238	141	13.379
Cash and cash equivalents	8.472	543	9.015
Deferred charges and accrued income	2.054	9	2.063
TOTAL ASSETS	620.260	43.190	663.450
Shareholders' equity			
Capital	68.913	0	68.913
Reserves	215.286	4.163	219.449
Result	36.243	1.959	38.202
Impact on the fair value of transfer costs and taxes estimated at the time of the notional transfer of investment property (-)	-17.726	-935	-18.662
Exchange rate differences	62	1.794	1.857
Minority interests	441	0	441
TOTAL SHAREHOLDERS' EQUITY	303.219	6.981	310.200
Liabilities			
Provisions	1.486	0	1.486
Deferred tax	7.736	3.540	11.276
Non-current financial debts	202.969	3.387	206.356
Current financial debts	109.428	10.722	120.150
Current trade debts	8.311	66	8.377
Social security and fiscal debt	2.010	194	2.204
Other current debts	1.549	91	1.640
Accrued charges and deferred income	1.370	391	1.761
TOTAL LIABILITIES	334.859	18.391	353.250





2007 Annual consolidated financial statements

Notes (continued)

NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

I. CRITERIA OF THE CONSOLIDATION METHOD USED

Full consolidation criteria

The companies in which the group owns a direct or indirect stake of more than 50% or in which it has the power to determine the financial and operational policy in order to benefit from its activities are entirely included in the group's annual consolidated financial statements. This means that the group's assets, liabilities and results are fully reflected. Inter-group transactions and profits are entirely eliminated.

Proportionate consolidation criteria

The companies in which the group exercises joint control based on a contractual agreement (joint-ventures) are recognised using the proportionate consolidation method. All of the assets, liabilities and results are therefore included in the consolidation on a pro rata basis, according to the group's stake in these companies. Inter-group transactions and profits are eliminated on a pro rata basis in accordance with the stake owned.

II. INFORMATION ON SUBSIDIARIES AND JOINT-VENTURES

Fraction of the capital

Fully consolidated companies

NAME and full address of the REGISTERED OFFICE

WDP CZ s.r.o. - Belehradská 18 - 140 00 Prague - The Czech Republic	100%
WDP France SARL - Rue Cantrelle 28 - 36000 Châteauroux - France	100%
WDP Nederland BV - Postbus 128 - 5300 AC Zaltbommel - The Netherlands	100%
Royvelden Holding BV - Handelsweg 20 - 2988 DB Ridderkerk - The Netherlands	100%
- with a stake in Royvelden Beheer BV Handelsweg 20 - 2988 DB - Ridderkerk - The Netherlands*	10%*
- with a stake in Royvelden Vastgoed BV Handelsweg 20 - 2988 DB - Ridderkerk - The Netherlands	100%

Proportionately consolidated companies

WDP Development RO srl - Baia de Arama Street 1, 1st floor devision C3, office n° 5, 2nd district - Bucharest - Romania	51%
---	-----

**90% of the preference shares are owned by third parties. Royvelden Holding BV has an option to purchase these shares which expires on 30/11/2008, at an exercise price of 461.624,93 EUR.*

III. STATEMENT OF INTANGIBLE ASSETS (asset item B)

EUR (x 1.000)

Software**ACQUISITION VALUE**

At the end of the previous year	90
Movements during the year	
- Acquisitions, including produced fixed assets	92
- Disposals and retirements	

AT THE END OF THE YEAR	182
-------------------------------	------------

DEPRECIATION AND AMOUNTS WRITTEN DOWN

At the end of the preceding year	55
Movements during the year	
- Recognised or reversed in the income statement	22
- Sales and disposals	

AT THE END OF THE YEAR	77
-------------------------------	-----------

NET BOOK VALUE AT THE END OF THE YEAR	105
--	------------

2007 Annual consolidated financial statements

Notes (continued)

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

EUR (x 1.000)

	Year ending 31-12-2007			Year ending 31-12-2006		
	Western Europe	Central and Eastern Europe	Total	Western Europe	Central and Eastern Europe	Total
AT THE END OF THE PREVIOUS YEAR	392.341	21.601	413.942	315.464	18.516	333.980
Capital expenditure (external suppliers)	21.262	6.981	28.243	16.621	1.158	17.779
Capitalisation of own personnel costs	326	7	333	338	6	344
Interest during construction*	25	56	81	86	71	157
New acquisitions	1.011	0	1.011	5.057	0	5.057
Contribution of investment properties resulting from the partial split of Partners in Lighting International	0	0	0	29.415	0	29.415
Acquisition of investment properties by means of share-based payment transactions	98.806	0	98.806	8.589	0	8.589
Transfers from (to) development projects	8.027	0	8.027	13.765	0	13.765
Disposals	-6.911 ¹	0 ²	-6.911	-14.326	-5	-14.331
Fair value variations**	24.027	3.235	27.262	17.332	1.855	19.187
AT THE END OF THE YEAR	538.914	31.880	570.794	392.341	21.601	413.942

*The capitalisation rate used up to and including 30/06/2007 was 4,50%; as from 30/09/2007, it was 4,75%.

**The methodology used for the deduction of transaction costs to determine the fair value was altered when another chartered surveyor was appointed for the properties abroad. To obtain the fair value, the theoretical local registration fees are currently deducted from the investment value, compared with a 2,5% deduction in the past in line with the method applied to properties in Belgium, in accordance with the press release of 08/02/2006 issued by the Belgian Asset Managers Association relating to the first application of IFRS accounting rules for cepics.

¹The impact of the new methodology relating to the deduction of transaction costs is:

- The Netherlands: -2.881,54 EUR (-4,00%)
- France: -957,47 EUR (-2,09%)

²The impact of the new methodology relating to the deduction of transaction costs is:

- The Czech Republic: 166,02 EUR (0,52%)

V. DEVELOPMENT PROJECTS - STATEMENT OF CHANGES (asset item D)

EUR (x 1.000)

	Year ending 31-12-2007			Year ending 31-12-2006		
	Western Europe	Central and Eastern Europe	Total	Western Europe	Central and Eastern Europe	Total
AT THE END OF THE PREVIOUS YEAR	15.684	0	15.684	8.901	0	8.901
Capital expenditure (external suppliers)	9.742	1.641	11.383	11.278	0	11.278
Capitalisation of own personnel costs	251	0	251	172	0	172
Interest during construction*	479	242	721	220	0	220
New acquisitions	8.201	8.266	8.201	4.744	0	4.744
Acquisition of investment properties by means of share-based payment transactions	6.673	0	14.939	4.583	0	4.583
Transfers from/to development projects	-8.027	0	-8.027	-13.765	0	-13.765
Disposals	0 ¹	0 ²	0	-14	0	-14
Depreciation (recognised/reversed)**	468	-311	157	-435	0	-435
AT THE END OF THE YEAR	33.471	9.838	43.309	15.684	0	15.684
Unrecognised unrealised capital gains	3.388	1.050	4.438			

*The capitalisation rate used up to and including 30/06/2007 was 4,50%; as from 30/09/2007, it was 4,75%.

**The methodology used for the deduction of transaction costs to determine the fair value was altered when another chartered surveyor was appointed for the properties abroad. To obtain the fair value, the theoretical local registration fees are currently deducted from the investment value, compared with a 2,5% deduction in the past in line with the method applied to properties in Belgium, in accordance with the press release of 08/02/2006 issued by the Belgian Asset Managers Association relating to the first application of IFRS accounting rules for cepics.

¹The impact of the new methodology relating to the deduction of transaction costs is:

- The Netherlands: -526,7 EUR (-3,92%)

²The impact of the new methodology relating to the deduction of transaction costs is:

- Romania: -24,56 EUR (-0,22%)



2007 Annual consolidated financial statements
Notes (continued)

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

EUR (x 1.000)

	Plant, machinery and equipment	Furniture and vehicles	Other tangible assets	Total
A) ACQUISITION VALUE				
At the end of the previous year	449	918	267	1.634
Movements during the year				
- New acquisitions	126	125	94	345
- Subsequent expenditure capitalised				
- Transfers from one heading to another				
- Sales and disposals				
Depreciation (recognised/reversed)				
AT THE END OF THE YEAR	575	1.043	361	1.979
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 YEAR				
C) DEPRECIATION AND AMOUNTS WRITTEN DOWN				
At the end of the previous year	205	457	19	681
Movements during the year				
- Recognised or reversed in the income statement	32	141	34	207
- Transfers from one heading to another				
- Reversals				
AT THE END OF THE YEAR	237	598	53	888
D) NET BOOK VALUE AT THE END OF THE YEAR	338	445	308	1.091

2007 Annual consolidated financial statements

Notes (continued)

VII. FINANCE LEASE RECEIVABLES (asset item I.G, II.C)

EUR (x 1.000)

Warehouses De Pauw has two finance lease contracts relating to Hall I and Hall J of the building on Koningin Astridlaan, Willebroek.
Both contracts are for a term of fifteen years.
The annual interest rate is 7% for the lease contract for Hall I and 6% for the lease contract for Hall J.

	2007
Less than one year	100
More than one year but less than five years	361
Over five years	57
Minimum lease rental payments	518
Uncollected financial income	-90
Present value of minimum lease rental payments	428
Long-term finance lease receivables	355
- More than one year but less than five years	301
- Over five years	54
Short-term finance lease receivables	73

VIII. ASSETS HELD FOR SALE (asset item II.A)

EUR (x 1.000)

	2007
Belgium	
- Bierbeek Hoogstraat 35-35A	1.726
- Sint-Jans-Molenbeek Rue Delaunoy	750
TOTAL	2.476

IX. TAX ASSETS AND OTHER CURRENT ASSETS

Year ending
31-12-2007
EUR (x 1.000)

Year ending
31-12-2006
EUR (x 1.000)

Taxes	1.592	1.152
Receivables from purchasers of property assets	8.517	12.787
IRS receivables	1.969	0
Deposit on the purchase of property	464	0
Other	837	120
TOTAL	13.379	14.059

X. TRADE RECEIVABLES AND DOUBTFUL DEBTS

TRADE RECEIVABLES (asset item II.D)

	Year ending 31-12-2007 EUR (x 1.000)	Year ending 31-12-2006 EUR (x 1.000)
Customers	6.657	3.734
Doubtful debtors	-943	-922
Invoices to be prepared/Credit notes receivable	718	348
Other receivables	3.625	
TRADE RECEIVABLES	10.057	3.159
Rental guarantees received	-9	-9
Cash deposits received	-34	-36
Bank guarantees	-4.366	-2.502
TOTAL CREDIT RISK FOR TRADE RECEIVABLES	5.648	612

Taking into account the guarantees obtained – rental guarantees and bank guarantees requested – the credit risk for trade receivables is limited to approximately 55% of the unpaid amount at 31/12/2007.

We should also mention that other receivables essentially consist of receivables from the partially-owned subsidiary WDP Development RO in the context of financing provided by the parent company.

2007 Annual consolidated financial statements

Notes (continued)

DOUBTFUL DEBTS - STATEMENT OF CHANGES

Year ending 31-12-2007			
	Western Europe	Central and Eastern Europe	Total
AT THE END OF THE PREVIOUS YEAR	916	6	922
Additions	157	14	171
Reversals	-150	0	-150
AT THE END OF THE YEAR	923	20	943

The provision for doubtful debts has remained virtually unchanged compared with the previous year. No unequivocal directive has been established to define the amount of the provision to be established for this purpose. The amount has been decided based on an evaluation by the management or when there are clear indications that the debt can no longer be recovered. The non-payment of rents is also subject to very close internal monitoring. As each tenant requires an individual approach, there is no strict directive here with regard to timing.

More generally, the credit risk is also limited by the fact that WDP guarantees a sufficiently broad distribution of its tenants. Apart from the legal limit of 20%, WDP's internal objective is that a maximum 10% of rental income should depend on a single customer. Currently, the Univeg Group alone, WDP's largest tenant, exceeds this limit (17% of rental income). Its share will be reduced in the long-term owing to the growth of the portfolio, which will automatically reduce the risk. The second largest tenant is Massive (part of the Philips group) with 7,1%. The remaining top ten tenants account for less than 5% of total rental income.

Trade receivables are payable in cash. The table below presents the trade receivables payable for more than 90 days:

Year ending 31-12-2007			
	Western Europe	Central and Eastern Europe	Total
Due > 90 days	2.638	31	2.669
Allowance for doubtful debts	-923	-19	-942
Due > 90 days but for which the payment does not constitute a problem	1.715	12	1.727

New tenants' financial capacities are examined internally based on the financial information requested. As the main tenants are (multi)national companies, the risk related to debtors is restricted, especially since a bank guarantee generally for 6 months is always requested from the tenants. Apart from the bank guarantees, WDP has a lien on the merchandise stored in the warehouses. Finally, regular, obligatory payments operate in some way as an alarm signal if a tenant does not pay in time.

XI. CAPITAL (liabilities item A)

	Year ending 31-12-2007 EUR (x 1.000)	Year ending 31-12-2006 EUR (x 1.000)
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	29.415
Reduction in capital upon the creation of available reserves	-40.000	-40.000
TOTAL	68.913	68.913

XII. RESERVES (liabilities item D)

	Year ending 31-12-2007 EUR (x 1.000)
Available reserves	40.077
Unavailable reserves	179.223
Legal reserves	149
TOTAL	219.449

XIII. RESULT BROUGHT FORWARD (liabilities item E)

	Year ending 31-12-2007 EUR (x 1.000)
Result brought forward from previous years	12.535
Annual result	25.667
- Profit to be carried forward	43.863
- Proposed dividend	-11.120
- Dividend paid out	-7.076
TOTAL	38.202





2007 Annual consolidated financial statements
Notes (continued)

XIV. PROVISIONS (liabilities item I.A)

EUR (x 1.000)

	Belgium			Italy	France	Total	
Nature of the liabilities	Taxes (exit tax)	Remediation	Disputes	Guarantees in Italy on disposal of shareholding	Provision for potential tax adjustment		
OPENING BALANCE	0	738	86	131	15	970	
Additional provisions		582				582	
Amounts used		-50	-1		-15	-66	
Unused amounts reversed						0	
Transferred to other entities outside the group						0	
CLOSING BALANCE	0	1.270	85	131	0	1.486	
Expected payment date for use of provisions	-	< 5 years	uncertain	< 5 years	< 5 years	-	

XV. STATEMENT OF AMOUNTS PAYABLE (liabilities items I.B and II.B)

EUR (x 1.000)

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			
Credit organisations	1.751	7.736	167.720
Finance lease	1.342	6.042	16.122
Other			3.387
B. Current debts (liabilities item II.B)			
Financial debts			
Credit organisations	118.423		
Finance lease			
Other	73		
TOTAL	121.589	13.778	187.229

STATEMENT OF CURRENT LIABILITIES (FINANCIAL DEBTS AND FINANCE LEASE DEBTS)

EUR (x 1.000)

		Total lines of credit	Maturity	Outstanding balance 31-12-2007	< 1 year	Between 1-5 years	> 5 years
Fortis commercial papers		105.730	1st commercial paper maturity 10/01/2008 - Last commercial paper maturity 20/03/2008	105.730	105.730		
Fortislease finance lease debt	fixed	26.016	31/12/2020	23.506	1.342	6.042	16.122
ING term loan	variable	25.480	01/12/2020	25.015	1.438	6.483	17.094
KBC revolving credit	variable	25.000	30/10/2016	25.000			25.000
Fortis fully revolving credit	variable	25.000	01/07/2017	25.000			25.000
Fortis fully revolving credit	variable	25.000	30/09/2016	25.000			25.000
ING loan	variable	25.000	31/08/2014	25.000			25.000
Dexia rollover credit	variable	25.000	30/09/2015	25.000			25.000
Dexia rollover credit	variable	25.000	30/09/2017	25.000			25.000
Dexia straight loan	variable	25.000	31/12/2008	10.650	10.650		
Fortis straight loan	variable	10.000	31/12/2008	1.850	1.850		
KBC loan	fixed	4.600	15/10/2014	2.192	313	1.253	626
Overdrawn bank accounts	variable	192		192	192		
Fortis SL		25.000					
Monte Paschi		15.000					
Fortis fully revolving credit		50.000					
ING loan		5.000					
TOTAL		442.018		319.135	121.515	13.778	183.842

The average term of current liabilities (financial debts and finance lease debts) is 6 years.



ESTIMATE OF FUTURE INTEREST CHARGES

Total future interest expenses	
< 1 year	13.650
1-5 years	55.209
> 5 years	14.339
TOTAL	83.198

The estimated future interest expenses take into account the statement of debts as at 31-12-2007 and interest rate hedges relating to contracts in progress at that time.

On 31-12-2007, additional interest rate hedging contracts which will begin in 2008 (+95 M EUR at 4,55% on average) and in 2009 (+40 M EUR at 4,52% on average) had already been signed.

They have not been included in the calculation of future interest charges.

Likewise, current and future debts remain hedged against future interest rate fluctuations.

For the non-hedged part of the debts, the Euribor at 31-12-2007 (4,5%) + a bank margin of 0,4% has been used.

2007 Annual consolidated financial statements

Notes (continued)

ANALYSIS OF INTEREST CHARGES

EUR (x 1.000)

	2007				2006			
	Q1 31-03-2007	Q2 30-06-2007	Q3 30-09-2007	Q4 31-12-2007	Q1 31-03-2006	Q2 30-06-2006	Q3 30-09-2006	Q4 31-12-2006
Borrowing (LT and ST financial debts)	166.623	186.305	292.507	319.136	114.213	122.954	167.631	162.906
Euribor evolution (3M)	4,000%	4,300%	4,600%	4,940%	3,016%	3,296%	3,622%	3,990%
Amount hedged	135.000	145.000	210.000	234.000	70.000	70.000	70.000	110.000
% hedged	3,54%	3,58%	3,62%	3,65%	3,23%	3,23%	3,23%	3,51%
Interest effectively received/paid (YTD)	-1.273	-2.559	-5.546	-8.253	-928	-1.816	-2.897	-4.217
Impact of interest charges received/paid (YTD)								
Interest rate fall -1,00%	1.182	2.553	5.082	7.741	746	1.534	2.404	3.658
Interest rate increase +1,00%	1.322	2.800	6.067	9.138	961	1.970	3.104	4.846

The interest rate and financing risk

The extent to which WDP can finance its own projects 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 commercial papers and long-term bank loans.

In terms of interest, the following distribution pattern has been adopted: one third is hedged for less than 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 harmonious balance can be found between short-term operating profit and potential long-term capital gains.

The above table provides an overview of the potential sensitivity of interest charges for 2006 and 2007 in the event of a theoretical 1% fall or increase in interest rates. Given the high level of hedging of financial debts (approximately 73% at 31-12-2007), an increase in interest rates will only have a limited impact on the total result.

WDP's risk is also very limited in terms of the foreign exchange risk. WDP operates mainly in the euro zone, except for its activities in the Czech Republic and Romania. The debts in euros in these subsidiaries relate to group financing. Exchange rate differences resulting from the revaluation of these local currency positions in euros have a minimal impact on equity and the total result.

FINANCE LEASE DEBTS (liabilities item I.B, II.D)

Warehouses De Pauw has a finance lease contract with a bank consortium to finance the Univeg properties in Sint-Katelijne-Waver.
The contract is for a term of fifteen years.
The annual interest rate is 3,762%.
The purchase option is worth 780.480,00 EUR (i.e. 3% of the original capital of 26.016.000,00 EUR).

	EUR (x 1.000)		
	Capital	Interest	Total
Less than one year	1.342	822	2.164
More than one year but less than five years	6.042	2.775	8.817
Over five years	16.122	2.518	18.640
TOTAL FINANCE LEASE DEBTS	23.506	6.115	29.621

XVI. OTHER CURRENT LIABILITIES (liabilities item II.E)

	Year ending 31-12-2007 EUR (x 1.000)	Year ending 31-12-2006 EUR (x 1.000)
Purchase price of new buildings	101	4.830
Outstanding dividends payable for previous financial years	384	360
Deposits and rental guarantees received	43	45
Debt payable to shareholders	846	0
Other	266	15
TOTAL	1.640	5.250

2007 Annual consolidated financial statements
Notes (continued)

XVII. GROSS RENT PER GEOGRAPHIC SECTOR

EUR (x 1.000)

	Year ending 31-12-2007			Year ending 31-12-2006		
	Western Europe	Central and Eastern Europe	Total	Western Europe	Central and Eastern Europe	Total
Gross rental income	36.120	2.214	38.334	28.560	1.587	30.147
TOTAL	36.120	2.214	38.334	28.560	1.587	30.147

XVIII. RENTAL INCOME (income statement I)

EUR (x 1.000)

	Year ending 31-12-2007			Year ending 31-12-2006		
	Western Europe	Central and Eastern Europe	Total	Western Europe	Central and Eastern Europe	Total
Rental income	36.120	2.214	38.334	28.467	1.587	30.054
Indemnities for early termination of leases	174	0	174	209	0	209
TOTAL	36.294	2.214	38.508	28.676	1.587	30.263

XIX. CHARGES ASSOCIATED WITH RENTAL (income statement III)

Year ending 31-12-2007
EUR (x 1.000)

Year ending 31-12-2006
EUR (x 1.000)

Rent to be paid on rented assets	-149	-148
Valuation allowances for trade receivables	-161	-317
Reversal of valuation allowances for trade receivables	150	125
TOTAL	-160	-340

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

XX. RENTAL CHARGES AND TAX AND THEIR RECOVERY
(income statement V and VII)

	Year ending 31-12-2007 EUR (x 1.000)	Year ending 31-12-2006 EUR (x 1.000)
Re-invoicing of rental charges paid out by the owner	1.910	1.630
Invoicing of advance property levy and taxes on let properties	1.916	1.912
Rental charges paid out by the owner	-1.684	-1.631
Advance levies and taxes on let property	-2.586	-2.291
TOTAL	-444	-380
Net rental charges (rental charges that can not be re-invoiced)	226	-1
Net advance levies and taxes (advance levies that can not be re-invoiced)	-670	-379
TOTAL	-444	-380

XXI. OTHER INCOME AND EXPENDITURE RELATED TO RENTALS (income statement VIII)

	Year ending 31-12-2007 EUR (x 1.000)	Year ending 31-12-2006 EUR (x 1.000)
Management fees received	372	351
TOTAL	372	351

XXII. TECHNICAL COSTS (income statement IX)

	Year ending 31-12-2007 EUR (x 1.000)	Year ending 31-12-2006 EUR (x 1.000)
Recurrent technical costs	-915	-685
Repairs	-655	-342
Insurance premiums	-260	-343
Non-recurrent technical costs	52	75
Major repairs (building contractors, architects, engineering firm, etc.)	44	107
Accidents	8	-32
TOTAL	-863	-610





2007 Annual consolidated financial statements

Notes (continued)

XXIII. COMMERCIAL COSTS (income statement X)

	Year ending 31-12-2007 EUR (x 1.000)	Year ending 31-12-2006 EUR (x 1.000)
Agency commissions	-120	-126
Advertising	-96	-136
Lawyers' fees and legal charges	-68	-61
TOTAL	-284	-323

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).

XXIV. PROPERTY MANAGEMENT COSTS (income statement XII)

	Year ending 31-12-2007 EUR (x 1.000)	Year ending 31-12-2006 EUR (x 1.000)
External management fees	-18	-42
Property management costs (internal)	-224	-133
TOTAL	-242	-175

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).

XXV. AVERAGE WORKFORCE AND BREAKDOWN OF MEMBERS OF PERSONNEL

	Year ending 31-12-2007 EUR (x 1.000)	Year ending 31-12-2006 EUR (x 1.000)
In fully consolidated companies		
Average workforce	17,7	13,8
a) Workers	5,4	5,4
b) Employees	12,3	8,4
Personnel costs	942	778
a) Remuneration and direct fringe benefits	545	451
b) Employer's national insurance contributions	243	189
c) Employer's supplementary insurance premiums	48	35
d) Other personnel costs	106	103

XXVI. SALES

The (parts of) the following building(s) were sold during the course of 2007:

BELGIUM

Vilvoorde - Steenkade 44

— A pre-contract agreement was signed in the 3rd quarter of 2007 for the property at Steenkade 44, Vilvoorde. The plot includes 5.148 m² of land. The 8.745 m² of warehouses were let in 2007 for a total of approximately 190.000 EUR.

Tienen - Getelaan 100 - Nieuw Overlaar 197

— The 7.650 m² plot of land lies alongside the road connecting the E40 to the town on the one side and the Tienen-Hoegaarden road on the other. The building was split in two (shops and tower) and sold to two separate parties. The renovated complex consisting of two discount stores with a total surface area of 1.852 m² was sold to Marlau NV. The 1.882 m² tower which had been converted into offices was sold to Huisvesting Tienen VZW.

Bierbeek - Hoogstraat 35-35A

— The 12.137 m² plot with 6.443 m² of warehouses was sold to a private investor. At the end of 2007, the contract had not yet been signed. The building was therefore recorded as a tangible asset held for sale.

Sint-Jans-Molenbeek - Rue Delaunoy 35-36

— A purchase option was granted in 2003 to the ASBL Ligue d'entraide islamique for a 3.253 m² plot of land (with a 1.616 m² warehouse with headroom of 6 metres). At the end of 2007, the contract had not yet been signed. The building was therefore recorded as a tangible asset held for sale.

2007 Annual consolidated financial statements
Notes (continued)

XXVII. RESULTS FROM THE SALE OF INVESTMENT PROPERTIES

(income statement XVI)

Year ending
31-12-2007
EUR (x 1.000)

Total sales price of property assets sold	4.327
Book value of properties sold	-5.257
RESULT FROM SALE OF INVESTMENT PROPERTY	-930

XXVIII. VARIATIONS IN THE FAIR VALUE OF INVESTMENT PROPERTIES (income statement XVIII)

EUR (x 1.000)

	Year ending 31-12-2007			Year ending 31-12-2006		
	Western Europe	Central and Eastern Europe	Total	Western Europe	Central and Eastern Europe	Total
Unrealised capital gain on existing properties	34.215	3.235	37.450	19.628	2.623	22.251
Unrealised capital loss on existing properties	-5.363	0	-5.363	-2.674	-769	-3.443
Unrealised capital gain on new properties	842	0	842	379	0	379
Unrealised capital loss on new properties	-5.629	-0	-5.629	0	0	0
Deferred tax on market value fluctuations	-148	-841	-989	-19	-482	-501
Depreciation (recognised and reversed) for development projects	468	-311	157	-607	0	-607
Deferred tax assets on market value fluctuations	985	50	1.035	0	0	0
Deferred tax on reversal of amortisation	-10	-275	-285	-170	-197	-367
TOTAL	25.360	1.858	27.218	16.537	1.175	17.712

XXIX. FINANCIAL RESULTS

	Year ending 31-12-2007 EUR (x 1.000)	Year ending 31-12-2006 EUR (x 1.000)
Financial income	7.424	3.769
Interest and dividends received	1.608	243
Finance lease and other indemnities	24	36
Income from financial instruments used for hedging purposes	4.762	3.455
Other financial income	1.030	35
Interest charges	-9.794	-4.548
Nominal interest charges on loans	-10.338	-4.853
Interest capitalised during construction	554	307
Other interest charges	-10	-2
Other financial charges	-4.632	-59
Bank charges and other commissions	-517	-26
Cost of financial instruments used for hedging purposes	-4.073	-31
Other financial charges	-42	-2
FINANCIAL RESULTS	-7.002	-838

Financial income includes on the one hand the interest effectively received in bank accounts, accounts receivable and Interest Rate Swaps (IRS). On the other hand, financial income is influenced by the impact of the market valuation of the IRSs contracted, in accordance with IAS 39. Given their illiquid nature, they do not appear in the operating results in the key figures.

Other financial income can be imputed mainly to the realisation of positive currency conversion results.

Interest charges mainly include the interest effectively paid for the various lines of credit and the commercial papers programme (cf. the overview of borrowing on page 40-41). Given that assets under construction are valued at their cost price, part of this interest on construction projects is capitalised.

Other financial charges essentially relate to bank charges and negative currency conversion results. On the other hand, other financial charges are influenced by the impact of the market valuation of the IRSs contracted, (IAS 39). Given their non-liquid nature, they do not appear in the operating results in the key figures.

2007 Annual consolidated financial statements
Notes (continued)

XXX. TAXES

Year ending
31-12-2007
EUR (x 1.000)

Recorded in the consolidated income statement		
Corporate tax	-115	
Deferred tax	-187	
TOTAL TAXES	-302	
Reconciliation between the effective tax expense and the pre-tax accounting income		
Net result (variations in the fair value of investment properties, excl. exit tax)	22.128	
Taxes	-302	
Pre-tax result	22.430	
Tax rate	16% - 34%	
Theoretical taxation	-6.991	
Fiscal impact of rejected expenditure	-146	
Fiscal impact of notional interest deduction	85	
Fiscal impact of changes in rent	-148	
Fiscal impact of tax-exempt income	7.218	
Fiscal impact of deferred tax corrections	-28	
Other	-292	
TAX CARRIED FORWARD	-302	

XXXI. TRANSACTIONS BETWEEN ASSOCIATED COMPANIES

Year ending
31-12-2007
EUR (x 1.000)

Director indemnification invoiced by the managing company De Pauw NV to WDP	700	
TOTAL	700	



2007 Annual consolidated financial statements

Notes (continued)

XXXII. OFF-BALANCE-SHEET RIGHTS AND COMMITMENTS

- Commitment in favour of Dexia, KBC and Fortis Bank not to further mortgage fixed assets in Belgium or establish proxies for this purpose (negative pledge).
- Financial securities worth 1,694 million EUR pledged in favour of the Flemish waste management company (OVAM).
- WDP has investments in progress worth a total 285 million EUR. These include its own developments (185 million EUR), projects undertaken at the request of customers (55 million EUR) and WDP's sustainable business project (photovoltaic solar panel project worth 45 million EUR).
- In 2003, WDP granted the ASBL Ligue d'entraide islamique a purchase option worth 100.000 EUR for a warehouse with adjacent land in Rue Delaunoy 34-36, Sint-Jans-Molenbeek. 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.

Interest rate hedging (IRS)

Amount EUR (x 1.000)	Start date	Expiry date	Remaining duration on 01-01-2008	Interest rate	Fair value EUR (x 1.000)
10.000.000	30/12/2005	31/12/2008	1,00	2,980%	151
15.000.000	15/03/2007	15/12/2009	1,96	3,730%	189
10.000.000	30/12/2005	31/12/2010	3,00	3,160%	346
10.000.000	29/12/2006	31/12/2010	3,00	3,850%	150
10.000.000	30/06/2008	30/12/2011	0,00	4,450%	-32
10.000.000	15/06/2007	17/12/2012	4,96	4,005%	186
15.000.000	30/12/2005	31/12/2012	5,00	3,350%	718
15.000.000	30/09/2008	30/09/2013	0,00	4,650%	-168
5.000.000	30/12/2005	31/12/2013	6,00	3,390%	276
10.000.000	30/12/2005	31/12/2013	6,00	3,390%	552
10.000.000	30/06/2009	30/06/2014	0,00	4,470%	-11
15.000.000	28/09/2007	30/09/2014	7,00	4,550%	-94
5.000.000	29/12/2006	31/12/2014	7,00	4,110%	104
5.000.000	29/12/2006	31/12/2014	7,00	4,050%	122
20.000.000	31/03/2008	31/03/2015	0,00	4,530%	-93
20.000.000	30/12/2005	31/12/2015	8,00	3,190%	1.760
10.000.000	30/09/2009	30/09/2016	0,00	4,480%	38
10.000.000	15/12/2006	15/12/2016	8,96	3,880%	493
10.000.000	31/12/2008	31/12/2016	0,00	4,540%	-10
10.000.000	30/03/2007	31/03/2017	9,25	3,600%	710
10.000.000	31/03/2009	31/03/2017	0,00	4,500%	26
20.000.000	30/09/2008	29/09/2017	0,00	4,560%	-24
10.000.000	11/12/2007	11/12/2017	9,95	3,500%	862
15.000.000	31/12/2007	31/12/2017	10,00	4,160%	480
20.000.000	30/06/2008	31/12/2018	0,00	4,570%	-5
5.000.000	29/12/2006	31/12/2018	11,00	4,260%	143
5.000.000	29/12/2006	31/12/2018	11,00	4,180%	180
10.000.000	31/12/2009	31/12/2019	0,00	4,640%	30
8.815.000	05/12/2005	01/12/2020	12,92	3,480%	570
6.504.000	05/12/2005	01/12/2020	12,92	3,480%	373
25.132.000	05/12/2005	01/12/2020	12,92	3,480%	1.622
8.815.000	05/12/2005	01/12/2020	12,92	3,480%	571

SWOPT interest rate hedges

Amount EUR (x 1.000)	Start date	Expiry date	Remaining duration on 01-01-2008	Interest rate	Fair value EUR (x 1.000)
10.000.000	30/06/2008	30/12/2011	0,00	4,450%	-86
10.000.000	30/03/2007	31/03/2017	9,25	3,600%	-753
10.000.000	11/12/2007	11/12/2017	9,95	3,500%	-936
15.000.000	31/12/2007	31/12/2017	10,00	4,160%	-667

FLOOR KI interest rate hedges

Amount EUR (x 1.000)	Start date	Expiry date	Remaining duration on 01-01-2008	Interest rate	Fair value EUR (x 1.000)
10.000.000	31/12/2008	31/12/2018	0,00	4,500%	-213

CAP KO interest rate hedges

Amount EUR (x 1.000)	Start date	Expiry date	Remaining duration on 01-01-2008	Interest rate	Fair value EUR (x 1.000)
10.000.000	31/12/2008	31/12/2018	0,00	4,500%	99

	Year ending 31-12-2007 EUR (x 1.000)	Year ending 31-12-2006 EUR (x 1.000)
Fair value on the reporting date	7.659	3.023
Impact of fair value adjustment on the result	689	3.424
Earnings	4.762	3.455
Costs	-4.073	-31

On 31/12/2007, WDP had hedged all of its current and future commitments for almost 370 million EUR, mainly by contracting Interest Rate Swaps (IRSs).

Taking into consideration only the contracts already in force on 31/12/2007, this means that approximately 70% of its financial debts are hedged at a fixed interest rate.

These contracts are valued at their fair value on the reporting date, according to information provided by the various financial institutions.





2007 Annual consolidated financial statements

Notes to the balance sheet

Intangible assets

Intangible assets refer to the capitalisation of management and accounting software (105.056 EUR).

Investment property

Tangible assets have been valued at their fair value in accordance with IFRS rules, as established by the independent chartered surveyors, Stadim CVBA and Cushman & Wakefield on 31st December 2007. 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 property portfolio, including investment properties and development projects, we thus arrive at a value of 614.104.044 EUR, compared with 429.626.043 EUR at the end of 2006.

The portfolio's overall value has increased by 184,478 million EUR. For further details, see point "6. Changes in the WDP portfolio since 31st December 2006", in the chapter "Evaluation of the portfolio by Stadim CVBA and Cushman & Wakefield", on page 61 of the "strategy" section.

After recognition of investments and disinvestments undertaken during the past financial year, for a net total of 157,021 million EUR, we can observe a net unrealised increase in value of 27,457 million EUR.

Total variation of the fair value of investment property amounted to 27,218 million EUR, after deduction of: deferred tax of 0,046 million EUR in the Netherlands, the Czech Republic and Romania, 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 three

countries, unlike in Belgium and France where WDP has this status; deferred tax on the reversal of amortisation of 0,285 million EUR.

This net increase is reflected in the cepic's capital and reserves under the items "Unavailable reserves" and "Impact on the fair value of transfer costs and taxes estimated at the time of the notional transfer of investment property and of the valuation of development projects at cost price".

Development projects

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" and are valued at 43,310 million EUR, excluding transaction costs, by the chartered surveyors Stadim CVBA and Cushman & Wakefield.

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. At the end of 2007, these totalled 4,438 million EUR.

Deferred tax assets

Following tax losses in WDP Nederland and Royvelden Vastgoed BV, a deferred tax asset of 665.000 EUR was recorded.

Provisions for liabilities and charges

Analyses, monitoring activities and remediation in progress continued during the year in order to satisfy all the local legal obligations for soil remediation. At the end of 2007, the "provisions" item still included 1,271 million EUR of provisions mainly reserved for the potential remediation of land at Anderlecht - Frans Van Kalkenlaan, Beersel - Stationstraat,

Lot - Heideveld, Haacht - Dijkstraat,
Neder-Over-Heembeek - Vilvoordsesteenweg,
Sint-Jans-Molenbeek - Rue Delaunoy and
Vilvoorde - Willem Elsschotstraat.

Furthermore, other provisions notably include 0,084 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.

Financial debts

WDP 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 commercial paper programme introduced jointly with Fortis and Dexia in autumn 2005 was further extended.

At the end of 2007, WDP's debt was structured as follows:

- a long-term loan of 2,192 million EUR in France;
- a long-term loan of 25,015 million EUR in the Netherlands (Royvelden Vastgoed BV);
- commercial papers worth 105,730 million EUR;
- straight loans worth a total of 12,500 million EUR.
- a finance lease debt of 23,506 million EUR in Belgium;
- a current account debt of 3,387 million EUR in Romania;
- other long-term borrowing from financial institutions, worth a total of 3,911 million EUR;

- long-term bullet loans (in the form of revolving credit) worth 150 million EUR;
- other short-term borrowing from financial institutions, worth a total of 0,265 million EUR.

The gearing ratio at the end of the year was 52,32% (including the dividend recognised as a debt).

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

- long-term lines of credit with banks: 60 million EUR;
- a minimum margin of 50 million EUR to be borrowed freely in the context of the commercial paper programme.



2007 Annual consolidated financial statements

Summary of the results

	31-12-2007 EUR (x 1.000) Fair value	31-12-2006 EUR (x 1.000) Fair value
OPERATING INCOME	38.501	30.619
Net rental income	37.830	29.384
Other operating income	671	1.235
Recurrent	381	350
Non-recurrent	290	885
OPERATING CHARGES	-4.289	-3.814
Property management costs	-1.245	-1.060
General operating costs	-3.044	-2.754
Management	-607	-467
Administration	-545	-492
External services	-971	-771
Costs related to listing	-645	-669
Amounts written off on trade debtors	-24	-178
Other charges	-252	-177
OPERATING RESULT	34.212	26.805
Financial income	7.424	3.769
Financial charges	-14.426	-4.606
Income tax	-302	-215
OPERATING RESULTS (AVAILABLE FOR APPROPRIATION)	26.908	25.753
RESULT ON PORTFOLIO	26.288	16.292
Result from sale of investment property	-930	-1.593
Net property sales	4.327	12.810
Book value of properties sold	-5.257	-14.403
Variations in the fair value of investment property	27.218	17.884
Positive variations in the fair value of investment property	38.292	22.630
Negative variations in the fair value of investment property	-10.992	-3.443
Deferred tax on market value fluctuations	-989	-501
Impairment of assets under construction (recognised and reversed)	157	-435
Deferred tax assets on market value fluctuations	1.035	0
Deferred tax on reversal of amortisation	-285	-367
TOTAL RESULT	53.196	42.045

2007 Annual consolidated financial statements

Discussion of the results

1. > Operating results

The net current operating results (i.e. the operating results including the impact of IAS 39) amounted to 26,09 million EUR, increasing by 17% compared with the 2006 financial year.

1.1. > Operating income

Total operating income increased by 26% in 2007, from 30,6 million EUR in 2006 to 38,5 million EUR in 2007.

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 2007 to 37,83 million EUR, compared with 29,38 million EUR in 2006.

This increase was essentially the result of rent generated by investments in new buildings (Royvelden), 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, worth 381.000 EUR. These increase each year. Since 2000, it has almost always been agreed with tenants that WDP – in accordance with its objective to offer them global solutions – should also manage premises and charge 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 44.000 EUR;
- isolated payments, such as various payments for renunciation and breach of contract paid by tenants who terminated their lease early, payments for expenses incurred during the

examination of new projects, etc.

In 2007, these payments made a positive contribution to results worth 246.000 EUR.

Thus 99% of operating results are accounted for by long-term recurrent income: rental income and management fees.

1.2. > Operating charges

Operating charges increased by 12% during the 2007 financial year, to 4,289 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.

General operating costs

The 10,5% increase in general operating costs, which increased from 2,754 million EUR in 2006 to 3,044 million EUR in 2007, is mainly explained by an increase in the technical and administrative staff and an increase in the external services item in relation to the strategic growth plan.

1.3. > Financial result

As the gearing ratio increased compared with the previous year, the relative share of financial charges in WDP's total charges has increased. Financial charges account for approximately 77% of total operating charges.

Given the importance of this cost factor, WDP is striving to develop the most effective possible debt and hedging structure. Total real

interest charges were approximately 4,1% all-in in 2007. For more details, please refer to the notes to the consolidated balance sheet on page 60.

Hedging income has been valued at its market value. The evolution of the market value of IRSs contracted by WDP had a positive net impact of 0,689 million EUR (excluding deferred tax).

2. > Result on portfolio

The result on portfolio amounted to 26,288 million EUR, compared with 16,292 million EUR in 2006.

2.1. > Capital gains and losses

In 2007, three properties were entirely or partly sold for a total price of 4,327 million EUR. For further details on these disposals, please refer to the “Report on activities”, on page 40 of the “strategy” section.

As the total book value of the properties in question was 5,257 million EUR, a total capital loss of 0,930 million EUR was realised.

2.2. > Unrealised capital gains

Construction and renovation work in the existing portfolio

The Belgian projects in Zele, Anderlecht, Boortmeerbeek, Nivelles and Vilvoorde were completed in 2007, along with the project at Templemars (France) and work in the Czech Republic. WDP recorded an unrealised net capital gain of 7,303 million EUR for this part of the portfolio.

Projects in progress and acquired land

WDP did not record any increases in value for the acquisitions in Belgium of Sint-Katelijne-Waver - Fortsesteenweg 17-19 and Nivelles - Chaussée de Namur or abroad, for the Venlo project (the Netherlands) or for land in Romania, as these new investments were still under development on the reporting date. IAS 40 (fair value estimation) does not apply here, and the valuation has to be made using the purchase price until the project is completed.

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

A net capital gain totalling 20,154 million EUR was recorded for the remainder of the existing property portfolio. For further details, please refer to the chapter “Evaluation of the portfolio by Stadim CVBA and Cushman & Wakefield”, on page 57 of the “strategy” section.

After the 0,046 million EUR increase in deferred tax for market fluctuations and deferred tax deductions of 0,285 million EUR on the reversal of amortisation, the resulting total variation in the fair value of investment properties was 27,218 million EUR.

Until now, WDP's entire portfolio, including the international part of the rental property, was valued in accordance with Belgian market practices*. From now on (as from the 2007 valuation), the foreign part of the portfolio, valued by Cushman & Wakefield, will comply with international market practices**. The one-off negative impact of this change in the result on portfolio is 4 million EUR or 0,46 EUR per share. However, this new calculation method makes it considerably easier for WDP to compare its portfolio in an international context.

*Valuation in accordance with Belgian market practices: fair value = value including transaction costs – flat-rate transaction costs of 2,5%.

For further details regarding the valuation methodology, please refer to the BEAMA press release of 6th February 2006: <http://www.beama.be/content/index.php>.

**Valuation in accordance with international market practices: fair value = value including transaction costs – effective transaction costs in the relevant country.

2007 Annual consolidated financial statements

Rental income overview

		2007 (EUR)	2006 (EUR)
BELGIUM		29.913.484,96	25.207.904,17
Aalst	Dendermondsesteenweg 75	165.029,16	162.340,02
Aalst	Denderstraat 97	196.265,28	97.500,00
Aalst	Tragel 5	264.023,34	232.866,95
Aalst	Tragel 11-12	948.124,14	1.088.979,32
Aalst	Wijngaardveld 3, Dijkstraat 7	635.490,62	669.333,94
Anderlecht	Frans Van Kalkenlaan 9	880.468,33	707.038,54
Antwerpen	Lefebvredok, Kaai 59	381.665,86	432.183,36
Asse	Terheidenboslaan 10	115.533,49	-
Beersel (Lot)	Heideveld 3-4-4A	413.003,92	437.088,36
Beersel	Stationstraat 230	191.121,84	188.228,24
Beringen (Paal)	Industrieweg 135	383.516,67	263.946,15
Bierbeek	Hoogstraat 35-35A	186.366,66	174.271,47
Boom	Groene Hofstraat 13	85.271,82	123.817,71
Boom	Langelei 114-116	1.685.781,70	1.659.979,24
Boortmeerbeek	Industrielaan 16	440.405,43	435.233,41
Boortmeerbeek	Leuvensesteenweg 238	138.167,05	-
Bornem	Rijksweg 17	596.602,46	590.037,36
Bornem	Rijksweg 19	942.832,87	769.481,12
Buggenhout	Kalkestraat 19	590,80	-
Courcelles	Rue de Liège	302.069,98	-
Doornik	Rue de Terre à Briques	163.864,24	-
Grimbergen	Eppegemstraat 31	1.013.253,72	1.016.520,72
Haacht (Wespelaar)	Dijkstraat 44	192.491,87	192.804,44
Jumet	Zoning Industriel	252.873,24	248.449,26
Kontich	Satenrozen II (building Massive)	2.214.043,16	734.674,96
Kortenbergh	A. De Coninckstraat 2-4	379.457,40	250.066,28
Lebbeke (Wieze)	Kapittelstraat 31	115.064,90	80.193,12
Leuven	Kol. Begaultlaan 9+17-21	629.751,95	592.562,97
Leuven	Vaart 25-35	1.333.914,56	1.273.751,86
Londerzeel	Nijverheidstraat 13-15	929.083,89	660.250,21
Machelen	Rittwegerlaan 91-93	1.451.387,50	1.349.404,71
Mechelen	Olivetenvest 4-6-8	-	55.907,45
Merchtem	Kattestraat 27	91.537,53	152.396,48
Merchtem	Wolvertemse Steenweg 1	177.327,90	186.282,11
Mollem	Assesteenweg	1.125.965,23	963.992,25
Neder-O.-Heembeek	Steenweg op Vilvoorde 146	192.118,33	157.072,99
Nivelles	Avenue de l'Industrie	1.348.339,26	1.403.723,20
Nivelles	Rue de Bosquet	242.762,23	-
Puurs	Lichterstraat 31, Meermansdreef	406.090,00	421.514,61
Rumst (Terhagen)	Polder 3	496.730,53	411.922,96
Sint-Jans-Molenbeek	Delaunoyststraat 35-36 + 58-60	481.406,14	546.843,94
St-Katelijne-Waver	Drevendaal 3	600.720,82	-
St-Katelijne-Waver	Drevendaal 1 + Strijbroek 4	406.280,71	-
St-Katelijne-Waver	Fortsesteenweg 19+27	132.564,32	-
St-Katelijne-Waver	Fortsesteenweg 44	71.733,28	-
St-Katelijne-Waver	Strijbroek 10	100.456,04	-

		2007 (EUR)	2006 (EUR)
Temse	Kapelanielaan 10	67.344,88	236.956,22
Ternat	Industrielaan 24	568.932,91	840.938,10
Tienen	Getelaan 100	148.940,21	252.796,97
Vilvoorde	W. Elsschotstraat 5	861.636,15	855.629,32
Vilvoorde	Havendoklaan 12	839.960,92	873.683,34
Vilvoorde	Havendoklaan 13	378.087,41	41.343,75
Vilvoorde	Havendoklaan 19	641.028,78	631.646,88
Vilvoorde	Steenkade 44	189.112,29	192.706,51
Vilvoorde	Jan Frans Willemsstraat 95	396.618,65	355.636,08
Willebroek	Breendonkstraat	2.280,62	2.280,64
Willebroek	Koningin Astridlaan	771.398,72	777.184,18
Zaventem	Fabriekstraat 13	386.723,07	380.869,83
Zeel	Lindestraat 7	1.159.870,18	1.035.572,64
FRANCE		3.425.544,25	2.292.185,46
Aix-en-Provence	ZAC Gustave Eiffel II	711.283,42	675.720,89
Lesquin	Rue des Hauts de Sainghin, plots 179 and 180	741.233,76	704.310,13
Neuville-en-Ferrain	Sentier du Triez des Prêtres	528.373,20	-
Roncq	Avenue de l'Europe, plots 33 and 34	566.367,07	528.730,09
Templemars	Route de l'Epinoy, plot 237 bis	266.322,66	199.741,02
Templemars	Route d'Ennetière	611.964,14	183.683,33
CZECH REPUBLIC		2.214.320,56	1.586.961,69
Hradec Kralové	Pilmarova 410, 500 03	189.707,67	186.091,94
Jablonec	Nad Nisou, Ostry Roh, 466 02	53.073,03	51.866,72
Mlada Boleslav	Jicinska 1329/III, 29 301	126.607,77	126.621,97
Mlada Boleslav	Neprevazka	1.424.765,16	816.158,83
Pruhonice	Uhrineveska 734, 25243	420.166,93	406.222,23
THE NETHERLANDS		2.780.524,77	1.060.085,00
Hazeldonk	Breda Industrieterrein n° 6462 and 6464	1.062.692,00	1.060.085,00
Ridderkerk	Handelsweg 20	1.143.760,39	-
Venlo	Edisonstraat	30.000,00	-
Voorhout	Loosterweg 33	544.072,38	-
TOTAL		38.333.874,54	30.147.136,32





2007 Annual consolidated financial statements

Overview of future rental income (WDP as lessor)

RENTAL INCOME	Year ending 31-12-2007 EUR (x 1.000)	Year ending 31-12-2006 EUR (x 1.000)
Within one year	40.254,02	26.690,87
More than one year but less than five years	124.437,75	84.437,17
Over five years	168.989,11	73.137,18
TOTAL	333.680,87	184.265,22

This table provides an overview of future rental income resulting from current leases. They are based on non-indexed rents which will be collected until the first lease expiry date agreed in the contracts.

The impact of rent indexation for the 2006 and 2007 financial years was 1,87 and 2,64% respectively.

Standard lease

WDP mainly signs contracts to provide storage spaces and industrial premises, generally for a term of nine years, with the possibility to terminate the contract at the end of the third and the sixth year subject to six months advance notice.

Rents are generally payable monthly in advance (sometimes quarterly). The index is revised annually on the date when the contract was signed.

Taxation including the advance property levy, half of the insurance premiums and shared general charges are payable by the tenant, who pays a monthly provision for them at the same time as the rent. Each year, they receive a statement of the actual charges.

In order to guarantee the respecting of commitments imposed on the tenants, the tenant is obliged to deposit a rental guarantee, generally in the form of a bank guarantee equal to six months' rent.

When the contract begins, a jointly prepared inventory between the two parties is drawn up by an independent surveyor. At the end of the lease, the tenant has to restore the rented premises to the condition described in this entry inventory except for normal wear and tear. An exit inventory is drawn up. The tenant is liable for the repair of any damage observed and the potential unavailability of the premises whilst such damage is being repaired.

The tenant is not authorised to conduct any high-risk activity in the rented areas unless it has received prior permission in writing from WDP, which where appropriate can oblige the tenant to take certain precautionary measures. If the tenant conducts a high-risk activity during the term of the contract, it is obliged to conduct a soil orientation study before the lease expires and where soil pollution is found, to fulfil all the potential remediation obligations and repair any resulting damage.

The tenant is solely responsible for obtaining their operating licence and environmental permit. The refusal or withdrawal of permits does not constitute justification for the dissolution or termination of the agreement. The tenant is not authorised to transfer its contract or to sub-let the areas it has rented without the prior written consent of WDP. The tenant is obliged to register the lease at its own expense.

2007 Annual consolidated financial statements

Profit appropriation

The unconsolidated profits for the financial year in the corporate financial statements amounted to 52.436.191 EUR. Taking into account the profit brought forward from the previous financial year* (12.909.303 EUR) and the direct impact on the result brought forward at the end of the previous year owing to the modification of the valuation rules relating to the fair value calculation of derivative financial instruments (IRS) (3.022.723 EUR), and the result carried forward resulting from the silent merger in 2007 (2.481.441 EUR), which also includes the consolidation of the permanent establishment, the profit available for distribution is 70.849.658 EUR.

After the allocation of net unrealised capital gains on the portfolio resulting from market fluctuations to revaluation surpluses (29.531.438 EUR) and the allocation of the fair value revaluation of financial assets to unavailable reserves on the reporting date (1.951.538 EUR), the profits available for distribution amounted to 39.366.682 EUR.

We would propose to allocate the profits in the following manner:

Remuneration of capital 11.119.992 EUR

11.119.992 EUR, i.e. 8.592.721 shares x 1,1 EUR net dividend, plus the tax payable at source, which has been entirely paid out under the interim dividend.

Profits carried forward 28.246.690 EUR

The remaining 2007 dividend, i.e. 8.592.721 shares x 1,21 EUR net dividend, plus the tax deducted at source, is still included in the profits to be carried forward on the reporting date.

This dividend is equivalent to 90% of the consolidated operating results.

These dividends are payable as from Wednesday 7th May 2008 from your financial institution, upon presentation of coupon n° 14 for bearer shares.

*Based on the simplified financial statements approved by Warehouses De Pauw Comm. VA for the 2006 financial year, before the 2006 figures were adapted in accordance with the IFRS valuation rules.

2007 Annual consolidated financial statements

Auditor's report on the annual consolidated financial statements

Statutory auditor's report to the partners' meeting on the consolidated financial statements for the year ended 31st December 2007

To the partners

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. 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 accompanying consolidated financial statements of Warehouses De Pauw SCA ("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. Those consolidated financial statements comprise the consolidated balance sheet as at 31st December 2007, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 663.450 (000) EUR and a consolidated profit for the year then ended of 53.196 (000) EUR.

The management of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: 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 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 that 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 group'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 assessed the basis 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, the management and responsible officers of the company have replied to all our requests for explanations and information. 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 financial position as of 31st December 2007, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

Additional comment

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the management.

Our responsibility is to include in our report the following additional comment which does not change the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

Diegem, 19th February 2008

The statutory auditor





2007 Annual corporate financial statements*

Income statement

	Year ending 31-12-2007 EUR (x 1.000)	Year ending 31-12-2006 EUR (x 1.000)
I. Rental income	28.722	24.614
Rents	28.547	24.523
Indemnification for early termination of lease	175	91
III. Rental charges	-164	-339
Rent to be paid for leased premises	-148	-147
Valuation allowances for trade receivables	-5	-379
Reversal of valuation allowances for trade receivables	-11	187
NET RENTAL RESULT	28.558	24.275
V. Recovery of rental charges and tax normally paid by the tenant on let properties	3.378	3.169
Re-invoicing of rental charges paid out by the owner	1.504	1.499
Re-invoicing of advance property levy and taxes on let properties	1.874	1.670
VII. Rental charges and tax normally paid by the tenant on let properties	-3.786	-3.471
Rental charges paid out by the owner	-1.540	-1.476
Advance levies and taxes on let property	-2.246	-1.995
VIII. Other income and charges related to leases	372	350
Property management fees	372	350
PROPERTY RESULT	28.522	24.323
IX. Technical costs	-680	-380
Recurrent technical costs	-732	-455
- Repairs	-516	-162
- Insurance premiums	-216	-293
Non-recurrent technical costs	52	75
- Major repairs (building contractors, architects, engineering firm, etc.)	44	107
- Accidents	-52	-32
- Claims paid by insurers	60	0
X. Commercial costs	-249	-318
Agency commissions	-88	-103
Advertising	-93	-118
Lawyers fees and legal charges	-68	-97
XII. Property management costs	-71	-70
Fees paid to (external) managers	44	-8
(Internal) property management costs	-115	-62
XIII. Other property costs	0	0
PROPERTY CHARGES	-1.000	-768
PROPERTY OPERATING RESULTS	27.522	23.555
XIV. General company expenses	-1.913	-1.461
XV. Other operating income and charges	0	0
OPERATING RESULTS BEFORE RESULT ON PORTFOLIO	25.609	22.094

	Year ending 31-12-2007 EUR (x 1.000)	Year ending 31-12-2006 EUR (x 1.000)
XVI. Result on disposals of investment property	-930	-1.600
Net property sales	4.327	-1.600
Book value of properties sold	-5.257	0
XVIII. Variations in the fair value of investment property	29.531	14.176
Positive variations in the fair value of investment property	34.000	17.049
Negative variations in the fair value of investment property	-5.091	-2.675
Impairment of assets under construction (recognised and reversed)	622	-198
OPERATING RESULT	54.210	34.670
XIX. Financial income	12.105	10.122
Interest and dividends received	2.228	1.144
Income from financial instruments used for hedging purposes	4.762	3.587
Variations in the fair value of financial assets	5.060	5.380
Other financial income	55	11
XX. Interest charges	-7.454	-3.953
Nominal interest on loans	-7.871	-4.198
Interest capitalised during construction	425	245
Other interest charges	-8	0
XXI. Other financial charges	-6.737	-197
Bank charges and other commissions	-28	-22
Costs of financial instruments used for hedging purposes	-3.559	-173
Variations in the fair value of financial assets	-3.108	0
Other financial charges	-42	-2
FINANCIAL RESULT	-2.086	5.972
PRE-TAX RESULT	52.124	40.642
XXIII. Corporate tax	312	-26
Corporate tax	312	-26
XXIV. Exit tax	0	0
TAXES	312	-26
NET RESULT	52.436	40.616
NUMBER OF SHARES	8.592.721	8.592.721
EARNINGS PER SHARE (EUR)	6,10	4,73

*The statutory auditor has issued an unreserved statement of compliance for the annual financial statements of Warehouses De Pauw Comm. VA. These annual financial statements are established in accordance with the IFRS rules as accepted in the European Union and in accordance with the Royal Decree of 21st June 2006.

2007 Annual corporate financial statements*
Balance sheet - Assets

	31-12-2007 EUR (x 1.000)	31-12-2006 EUR (x 1.000)
FIXED ASSETS	577.806	416.317
B. Intangible assets	105	35
C. Investment property	435.625	332.951
D. Development projects	19.935	11.287
E. Other tangible assets	783	732
F. Financial fixed assets	113.071	68.300
G. Finance lease receivables	355	0
H. Trade receivables and other non-current assets	7.932	3.012
I. Deferred tax assets	0	0
CURRENT ASSETS	26.992	24.679
A. Assets held for sale	2.476	0
C. Finance lease receivables	73	0
D. Trade debtors	4.793	2.550
E. Tax benefits and other current assets	12.192	21.053
F. Cash and cash equivalents	6.418	109
G. Deferred charges and accrued income	1.040	967
TOTAL ASSETS	604.798	440.996

**The statutory auditor has issued an unreserved statement of compliance for the annual financial statements of Warehouses De Pauw Comm. VA. These annual financial statements are established in accordance with the IFRS rules as accepted in the European Union and in accordance with the Royal Decree of 21st June 2006.*

2007 Annual corporate financial statements*

Balance sheet - Liabilities

	31-12-2007 EUR (x 1.000)	31-12-2006 EUR (x 1.000)
EQUITY	310.151	274.122
I. Shareholders' equity attributable to the parent company's shareholders	310.151	274.122
A. Capital	68.913	68.913
D. Reserves	224.561	191.459
E. Result	28.247	23.209
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	-11.570	-9.459
H. Exchange rate differences	0	0
II. Minority interests	0	0
LIABILITIES	294.647	166.874
I. Non-current liabilities	177.047	1.128
A. Provisions	1.486	955
B. Non-current financial liabilities	172.164	0
- Credit institutions	150.000	0
- Finance lease	22.164	0
C. Other non-current liabilities	3.397	173
- Hedging instruments	3.397	173
F. Deferred tax liabilities	0	0
II. Current liabilities	117.600	165.746
B. Current financial liabilities	109.042	154.941
- Credit institutions	107.700	154.941
- Finance lease	1.342	0
D. Trade payables and other current debts	6.769	4.668
- Suppliers	5.960	4.083
- Tax, salary and social security	809	585
E. Other current liabilities	1.473	5.367
- Other	1.473	5.367
F. Accrued charges and deferred income	316	770
TOTAL LIABILITIES	604.798	440.996

*The statutory auditor has issued an unreserved statement of compliance for the annual financial statements of Warehouses De Pauw Comm. VA. These annual financial statements are established in accordance with the IFRS rules as accepted in the European Union and in accordance with the Royal Decree of 21st June 2006.





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” under the terms of a deed received by 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, the property assets of 9 companies were combined by means of a general merger and split-up operation. 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, under the terms of a deed received on 20th May 1999 by the notary public Siegfried Defrancq in Asse-Zellik, as published in the Annexes Belgian Bulletin of Acts and Decrees on 16th June under the numbers 990616-1 to 22 inclusive, and ratified by two deeds dated 28th June 1999 received by the aforementioned notary public and published in the Annexes of the Belgian Bulletin of Acts and Decrees on 20th July 1999 under the 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 cepic 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 cepics, 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 received by the aforementioned notary public Defrancq, published in the Annexes to the Belgian Bulletin of Acts and Decrees of 18th May under number 20010518-652.

On 12th December 2001, the company took over the limited company Caresta NV, and the articles of association were amended accordingly by deed received by the notary public Siegfried Defrancq in 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.

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 within the framework of the authorised capital, through a deed received by the aforementioned notary public Siegfried Defrancq, published in the Annexes of the Belgian Bulletin of Acts and Decrees on 21st October 2003, under the number 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 number 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 the authorisation for it 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. under the terms of a deed received by the aforementioned notary public Siegfried Defrancq, as published in the

(*) See also “7. Key dates in the history of WDP”, on page 88.

Annexes to the Belgian Bulletin of Acts and Decrees of 25th May 2005 under the number 20050525-73117.

On 31st August 2006, through a deed received by the notary public Yves De Ruyver in Liederkerke, 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 number 20060920-0144983.

The articles of association were amended on 1st October 2007 under the terms of a deed – relating to the merger with the limited company Willebroekse Beleggingsmaatschappij NV and the limited company De Polken NV – received by Siegfried Defrancq, notary public in Asse-Zellik, substituting his legally impeded colleague Jean-Jacques Boel, notary public in Asse. This deed was published in the Annexes of the Belgian Bulletin of Acts and Decrees of 22nd October 2007 under the number 07153426.

The articles of association were amended on 19th December 2007 under the terms of a deed – relating to the merger with the limited company Royvelden NV and the modification of various articles – received by Siegfried Defrancq, notary public in Asse-Zellik, substituting his legally impeded colleague Jean-Jacques Boel, notary public in Asse. This deed was published in the Annexes of the Belgian Bulletin of Acts and Decrees of 7th January 2008 under the number 08003476.

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 4th December 1990 relating to financial transactions and financial markets”.

Property is taken to mean:

1. — property as defined in Articles 517 and thereafter of the Civil Code and rights in rem on the said property;
2. — voting shares issued by associated property companies;
3. — options on properties;
4. — participation rights in other property investment companies registered in the list envisaged in Article 120, §1, paragraph two or Article 137 of the Act of the 4th December 1990, relating to financial transactions and financial markets;

Permanent Document (continued)

5. — mortgage debentures as defined in Article 106 of the Act of 4th December 1990 relating to financial operations and financial markets and Article 44 of the Royal Decree of 10th April 1995 relating to cepics;
6. — rights arising from contracts giving the company leasehold of one or several properties;
7. — and all other assets, shares or rights defined as property by the Royal Decrees implementing the Act of the 4th December 1990, relating to financial transactions and financial markets which are applicable to collective investment funds that invest in property. Within the limits of its investment policy, as defined in Article 5 of the articles of association and in accordance with the applicable legislation for closed-end property investment companies, the company may involve itself in:
 - the acquisition, alteration, fitting out, letting, sub-letting, management, exchange, sale, dividing up, and inclusion of properties as described above into a system of joint ownership;
 - the acquisition and lending of securities without prejudicing the application of Article 51 of the Royal Decree of the 10th April 1995 relating to cepics;
 - take on leases of properties, with or without option to buy, in accordance with Article 46 of the Belgian Royal Decree of the 10th April 1995 relating to cepics;
 - and on an incidental basis, take on leases of properties, with or without option to buy, in accordance with Article 47 of the Royal Decree of the 10th April 1995 relating to cepics;
 - the company may only occasionally act as a property developer, as defined in Article 2 of the Royal Decree of the 10th April 1995.

In accordance with the applicable legislation on cepics, the company may also:

- on an incidental or provisional basis, undertake investments in securities other than fixed assets and liquid assets it holds in accordance with Article 41 of the Royal Decree of the 10th April 1995 relating to cepics. Ownership of securities must be compatible with the short and medium-term goals of the company's investment policy, as defined in Article 5 of the articles of association. The securities must be listed on a stock exchange of a European Union member State or be traded on a regulated, regularly trading, recognised European Union market that is accessible to the public. The liquid assets may be held in any currency in the form of deposits on demand or term deposits, or any money-market instrument whose funds are readily available;
- grant mortgages, or any other securities or guarantees in the context of property financing in accordance with Article 53 of the Royal Decree of the 10th April 1995 relating to cepics;
- 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 cepics.

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 Royal Decree of 4th March 1991 relating to certain joint investment funds".

All of the references to the repealed articles of the Act of 4 December 1990 relating to financial transactions and financial markets in the corporate object and the reference to the Royal Decree of 10th April 1995 relating to cepics have been removed. These references have been replaced by a general reference to "legislation applicable to cepics". The adaptation of these provisions will be introduced 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.

In accordance with the provisions of the Companies Code, any person who so requests may obtain a free copy of the statutory and consolidated financial statements.

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 1/8.592.721 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 stipulated in the Companies Code, legislation applicable to cepics 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 closed 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 19th December 2007 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 securities acquired by the company, depending on the circumstances, are determined in accordance with Article 622, paragraph 2 of the Companies Code, by the General Meeting or the management board.

On 31st December 2007, WDP Comm. VA did not hold any of its own shares, and the De Pauw NV management company 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 by the legislation applicable to cepics in the event of a public issue of shares by the company.

In the event of a share issue in exchange for a contribution in kind, the following conditions should also 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 the event of a cash contribution, the shareholders' preemptive right envisaged by Articles 592 and 593 of the Belgian Companies Code has to be respected.

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 and structures", on page 21 of the "strategy" section.

3. > Statutory auditor

The non-trading, limited liability cooperative company (CVBA) Deloitte Bedrijfsrevisoren, established at Berkenlaan 8b, 1831 Diegem, represented by Mr. Rik Neckebroeck, was appointed on 25th April 2007 as the statutory auditor of WDP Comm. VA.

The statutory auditor's mandate includes auditing the Warehouses De Pauw group's consolidated financial statements and the corporate financial statements of Warehouses De Pauw Comm. VA. The statutory auditor's mandate will terminate at the end of the Annual General Meeting in 2010.

Deloitte Bedrijfsrevisoren, represented by Mr. Rik Neckebroeck, was also appointed as the auditor of the Belgian subsidiaries of Warehouses De Pauw Comm. VA, i.e. Willebroekse Beleggingsmaatschappij NV, De Polken NV and Royvelden NV. The aforementioned three companies merged with Warehouses De Pauw Comm. VA during the final quarter of 2007.

In France, the company Deloitte & Associés, established at rue de Luxembourg 67, 59777 Eurallille, represented by Mr. Jean-Yves Morisset, was appointed the statutory auditor of the subsidiary WDP France SARL.

The remuneration for the mandate of WDP Comm. VA's and its subsidiaries' statutory auditor for the 2007 financial year amounts to 62.000 EUR (excl. VAT).

The remuneration relating to other audit assignments during the 2007 financial year totalled 2.000 EUR (excl. VAT) and relates to the statutory auditor's report when the interim dividend is paid out.

4. > Depository bank

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

5. > Financial agent

For Belgium:

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

KBC 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 surveyors appointed by WDP Comm. VA are Stadim CVBA and Cushman & Wakefield Inc.

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 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 from 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 NV 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. Currently, 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 NV.

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 merger with a share of the assets of Massive NV.

2007

Creation on 14th August 2007 of WDP Development RO, a 51-49 joint-venture with the entrepreneur and specialist in Romania, Jeroen Biermans.

Merger with De Polken NV and De Willebroekse Beleggingsmaatschappij NV on 1st October 2007.

Merger with Royvelden NV on 19th December 2007.





