

Annual report 2007 / strategy



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)

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Risk factors

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

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

The second factor results from the variations in the medium to long-term property value, known as “capital gain” or “capital loss” on the property. In the cepic's income statement, these appear in the “portfolio result” item. It is the combination of these two factors which determines the quality of the investment and the total long-term profit.

As a niche player in a highly specific segment of the property market, WDP also has to take into account various risks inherent to semi-industrial property.

Risk of economic loss

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

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

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

Risk of fluctuations in demand

The nature of its activities makes WDP sensitive to the economic climate, which can have an impact on companies' demand for storage and distribution spaces.

This risk is limited by the long duration of leases. The location of WDP's premises also plays a decisive role. Good accessibility and proximity to consumers are indispensable conditions for the presence of logistics companies. However attractive it may be, a building which does not fulfil these essential conditions will not attract any interest among potential tenants.

Risks related to the development and acquisition of projects

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

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

Risks related to the quality of tenants

It is extremely important to have customers who are stable, solvent tenants. In this respect, the leasing activity offers the advantage that the rent has to be paid monthly or at most quarterly, which makes it possible to quickly identify a tenant's potential payment problems and to seek appropriate solutions.

The customary rental guarantee of at least three months' rent paid to WDP as the owner also constitutes a security. Finally, property owners in Belgium benefit from extensive legal protection.

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

Risk factors (continued)

Risk of operating costs

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

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

Risk of deterioration of buildings

As with any building, storage and distribution premises can be damaged by fire, storms or other disasters. WDP has insured this risk for a total value of 466 million EUR (situation at the end of December 2007).

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

The interest rate and financing risk

The extent to which WDP can finance its own projects also has a major impact on profitability. Property investments go hand in hand with a relatively high degree of debt servicing. In order to optimally reduce this risk, WDP adopts an extremely cautious, conservative strategy. The debts are distributed evenly between commercial papers and long-term bank loans. In terms of interest, the following distribution pattern has been adopted: one third is payable within three years, one third over three to five years, and one third over more than five years. Currently 75% of debts are hedged for an average duration of 7 years.

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

Warehouses De Pauw - Warehouses with brains

Presentation of WDP

A highly personal approach

Warehouses De Pauw (WDP) is currently the leading operator in the Belgian semi-industrial property market.

The WDP cepic focuses its activities on developing a high quality logistics and semi-industrial property portfolio, which is reflected in practical terms by:

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

The multifunctional nature of the building plays a crucial role for each investment. The lifetime of the building is in fact determined by the potential for leasing it again, after the departure of the existing tenant. Furthermore, WDP retains the projects it has acquired and completed within its portfolio, so that the added value achieved by it remains within the closed-end property investment company.

In terms of the geographic location of premises, WDP systematically selects strategic intersections for storage and distribution. WDP also places great importance on the development of long-term relations with its customers. The cepic strives to become a genuine partner to them and assist in resolving their property problems. This objective is clearly demonstrated in its slogan: "WDP - Warehouses with brains".

Portfolio

On 31st December 2007, WDP had 72 sites in its portfolio, located in five countries: Belgium, France, the Netherlands, Romania and the Czech Republic. The total surface area of land at the sites in the portfolio was 2,8 million m², along with 952.819 m² of buildings, to which more than 300.000 m² should be added for developments in progress.

In accordance with the new IAS 40 fair value assessment, the market value of WDP's property portfolio amounted to 614,1 million EUR at the end of 2007.

Stock market listing and capitalisation

The WDP cepic has been listed on the Euronext Brussels First Market since 28th June 1999. Since 2003 it has been included in the "next prime" segment of European mid-caps and the VLAM21 index, as well as the EPRA (European Public Real Estate Association) index since 2004. In 2005, WDP was also included in the Euronext Bel Mid index. Since 17th December 2004, WDP shares have also been listed on the Euronext Paris Second Market.

At the end of 2007, the closed-end property investment company's market capitalisation exceeded 375 million EUR.

Shareholders

WDP developed from the assets of the family group, Jos De Pauw from Merchtem, which remains the reference shareholder with a 30% strategic stake in the closed-end property investment company.

A strategy aimed at continuing growth

Priority markets

Alongside its home market of Belgium, WDP's principal priority markets have traditionally been the Netherlands and France. Most of the properties and projects are therefore in prime locations in the Rotterdam-Breda-Antwerp-Brussels-Lille logistical heartland. WDP aims to have a dominant presence in this Western European logistical heartland in order to be able to provide optimal service to its customers. WDP is continuing to expand its portfolio in order to be able to meet extensive demand, which will be sustained in the future owing to the presence of major ports such as Antwerp and Rotterdam and the high purchasing power of this densely populated region.

Warehouses De Pauw - Warehouses with brains (continued)

WDP's second growth region is Central Europe. Alongside its presence in the Czech Republic for several years, since 2007 WDP has also been active in Romania, the new South-Eastern gateway to Europe.

Growth prospects

At the end of 2007, projects worth 285 million EUR to be completed over the next two to three years featured in WDP's activity schedule. The development of a strategic reserve of land and constant attentiveness to new opportunities in the market ensure that growth prospects are regularly renewed.



Consolidated annual accounts

Definitions

Net operating income (EUR 38.501,82 thousand)

This is rental income, net of the advance property levy and charges for concessions payable by the company and after deduction of all other operating income.

Operating costs (EUR -4.289,43 thousand)

These are property charges (except the advance property levy and charges for concessions) after deduction of all amounts recovered from lessees and all overheads.

Operating results (EUR 34.212,39 thousand)

This is the “net operating income” – “operating costs”, and correlates to the “Operating profit before the portfolio result” as defined in the Royal Decree of 21 June 2006 (sum of income statement items I. to XV.).

For the purposes of transparency, WDP has opted to report the impact of the IAS 39 rules, including the results of the mark to market valuation of IRSs (Interest Rate Swaps) and the related deferred tax, as an extraordinary item in the key figures. The items “Financial Result” and “Tax Liabilities” differ therefore in this regard from the IFRS income statement items specified in the Royal Decree of 21 June 2006.

Financial result (EUR -7.691,23 thousand)

This is the financial result given in the income statement, in line with the structure laid down in the Royal Decree of 21 June 2006, namely the total for items “XIX. Financial income”, “XX. Interest charges” and “XXI. Other financial charges”, i.e. EUR -7.002 thousand, after deduction of net income and charges for financial instruments held for hedging purposes, amounting to EUR 689 thousand.

Tax liabilities (EUR -432,92 thousand)

This is the financial result given in the income statement, in line with the structure laid down in the Royal Decree of 21 June 2006, namely the total for items “XXII. Corporate income tax” and “XXIII. Exit tax”, i.e. EUR -302 thousand, after deduction of deferred tax assets relating to the results of financial instruments held for hedging purposes, amounting to EUR 131 thousand.

Impact of the IAS 39 rules (EUR 820,20 thousand)

This is income from financial instruments held for hedging purposes, amounting to EUR 4.762 thousand, after deduction of charges for financial instruments held for hedging purposes, equating to EUR 4.073 thousand, plus deferred tax assets of EUR 131 thousand.

Consolidated annual accounts

Key figures

	31-12-2007 IFRS EUR (x 1.000)	31-12-2006 IFRS EUR (x 1.000)	31-12-2005 IFRS EUR (x 1.000)
ASSETS			
LAND and BUILDINGS* (including development projects)	614,10	429,63	342,88
LIQUID ASSETS	9,01	3,02	4,54
OTHER CURRENT ASSETS	40,34	24,55	6,56
TOTAL ASSETS	663,45	457,20	353,98
LIABILITIES			
SHAREHOLDERS' EQUITY	310,20	274,92	227,33
PROVISIONS AND DEFERRED TAXES	12,76	5,28	2,96
DEBTS	340,49	177,00	123,69
TOTAL LIABILITIES	663,45	457,20	353,98
NAV**/SHARE before profit distribution (in EUR)	36,10	31,99	28,83
after profit distribution (in EUR)	34,69	31,17	27,48
PRICE (in EUR)	45,50	49,85	44,00
PREMIUM/DISCOUNT before profit distribution	26,04%	55,81%	52,62%
DEBT RATIO*** (dividend as a proportion of debt)	52,32%	40,26%	37,96%
DEBT RATIO*** (dividend in shareholders' capital)	50,47%	38,71%	34,94%
<i>*IAS 40 assessment of fair value. See also the press release of 6th February 2006 on www.beama.be. **NAV = Net Asset Value = shareholders' equity. ***For the exact calculation method of the gearing ratio, please refer to the Royal Decree of 21st June 2006.</i>			
	31-12-2007 IFRS EUR (x 1.000)	31-12-2006 IFRS EUR (x 1.000)	31-12-2005 IFRS EUR (x 1.000)
NET RENTAL INCOME	38.501,82	30.619,10	27.124,95
OPERATING CHARGES	-4.289,43	-3.813,87	-3.175,71
OPERATING PROFIT	34.212,39	26.805,23	23.949,24
FINANCIAL RESULTS	-7.691,23	-4.291,31	-4.163,20
INCOME TAXES*	-432,92	-214,94	404,23
OPERATING RESULTS**	26.088,24	22.298,98	20.190,27
IAS 39 IMPACT	820,20	3.454,88	581,51
PORTFOLIO RESULT	26.288,20	16.291,02	8.170,00
ANNUAL PROFIT	53.196,64	42.044,88	28.941,79
PROPOSED DISTRIBUTION	23.351,98	20.063,83	19.481,20
DIVIDEND PAYOUT RATIO (in relation to the operating results)	89,51%	89,98%	93,79%
NUMBER OF SHARES AT THE END OF THE PERIOD	8.592.721	8.592.721	7.885.249
OPERATING PROFIT/SHARE*** (in EUR)	3,04	2,75	2,56
GROSS DIVIDEND/SHARE*** (in EUR)	2,72	2,47	2,47
NET DIVIDEND/SHARE*** (in EUR)	2,31	2,10	2,10
NAV GROWTH/SHARE (after profit distribution) (in EUR)	3,51	3,69	1,19
% EBIT in relation to intrinsic value at the end of the last financial year	9,74%	9,92%	10,02%
% annual profit in relation to intrinsic value at the end of the last financial year****	19,86%	16,20%	13,96%

*Not including the exit tax for the 2006 financial year, in contrast to the income statement (financial report p. 4).

**The operating results shown in the key figures differ from the operating results shown in the income statement (financial report p. 4).

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

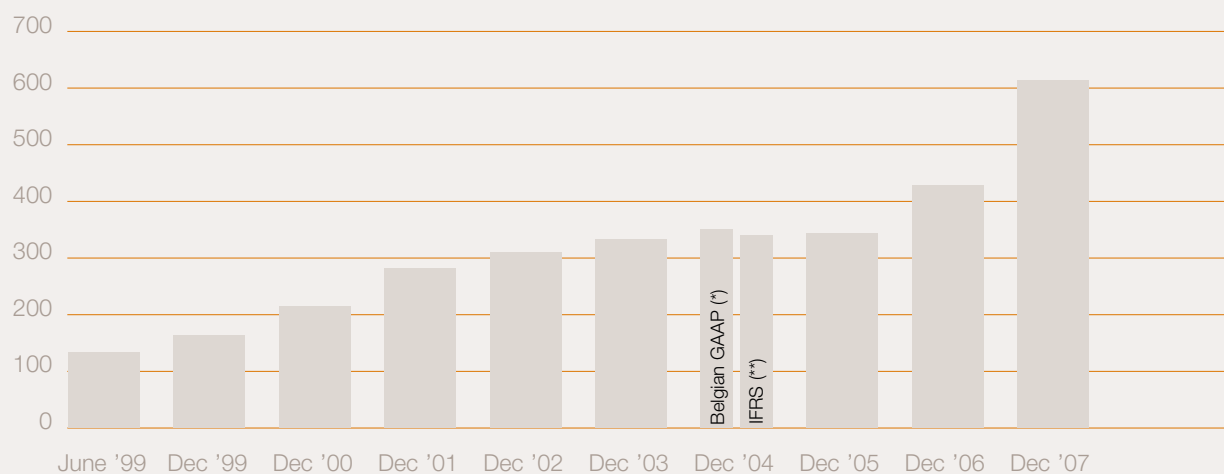
****No IFRS impact.

Evolution of a few key figures

Evolution of the property portfolio

	EUR m
June '99	134,80
Dec '99	163,23
Dec '00	215,33
Dec '01	282,62
Dec '02	310,93
Dec '03	333,56
Dec '04	350,02 (*)
Dec '04	340,39 (**)
Dec '05	342,88
Dec '06	429,63
Dec '07	614,10
increase:	356%

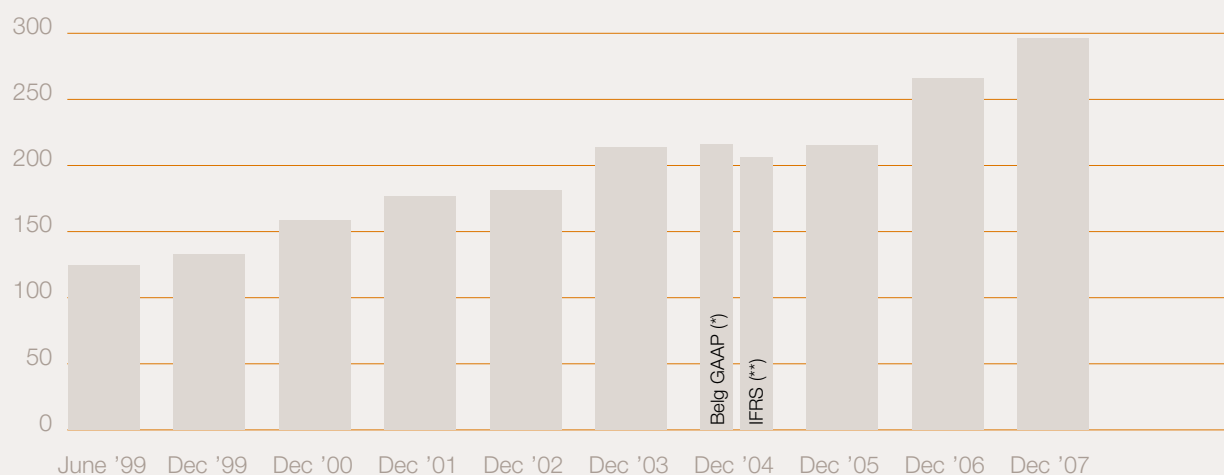
cumulative annual growth:
20,3%



Evolution of shareholders' equity, after distribution of profits

	EUR m
June '99	125,65
Dec '99	133,80
Dec '00	159,45
Dec '01	177,14
Dec '02	182,22
Dec '03	214,53
Dec '04	217,21 (*)
Dec '04	207,27 (**)
Dec '05	216,66
Dec '06	267,84
Dec '07	297,97
increase:	137%

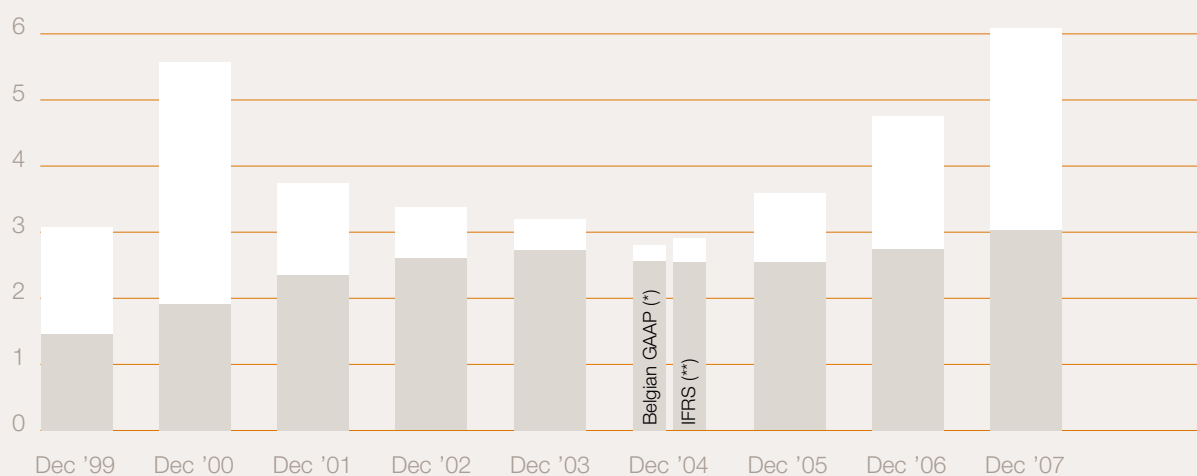
cumulative annual growth:
11%



	EBIT	Portfolio capital gains and extraordinary result
EUR		
Dec '99	1,46	1,62
Dec '00	1,92	3,66
Dec '01	2,37	1,39
Dec '02	2,62	0,76
Dec '03	2,75	0,47
Dec '04	2,57	0,24 (*)
Dec '04	2,56	0,36 (**)
Dec '05	2,56	1,04
Dec '06	2,75	2,01
Dec '07	3,04	3,06

total portfolio capital gains and extraordinary result (EUR): 14,4

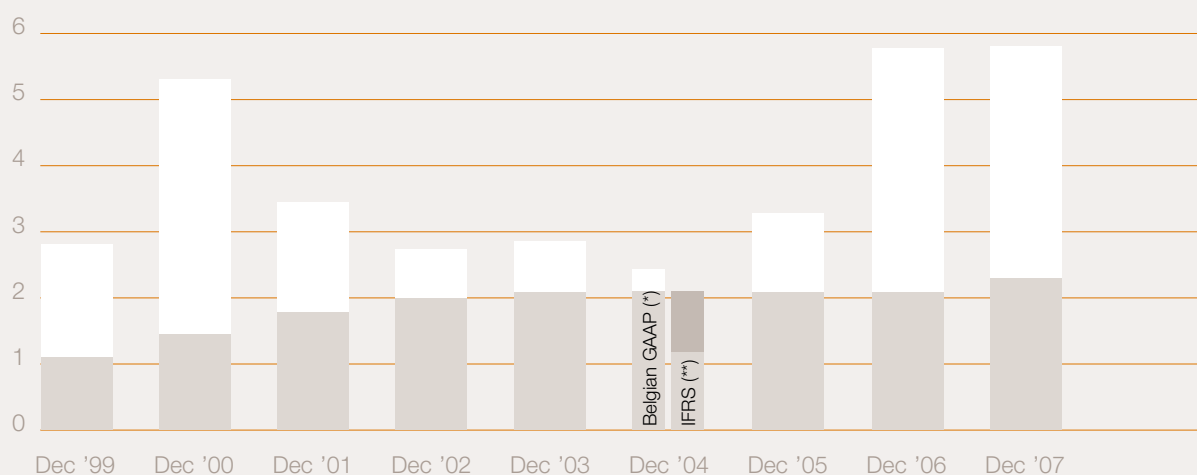
Evolution of earnings per share



	Net dividend	Growth in Net Asset Value
EUR		
Dec '99	1,12	1,70
Dec '00	1,46	3,86
Dec '01	1,80	1,66
Dec '02	2,00	0,74
Dec '03	2,10	0,76
Dec '04	2,10	0,34 (*)
Dec '04	2,10	-0,92 (**)
Dec '05	2,10	1,19
Dec '06	2,10	3,69
Dec '07	2,31	3,51

total growth in Net Asset Value (EUR): 16,19

Evolution of net income per share



Project testimonial: DPD

Location: **Courcelles**

Surface area: **8.200 m²**

Activity: **national and international parcel dispatches**

WDP added value: **right scale of operations**





” I always try to work with people who understand my business, because then you only need to talk half as much. When it comes to property, WDP is my discussion partner. ”

“As a subsidiary of the French La Poste, DPD has grown in recent years into a global business with a strong regional presence. It isn't difficult to own a lot of buildings, but they are often too small to deliver the desired productivity. WDP, in contrast, has the right scale of operations. Our first contact with them dates from 2003 when we were looking for a property partner for our establishment in Mechelen.

The deal turned in favour of another player, but Tony De Pauw made a real impression as a businessman and entrepreneur. We knew then that we definitely wanted to work with WDP on our next project. So two years later we contacted them during the preparations for a new site in Courcelles. The last piece of the puzzle in our Belgian network. WDP was able to supply the right conditions to lay down exactly the building that we needed”.

Bernhard Reusch
Chief Executive Officer

WAREHOUSES WITH BRAINS

Board of Directors' Report

Chairman's statement



WDP has once again taken several very considerable steps in 2007. When we announced the 2006-2009 strategic growth plan in early 2006, we thought that a portfolio value of 700 million EUR by the end of 2009 was of course ambitious, but nevertheless an achievable objective. Yet so much has been achieved during the past year that this plan has already become past history. The figures speak for themselves: at the end of 2007, the value of our rental properties was already approaching 620 million EUR, and definitive projects worth 285 million EUR were scheduled for completion.

This significant growth did not materialise by chance. It is the result of a coherent, forward-looking approach and constant attention to potential opportunities in the market. The acquisition of the Univeg buildings in July thus enhanced the portfolio with several attractive strategic sites in Belgium and the Netherlands. This was followed in the autumn by other acquisitions in various geographic locations: Sint-Niklaas and Nivelles in Belgium, as well as in the prime location of Venlo in the Netherlands. These acquisitions are not only associated with promising, lucrative projects, but also an increase in our reserve of strategic land, which now totals 60 hectares.

WDP has also gained a foothold in a new, Central European market: Romania. We currently have five plots of land in this strategic, high-potential region. WDP will initially invest 25 million EUR here, but ultimately these investments could total 150 million EUR.

We have yet to mention another new major field of activity which WDP entered in 2007, that of sustainable and environmentally friendly energy production. I am of course referring to the solar energy project, about which you will

find more details in this annual report. Work will start in practical terms in early 2008, under partnership agreements signed with Solar Access to install photovoltaic panels and with Nuon for technical assistance and to purchase the excess energy. This innovative project is profitable, environmentally friendly and advantageous for our customers. We are even more proud in that it enables us to contribute to modernising the semi-industrial property sector's image, notably through its concern to protect our heritage. These solar panels are the first example of WDP's more ecological approach.

Portfolio development and profitable projects are naturally essential for a cepic that is aiming to expand. But reorganising its internal structure is equally crucial in this respect. Among its activities abroad, WDP has therefore established a Romanian joint-venture with a Belgian entrepreneur that has been working in this country for some ten years. In the Netherlands, WDP has had its own commercial front office since 2008, enabling it to have a greater presence when doing business in the local market. The WDP team is currently made up of twenty-five people, working in three countries. The new arrivals have settled in over the past few months and WDP has also become more professional in commercial terms.

In other words, we now have everything in place to create greater value for our shareholders. Notably owing to the acquisition of the Univeg portfolio, we were able to increase profits and the dividend by 10% in 2007. This dividend increase is a welcome change after having remained stable for three years. With an excellent outlook, the Board of Directors is also convinced that an 8 to 10% increase in earnings per share over the next two years should be possible.

This same confidence in the future has also encouraged our reference shareholder, the Jos De Pauw family from Merchtem, to increase its stake from 28 to 30%. This timing is certainly not unrelated to the new legislation which stipulates that as from 1st September, anyone who acquires more than 30% of the shares in a company will be obliged to make an offer for all the other shares. But aside from this, clearly the reference shareholder has nevertheless sent out a positive strategic signal.

This signal is even more important at a time when WDP shares have also suffered from the turbulence of unpredictable stock market conditions in 2007. Fortunately, WDP shares were able to stave off the worst of these repercussions. This is probably no coincidence. WDP is a healthy, financially sound cepic with a diversified, high quality portfolio and stable, well-distributed growth in its earnings.

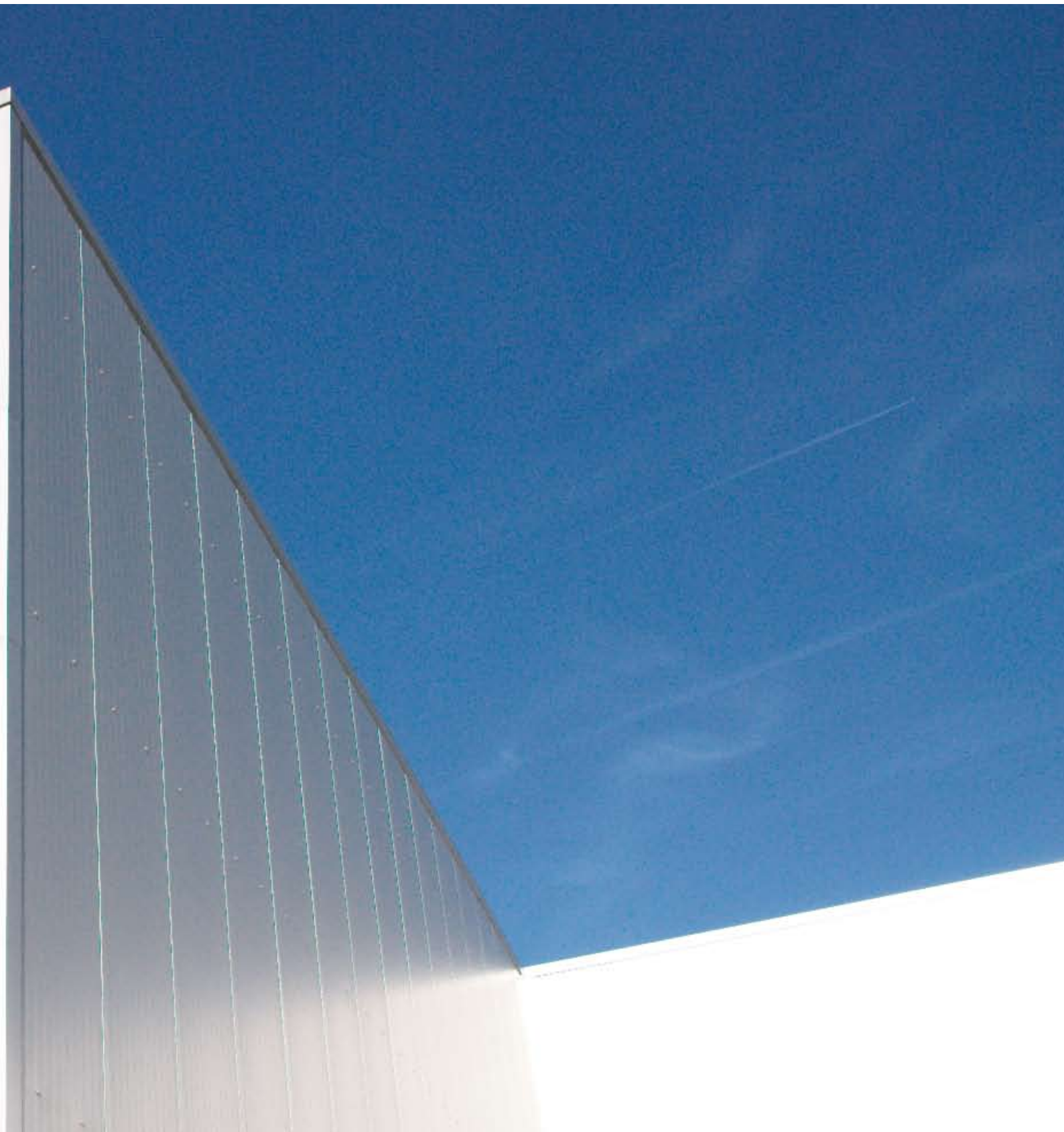
All that remains for me to do now is to express my thanks to the members of the management team and personnel at WDP for their ongoing commitment, and to my colleagues on the Board of Directors for their greatly appreciated cooperation.

May I wish all of them every success in 2008 and over the coming years.

Mark Duyck
Chairman of the Board of Directors

A handwritten signature in dark ink, consisting of a large, stylized 'Q' followed by a horizontal line and a small upward stroke.







Corporate governance and structures

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

WDP adheres entirely to the principles in the Lippens Code and makes every effort to comply at all times with the strictest standards in this area. Integrity and correctness in business conduct is a priority for the closed-end property investment company, and always has been. In this respect, WDP attaches considerable importance to the pursuit of a harmonious balance between the interests of its shareholders on the one hand and those of other parties who are involved either directly or indirectly with the company, the “stakeholders”.

This chapter of the 2007 Annual Report notably includes the contents of the WDP Corporate Governance Charter, which can also be found on its website www.wdp.be. The description of the Board of Directors and executive management applies to the situation as at 31st December 2007.

*Board of Directors
(from l. to r.) Dirk Van den Broeck, Frank Meysman, Mark Duyck, Tony De Pauw, Alex Van Breedam, Joost Uwents.*

1. > The Board of Directors

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

Warehouses De Pauw is a limited partnership with share capital (Comm. VA). The limited partnership has two types of partners. The first consists of the general partners, whose name appears in the company's commercial name, who have unlimited responsibility for the commitments it makes. The general partner of WDP Comm. VA is De Pauw NV. Then there are limited or "sleeping" partners, who are shareholders and whose liability is limited to the extent of their investment, without being jointly or severally liable.

It is characteristic of a limited partnership with share capital (Comm. VA) to be managed by a managing company, which needs to have the capacity of limited (general) partner which, for all intents and purposes, can not be dismissed and holds the veto right against all important decisions by the General Meeting. The managing company is free to resign at any time. However, its mission can only be withdrawn by the decision of a judge called upon for this purpose by the General Meeting of shareholders, for legal reasons. The managing company can not take part in the vote on this General Meeting resolution.

The General Meeting can only deliberate and take decisions when the managing company is represented. It has to agree to any modification in the articles of association and the General Meeting resolutions on actions concerning the company's interests with regard to third

parties, such as the distribution of dividends and any decision which has an impact on the company's capital.

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

1.2.1. > Missions of the Board of Directors

The Board of Directors undertakes various missions for the cepic. It:

- defines its strategy and policy;
- approves all major investments and significant transactions;
- monitors the quality of its management, notably through an in-depth analysis and detailed discussion of the annual financial statements, as well as by an annual assessment of its operations;
- ensures that the company's management is coherent with its strategy;
- is responsible for informing the press and analysts about the company's financial information;
- deals with such matters as:
 - approving the budget and the annual and interim financial statements;
 - proposing the dividend to the General Meeting of WDP Comm. VA;
 - allocation of authorised capital;
 - convening ordinary and extraordinary General Meetings.

Corporate governance and structures (continued)

1.2.2. > Current composition of the Board of Directors

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

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

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

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

1.2.3. > Functioning of the Board of Directors

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

Additional meetings also have to be organised each time that the closed-end property company's interests so require or at least 2 directors so request.

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

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

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

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

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

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

The Board of Directors may also seek the advice of an independent expert at any time. For matters concerning financial information or administrative organisation, the Board can call upon the internal auditor and/or independent auditor directly.

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

Appointments

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

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

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

The General Meeting of the statutory general partner De Pauw NV can dismiss directors at any time.

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

Directors are authorised to hold directorships in other companies, be they listed or other-

wise. They should nevertheless inform the chairman of the Board of Directors.

The directors must respect agreements relating to discretion and mutual confidentiality. They should also strictly comply with all the legal principles and practices relating to conflicts of interest, inside information, etc. When a transaction presenting a potential conflict of interest is envisaged, the corresponding provisions of the Companies Code are applied. With regard to share transactions conducted by directors on their personal behalf, WDP's rules of procedure have to be respected (see also "4.1. Code of conduct regarding financial transactions", page 32).

Remuneration

The General Meeting allocates the directors a fixed remuneration combined with remuneration related to performance or results.

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

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

Disclosure of remuneration

The management company's remuneration in 2007 amounted to 600.000 EUR.

This amount relates to the total cost of the Board of Directors in 2007, excluding the executive management bonus system.

Evaluation

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

Corporate governance and structures (continued)

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

1.2.5. > Current members of the Board of Directors

The Board is made up of the following 6 members:

— **Mark Duyck** has been a director since 1999, chairman of the Board of Directors since 2003 and executive chairman since 2006. He is an economist and has an MBA. After exercising various functions, notably in European and American companies, he is currently a strategic advisor to several companies, amongst other roles (attendance rate: 100%).

— **MOST bvba**, represented by Frank Meysman, has been an independent director since 2006. Mr. Meysman has in-depth knowledge and international experience in marketing and in this respect is able to further reinforce WDP's customer orientation. He has been a director of several international companies including Procter & Gamble, Douwe Egberts and Sara Lee (attendance rate: 100%).

— **Alex Van Breedam** has been an independent director since 2003. He holds a PhD in applied economic sciences and several Master's degrees. After gaining experience with KPMG, since 2000 he has coordinated the launch of the Flanders Institute of Logistics and is an independent expert in Supply Chain Management, specialising in strategic assistance for logistics companies. He has held the post of director general of the Flemish Institute of Logistics since 2003. He is also a part-time lecturer and is a guest professor in three Flemish universities (attendance rate: 100%).

— **Dirk Van den Broeck** has been an independent director since 2003. He has been a partner of Petercam

since 1988 and a director there since 1994. He represents Petercam on several Boards of Directors of property companies involved in the issuing of mortgage debentures. He is also the independent director of several Belgian companies. Dirk Van den Broeck graduated in law and economic sciences (attendance rate: 100%).

— **Tony De Pauw**, CEO since 1999, represents the principal group of shareholders, i.e. the Jos De Pauw family (attendance rate: 100%).

— **Joost Uwents**, director since 2002, together with Tony De Pauw, completes the WDP management team. He is a commercial engineer and holds an MBA (attendance rate: 100%).

Joost Uwents's mandate will expire on 30th April 2008. The Board will propose that the General Meeting should renew it.

1.2.6. > Conflicts of interest

Conflicts of interest resulting from a directorship

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

— it has to be a property interest, i.e. which has a financial impact;

— the interest has to be conflicting.

The "conflicting" interest relates to the decision to be taken and the position of the director concerned, but not necessarily the company.

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

Functional conflicts of interest

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

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

It also applies when a director or one of their relatives directly or indirectly owns over 5% of the shares (which confer a voting right) in the customer or supplier company. Exceptions are nevertheless made to this rule if the following two conditions are fulfilled:

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

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

1.3. > Specialist committees established by the Board of Directors

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

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

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

1.3.1. > The strategic committee

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

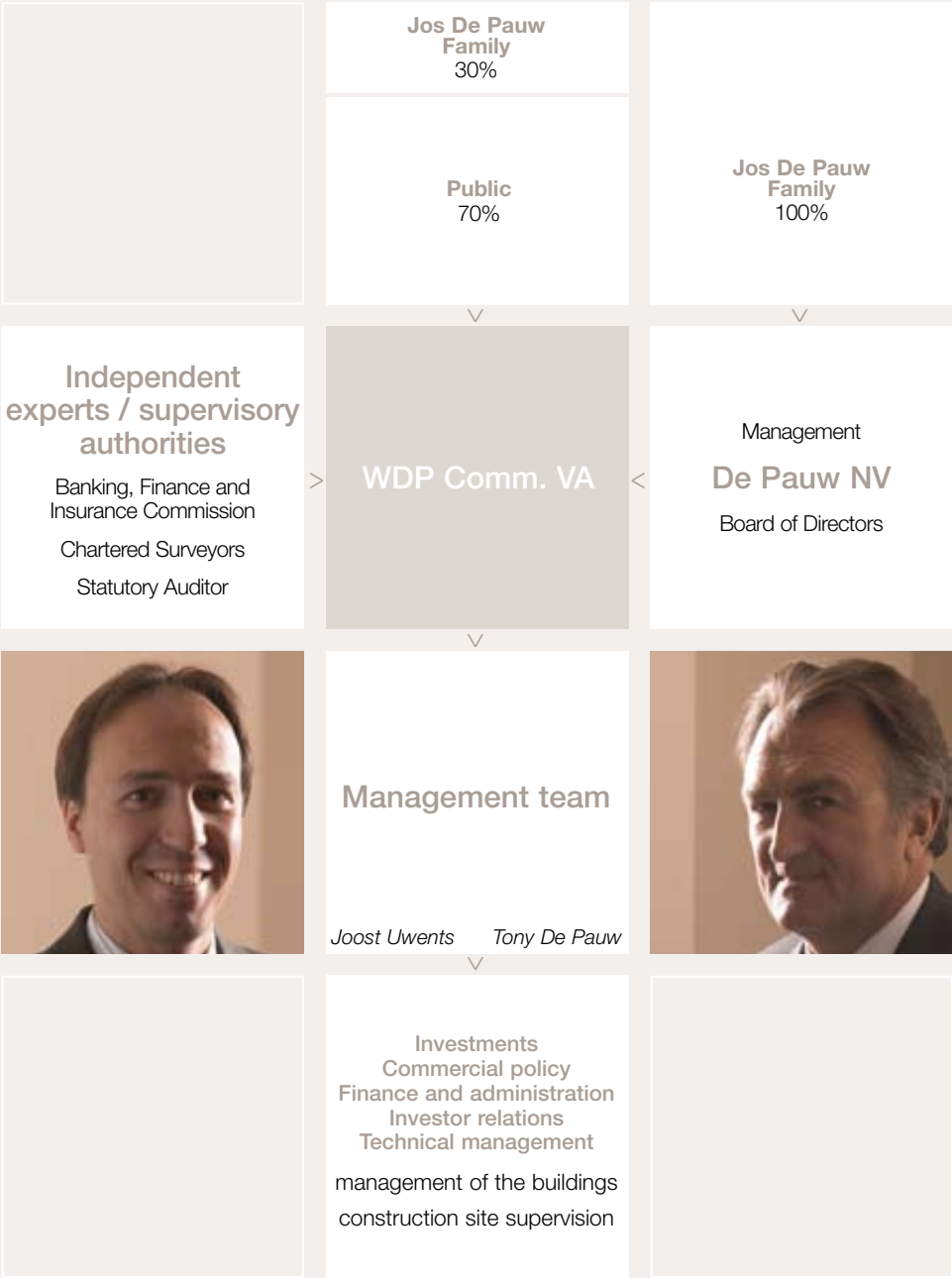
Given the limited number of directors and the importance of strategic discussions, this mission is undertaken permanently by the entire Board of Directors.

1.3.2. > The audit committee

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

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

WDP organisation chart



Corporate governance and structures (continued)

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

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

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

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

1.3.3. > The appointments committee

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

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

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

1.3.4. > The remuneration committee

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

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

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

2. > The executive management

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

2.1. > Executive management missions

WDP's executive management, under the responsibility of the CEO of the managing company, is responsible for:

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

Corporate governance and structures (continued)

2.2. > Current composition and division of tasks

Tasks are divided amongst the executive management as follows:

Tony De Pauw is the CEO.

His responsibilities include notably:

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

Joost Uwents is executive director.

His tasks include:

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

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

2.3. > Functioning of the executive management

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

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

The new structure of the management team envisages a weekly management meeting, attended by both the members of the management team and the chairman of the Board of Directors in his capacity as executive chairman. The Board of Directors is entitled to see the agenda and minutes of these meetings.

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

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

2.4. > Responsibility to the Board of Directors

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

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

2.5. > Appointments, remuneration and evaluation

2.5.1. > Appointments

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

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

2.5.2. > Remuneration

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

The committee has drawn up a new remuneration policy under the supervision of the chairman of the Board of Directors, which is made up of four parts:

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

2.5.3. > Disclosure of remuneration

The total cost of the independent directors and the executive chairman amounts to 214.500 EUR (100% fixed).

The total cost of the executive management is 481.000 EUR (29% variable remuneration + long-term profit-sharing).

2.5.4. > Evaluation

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

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

2.6. > Conflicts of interest

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

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

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

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

3. > Structures abroad

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



WDP

WDP Belgium
Comm. VA



WDP Development RO

Joint-venture

51%



WDP The Netherlands

Royvelden Holding
Royvelden Beheer
Royvelden Vastgoed

100%



WDP France

Permanent establishment
SIIC

100%



WDP CZ

100%

Corporate governance and structures (continued)

France

- WDP permanent establishment, Rue Cantrelle 28, 36000 Châteauroux.
- WDP France SARL, Rue Cantrelle 28, 36000 Châteauroux.

The Netherlands

- WDP Nederland BV, Postbus 78, Gebouw C, 2740 AB Waddinxveen.
- Royvelden Holding BV, Handelsweg 20, 2988 DB Ridderkerk, with the affiliated companies:
 - Royvelden Beheer BV, Handelsweg 20, 2988 DB Ridderkerk;
 - Royvelden Vastgoed BV, Handelsweg 20, 2988 DB Ridderkerk (*).

Romania

- WDP Development RO, Baia de Arama n° 1, sector 2, Bucharest, a 51-49 joint-venture with the entrepreneur and specialist in Romania Jeroen Biermans.

The Czech Republic

- WDP CZ s.r.o., Belehradská 18, 140 00 Prague.

The group's companies share various characteristics:

- The company structure is the local equivalent of a private limited liability company (BVBA).
- WDP has a 100% stake in the companies abroad except for the WDP Development RO joint-venture (51%), apart from a single share held by De Pauw NV, owing to the prohibition of 100% shareholding.
- Subsidiaries' results are subject to local corporate taxation, except WDP France that benefits from SIIC status, which envisages exemption from corporate taxation and capital gains tax. Net profits can be paid to WDP, so that exemption from tax deduction at source can be claimed on the grounds of parent-subsidiary legislation. The profits of foreign subsidiaries are included in

the consolidation, after deduction of depreciation on the property and deferred taxes payable on capital gains.

The companies are managed by the Belgian management. Bookkeeping and administration are undertaken by local accountancy firms:

- for France: Barachet, Simonet, Roquet, in Châteauroux;
- for the Netherlands: Administratiekantoor Witteveen, in Zaltbommel;
- for Romania: WDP Development RO;
- for the Czech Republic: VGD, Podzimek & Suma, in Prague.

The financing strategy: in principle, WDP's foreign investments are financed as far as possible with foreign capital, as these companies are subject to local corporate tax – unlike WDP Comm. VA in Belgium, which is a closed-end investment company, and WDP France, which has SIIC status. This financing is arranged through a combination of bank loans and market-conform, direct or indirect subordinated group loans between WDP Comm. VA and the various subsidiaries. Two important tax principles that vary from country to country must be taken into account here:

- the rules regarding companies' thin capitalisation obligation;
- the percentage of taxation deducted at source charged on interest for group loans paid to the country of origin.

(*) Royvelden Holding BV and its subsidiary companies joined the WDP structure through the acquisition of the Univeg portfolio.

Corporate governance and structures (continued)

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

4.1. > Code of conduct regarding financial transactions

4.1.1. > Compliance officer

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

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

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

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

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

Obligation of disclosure

When the aforementioned people purchase or sell WDP shares, they are bound to declare such transactions to the compliance officer within 8 days. They should declare the quantities, prices, order date and transaction date. This obligation is however subject to a

restrictive condition: the transaction has to enable the people concerned to acquire a number of shares which can be considered to be "significant", i.e. more than 1% of the total number of the company's shares. Various transactions conducted within a 3-month period are considered to be cumulative.

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

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

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

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

Disclosure of sensitive information

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

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

Ban on the misuse of inside information

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

Ban on market manipulation

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

Closed periods

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

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

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

The fixed and occasional closed periods apply to WDP's Board of Directors, executive management and all members of its personnel. The compliance officer will systematically draw up a list of all the other people who have knowledge of the results and/or occasional sensitive information.

Transactions which are always prohibited

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

Transactions which are always authorised, including during closed periods

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

4.2. > Shareholder relations and the General Meeting

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

All shareholders are bound to inform the company and the Banking, Finance and Insurance Commission of the number of shares in their possession when the voting rights associated with these shares reaches or exceeds 3%.

This notification is also obligatory in the event that additional shares are acquired, if as a result of this acquisition the number of voting rights associated with the acquired shares amounts to 5% or a multiple of 5% of the total number of voting rights at the time when the circumstances arose that made such notification obligatory.

Corporate governance and structures (continued)

This notification is also obligatory in the event that the shares are sold, if such disposal results in the voting rights falling below the aforementioned thresholds.

This notification should be sent to the company and the Banking, Finance and Insurance Commission at the latest on the second working day as from the moment when the circumstances arose that made such notification obligatory.

For shares acquired by inheritance, notification is only obligatory within thirty days after the acceptance of the inheritance, where appropriate by virtue of an inventory.

No special control rights are granted to any specific categories of shareholders. WDP currently has only one reference shareholder, which has a (sole) representative on the Board of Directors.

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

Shareholders who wish to have certain points placed on the agenda of a General Meeting have to submit them to the Board of Directors at least two months in advance. This period of notice is required so that the company's interests can be taken into account, legal deadlines are met for convening the Annual General Meeting and to give the Board of Directors reasonable time to examine the proposals. Shareholders representing over one fifth of the share capital can request an extraordinary General Meeting to be convened.

4.3. > Misuse of company property and corruption

WDP directors, executive management and personnel are prohibited from using WDP property or solvability for their private purposes.

They can only do so if they have been duly mandated for this purpose.

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

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

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

5. > Statutory provisions relating to the managing company and modification of the articles of association

5.1. > The statutory managing company

The managing company is appointed by an extraordinary General Meeting sitting under the conditions required for the amendment of the articles of association. The managing company is free to resign at any time. However, its mission can only be withdrawn by the decision of a judge called upon for this purpose by the General Meeting of shareholders, for legal reasons.

The managing company is authorised, for the duration of three years as from 7th January 2008, to acquire, dispose of or accept its own shares as security on behalf of the company, without requiring any prior decision by the General Meeting, if such acquisition or disposal is necessary in order to protect the company from any serious or imminent damage.

The managing company is also authorised, for the duration of 18 months as from 7th January 2008, to acquire, dispose of and

accept its own shares as security on behalf of the company (even in an informal market) for a unit price of at least 20 EUR per share and a maximum of 70 EUR per share, although the company can not hold over 10% of the total shares issued.

5.2. > **Modification of the articles of association**

The extraordinary General Meeting can only validly decide on a modification of the articles of association if the meeting's participants represent at least one half of the share capital and if the managing company is present. If this quorum has not been reached or if the managing company is not present, a further convocation is required and the second meeting will validly debate and reach a decision, whatever the proportion of share capital represented and irrespective of the managing company's absence.

A modification of the articles of association is only adopted if it has been previously approved by the Banking, Finance and Insurance Commission, if it has obtained three quarter of the votes related to the shares present or represented and if the managing company is present or represented and has given its consent.

6. > **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 Euralille, 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.

7. > **Other provisions in relation to Article 34 of the Royal Decree of 14th November 2007 relating to the obligations imposed on issuers of financial instruments admitted to trading on a regulated Belgian market**

On this subject, please refer to the following sections of the annual report:

- p. 33, Shareholder relations and the General Meeting;
- p. 34, Statutory provisions relating to the management company and modification of the articles of association;
- p. 75, Figures per share.

Under Article 74, §6 of the Act of 1st April 2007 relating to public issues, the family group Jos De Pauw has confirmed in writing that a verbal agreement exists between them so that they can act in mutual concertation at General Meetings, in order to exercise their votes as a single entity in these General Meetings. In this declaration, they also confirm the terms of this concertation agreement.





Project testimonial: Univeg

Location: **6 sites in Belgium and 2 in the Netherlands**

Surface area: **120.000 m²**

Activities: **fruit and vegetable trade**

WDP added value: **smooth and rapid completion
of sale and rent back.**





” In February 2007, the idea of sale and rent back first came to mind. In April, we had our first meeting with WDP and just three sessions later the deal was completed. ”

“Univeg started out as a mushroom trade 25 years ago. In no time at all, it has developed into an international holding in fresh fruit and vegetables with branches in countries such as Poland, Portugal, South Africa, U.S.A. and Russia. The group wanted to invest further in organic growth, but its logistical platforms absorb large amounts of cash. Therefore, it began to consider transferring the management of 8 sites in Belgium and the Netherlands to a specialist partner. Univeg found WDP to be the ideal real estate partner because of its future-oriented approach, regional spread, and international vision. Just like Univeg, WDP is a strong group with few overheads. Since we were able to sit at the table with only a minimum of people, we only needed three meetings to reach a basic agreement about a sale and rent back operation. Finally, we concluded extendable rent contracts for a period of 20 years. Furthermore, there are plans for new buildings on 4 sites. Thanks to the flexibility of WDP, we have improved our real estate structure in just over four months”!

Johan Vanovenberghe
Chief Financial Officer

WAREHOUSES WITH BRAINS

Report on activities

1. > Introduction

In 2007 WDP continued the vigorous development of its portfolio. At the end of the year, the value of its rental properties amounted to 614 million EUR and a total of over 285 million EUR worth of projects are scheduled. WDP has therefore more than matched – and ahead of schedule – the objectives in the 2006-2009 strategic growth plan, which aimed to create a portfolio worth 700 million EUR by the end of 2009.

The portfolio's overall occupancy rate has improved, from 96,6% at the end of December 2006 to 98,5% on 31st December 2007.

2. > Projects completed in 2007

The projects completed in 2007 – which included all of the projects in progress at the end of 2006, which had already been entirely pre-let – have a total investment value of 20 million EUR.

Belgium

Anderlecht - Frans Van Kalkenlaan 9: the skating rink has been converted into 2.731 m² of warehouses and 1.581 m² of offices for AEG.

Boortmeerbeek - Leuvensesteenweg 238: an existing site of 11.700 m² has been converted for the tenant, Altrad, into a 1.800 m² commercial building with a car park (next to the road) and 2.500 m² of warehouses (at the rear).
Mouscron (Estaimpuis) - Rue du Pont Blue 21: a 1.800 m² new construction was leased for a fixed term of 15 years to the Dutch metal-working firm MCB, which has established its new "Metaalservice" division there.

Nivelles - Rue du Bosquet: a new 11.000 m² warehouse building with offices was constructed for various tenants.

Rumst (Terhagen) - Polder 3: a new 2.800 m² multi-functional property has been built on the site of the former Landuyt brickworks and leased to ACB.

Sint-Katelijne-Waver - Drevendaal 1: a new central head office was constructed for the Univeg Group.

Zele - Lindestraat 7: a new 2.635 m² warehouse was completed and let to the Erard group.

France

Lille (Templemars) - Route d'Ennetières 40: an additional 5.146 m² extension to the existing 10.000 m² of warehouses was built jointly with the site's tenant, Philips Lighting (PLI).

The Czech Republic

Mlada Boleslav - Neprevazka: construction of a new 13.000 m² building, leased for a fixed term of six years to the logistics group DHL/Exel.

3. > Projects begun in 2007

Projects initiated by WDP in 2007 account for a total investment value of 285 million EUR.

3.1. > Projects developed on land already included in the portfolio on 1st January 2007

The following projects have a total value of 45 million EUR.

Belgium

Grimbergen - Industrieweg 16: construction of a new warehouse of 15.000 m², already entirely pre-let to Caterpillar. Completion is scheduled for summer 2008. Caterpillar will use it to extend the capacity of its European distribution centre, which is adjacent to the site.

Willebroek - Koningin Astridlaan 14: construction of 24.000 m² of warehouses, already entirely pre-let to Distrilog, which will consolidate its distribution centres there. Its completion is scheduled for September 2008.

Genk - Brikkenovenstraat: some 35.000 m² of warehouses will be built in various phases on a

60.000 m² plot of land in the “Hermes” logistics park, on the site of the former Winterslag colliery. The phase I work will begin at the end of 2007.

Courcelles - Rue de Liège: construction of 30.000 m² of warehouses in two phases. Phase one will begin in 2008.

Zele - Lindestraat 7: construction of the remaining 5.000 m² of warehouses on the land that is still in reserve on the existing site. The work will be completed at the end of 2008.

The Czech Republic

Mlada Boleslav - Neprevazka: a 10.000 m² building. The work will begin in autumn 2008.

3.2. > Projects developed on land acquired in 2007

These projects, worth a total 145 million EUR, are split between four countries. For further details on the purchased land, cf. also “4. New acquisitions”, on page 43.

Belgium

The two Belgian projects together account for an investment of 55 million EUR.

Sint-Niklaas - Europark Zuid II: a project with a potential area of 75.000 m² on a 15 ha newly acquired plot of land in a prime location alongside the E17 motorway. Serious negotiations have already taken place with several potential tenants.

Nivelles - Chaussée de Namur: a 10.000 m² semi-industrial property sold as a result of insolvency. It will be renovated by the second half of 2008. This acquisition has enabled WDP to increase its total buildings portfolio in this major logistics region to 46.000 m².

France

As part of its new cooperation agreement with Van Maercke Immo France, WDP has acquired two new projects to the South of Lille.

They have a total value of 35 million EUR.

Lille (Seclin): a 12.000 m² new construction project which will be completed in autumn 2008.

Lille (Libercourt): a 60.000 m² new construction project which will be completed, on schedule, in 2009.

The Netherlands

WDP has acquired two sites adjacent to Venlo, “the” place to be for logistics in the Netherlands, near to the border between Belgium, the Netherlands and Germany. The project is worth a total 28 million EUR.

Venlo - Edisonstraat 9 (phase I): a 50.000 m² site acquired in November. The land includes an old Philips factory, disused since the owner Belden reorganised its activities and established its central EMEA offices in another part of the site. WDP is currently working on the demolition and soil remediation at the site, where a new 32.000 m² logistics centre is to be built.

Venlo - Edisonstraat (phase II): the acquisition of the adjacent site of 70.000 m² including the ICT Belden buildings was signed in early 2008, under a sale and rent back transaction.

Romania

Bucharest - Aricestii Rahtivani: the construction of 15.000 m² of semi-industrial buildings will begin in autumn 2008.

This is the first phase of development plans involving land acquired in Romania in summer 2007 (cf. also “4. New acquisitions”, on page 43). The value of this investment, including the aforementioned 17 million EUR development project of 35.000 m² which will last for two years, is worth a total of 25 million EUR. Taken as a whole, the five Romanian sites have a potential investment value of at least 150 million EUR.

Report on activities (continued)

WDP will undertake the Romanian projects through WDP Development RO, under a 51-49 joint-venture signed with the contractor and specialist in Romania, Jeroen Biermans. These sites will then be entirely managed by WDP via WDP Romania.

3.3. > Extensions built for existing customers

WDP plans to undertake several new construction projects on existing sites, most of which formed part of the Univeg property portfolio, acquired in June 2007 (cf. also “4. New acquisitions”, on page 43). Their total investment value is 55 million EUR and they have already been entirely pre-let.

Belgium

Sint-Katelijne-Waver: a 15.000 m² extension to the Univeg storage capacity on land still remaining in reserve on the site. The work will be completed during the course of 2009.

Kontich - Satenrozen: 1.300 m² extension and transformation of the current storage capacity for Massive, the site's tenant. The work will be completed in 2008.

The Netherlands

Ridderkerk: the capacity of the Univeg fruit and vegetable distribution centre for several Dutch distribution chains will be almost doubled. Completion is scheduled for early 2009.

3.4. > Solar energy projects

WDP's board of directors gave its approval in May for a major, 45 million EUR investment in a solar energy project. WDP will thus become the first property investor to launch such a large-scale investment plan for sustainable construction in Belgium.

Over the next two years, the roofs of various sites will be equipped with a total of 100.000 m² of solar panels. The initial phase will involve the installation of photovoltaic panels with a total capacity of 4,5 MWp (peak megawatts). By the end of 2009, the total capacity of the sites where solar panels are installed should reach 10 MWp, i.e. an electricity production equivalent to the average consumption of 2.000 Belgian households. This further investment will generate additional guaranteed income over the next 20 years. The return on this investment will be equivalent to the earnings from other property investments.

In early 2008 WDP will begin the construction of four sites which will be equipped with solar panels over a total roof area of 70.000 m²: the sites at Grimbergen, Genk (phase 1), Sint-Katelijne-Waver (Univeg) and Willebroek. The first installation will be operational in early May 2008.

The panels will be supplied and installed by the Dutch photovoltaic systems contractor, Solar Access. The electricity generated is mainly intended to supply the energy requirements of the buildings' tenants. WDP has signed an agreement with Nuon to purchase the excess production and to provide the technical support required to carry out the various projects.

4. > New acquisitions (*)

In 2007, WDP acquired land and buildings in various strategic locations.

Belgium

The property portfolio of the Belgian Univeg Group, a fruit and vegetable specialist, was purchased on 1st July. The initial investment is worth 100 million EUR. With this takeover, WDP has acquired eight sites with refrigerated warehouses, covering a total surface area of 120.000 m². Some 90% of the sites in Univeg's portfolio are rented out under fixed-term leases for 20 years to the companies in the Univeg Group, with the remaining 10% leased for a fixed term of 15 years. Six of the eight sites are in Belgium, and have a total surface area of 60.000 m². These properties are in Asse-Mollem, Doornik and Sint-Katelijne-Waver. Four of the buildings are in the Sint-Katelijne-Waver area, which is also where the head offices of the Univeg Group are situated, along with the main distribution centre for all the fruits and vegetable activities and the central depot for several distribution chains.

WDP acquired a 180.000 m² plot of land in Sint-Niklaas - Europark Zuid II for 19,5 million EUR, including transaction costs. This acquisition has brought WDP's total reserve of building land to 300.000 m².

In Nivelles - Chaussée de Namur, WDP paid 3 million EUR for a 10.000 m² property to be renovated and adjoining land.

The Netherlands

Two sites from the Univeg portfolio (cf. above) are in the Netherlands, and also have a total surface area of 60.000 m². In Ridderkerk, near Rotterdam, there is a fruit and vegetable distribution centre for various distribution chains in the Netherlands. In Voorhout, near Aalsmeer, the site has a distribution centre for flowering bulbs.

At the end of 2007, WDP acquired an initial 50.000 m² site in Venlo. The 70.000 m² of adjoining land was purchased in 2008. ICT company Belden's premises are on this land.

France

After successfully completing a joint project with Van Maercke Immo France in 2006 at Neuville-en-Ferrain, in northern France, WDP has signed a further cooperation agreement with Van Maercke Immo France. It involves two new projects South of Lille: 12.000 m² in Seclin and 60.000 m² in Libercourt. This operation doubles the French property portfolio, which now totals 140.000 m².

Romania

WDP purchased five plots of land totalling 942.000 m² for 16,5 million EUR. They are situated in three different locations in the region of the capital, Bucharest, on the main roads to Constanta, Pitesti and Ploiesti. All of them benefit from an extremely advantageous position in logistical terms: the Eastern, Western and Northern access routes connecting Bucharest with the Black Sea and the rest of the country.

The two sites in the Ploiesti industrial estate, north of Bucharest are situated alongside the goods station, close to the Kaufland logistics centre and an Inbev production site. The two sites on the Constanta road are of strategic importance as they are on the road connecting the Black Sea port of Constanta with Bucharest. This road is therefore the main freight supply route to the capital. The site on the Pitesti road (225.000 m²), Romania's principal automotive centre, is on the road which connects Bucharest with the centre and West of the country.

(*) For the projects and extensions that WDP is planning on these sites, please refer to points 3.2 and 3.3.

Report on activities (continued)

5. > Sales finalised in 2007

Two non-strategic sites were sold to investors or their users in 2007.

The total disinvestment amounted to
4,3 million EUR:

- Tienen - Getelaan 100;
- Vilvoorde - Steenkade 44.

6. > Leases signed in 2007

Major lease extensions were signed in Belgium for the sites at Aalst - Wijngaardveld, Antwerpen - Lefebvredok, Ternat - Industrielaan and Zele - Lindestraat, as well as in France for the Neuville-en-Ferrain site.

Combined with new leases, the prolongations of existing short-term leases and the completion of new projects helped increase the portfolio's occupancy rate to 98,5% on 31st December.

7. > Outlook for leases in 2008

In 2008, just 56.000 m² will potentially become vacant. In practice, contracts are currently being negotiated with almost all of the customers to prolong their leases.



Outlook

1. > Basis of operating results in 2008 (*)

The operating results in 2008 will be essentially determined by the services provided in 2007 and during the previous years. We can thus point to the excellent occupancy rate of 98,5% at the start of the year, combined with the fact that only 54.000 m² will become vacant when contracts expire in 2008 (**). This is only in theory however, as the majority of the tenants are currently negotiating a prolongation of their leases. The occupancy rate should thus remain at around 98% in 2008.

New projects completed in 2007 that have now been let will contribute fully to WDP's results as from 2008, along with the Univeg portfolio, which was acquired in 2007 and was only included in the results for the last half of 2007.

Lastly, the position WDP has adopted over recent years with regard to interest rate hedging guarantees its sound control over financial costs.

2. > Operating results and dividend

An ambitious investment plan worth 285 million EUR will also be launched in 2008 and is to be accomplished over three years.

This plan includes:

- own developments (185 million EUR);
- pre-let projects and extensions for existing customers, in particular Univeg and Massive (55 million EUR);
- the solar energy project (45 million EUR).

In early 2008, tenants' obligations had already been signed for 42% of these projects or – with regard to the solar energy project – had begun to generate revenue as soon as they were completed.

Based on these factors – and after a 10% increase in earnings per share in 2007 – WDP can expect at least a further 8% increase in operating results in 2008, which will amount to 28 million EUR or 3,25 EUR per share. We are also already able to announce a further increase in the operating results and associated dividend of 8 to 10% in 2009.

3. > A "normal" dividend policy

Since September 2007, WDP has begun once again to pay out an interim dividend for the first six months of the year. In 2006, the interim dividend exceptionally related to the first eight months of the year, owing to the PLI transaction and the resulting issue of new shares.

The dividend policy has thus returned to normal: a two-stage dividend payment (September and May) based on the usual distribution rate of 90% of the operating results.

(*) For further details on the various projects completed in 2007, please see the "Report on Activities", on page 40.

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

Description of the semi-industrial and logistics markets in Belgium, the Netherlands, France, the Czech Republic and Romania

1. > Belgium

Overview

A stable optimism has characterised the Belgian industrial market over the recent years with rents holding firm and yields falling. The health of the logistics sector is most significant, but growth in the manufacturing sector has also been steady thanks to a healthy growth of the economy in general. The occupational market, was relatively healthy and coupled with low number of developments in the Brussels-Antwerp corridor, vacancy rates stayed relatively low. Prime logistics rents held firm across all locations in Belgium,

with Brussels recording the highest rents at 50 EUR/m²/year. Manufacturing rents are a little higher in Belgium at 52 EUR/m²/year in Brussels and 43 EUR/m²/year in the Antwerp area. Whilst real rises in rents are not likely in the near future, rising land and construction costs should play a role in the increase of rents longer term.

Growth

The Belgian industrial market, recorded an average rental growth of 2,6% over the last year; average capital growth was at 2,23%. The average prime yield fell to 6,81%, with values compressing across the country.

The "European banana"
Source: Cushman & Wakefield



Description of the semi-industrial and logistics markets in Belgium, the Netherlands, France, the Czech Republic and Romania (continued)

Demand

Demand has been strong over 2007 with some 1,4 million m² of space transacted across Belgian markets; in previous years this was about 1 million per year on average. Logistics and distribution schemes are the most popular and this is expected to continue into 2008 as a result of a healthy economic growth over recent years. Despite the current expected 'soft landing' of the economy, Belgium remains a key location in Europe and offers advantages such as quality infrastructure, relatively low rental levels compared to the neighbouring regions, a well qualified and multi lingual labour force and attractive government incentives. The Brussels-Antwerp Corridor and the Antwerp-Limburg-Liège axis are the most popular locations and account for about 70% of the total take-up. However with increasing demand levels and relatively limited new supply, rental values might increase within a few years. Take-up levels are expected to be remain strong with indications showing that both domestic and international occupiers are seeking space in prime locations.

Supply

With healthy competition for quality space and a relatively low vacancy rate in the Brussels-Antwerp Corridor secondary locations in Belgium are becoming more attractive. Overall supply levels remain relatively restricted due to a historically rather low economic growth, but this is changing with improving perceptions.

Short term the situation is expected to remain stable. Owner occupation remains a key feature of the market although rising land and construction costs may slow the market temporarily as owner occupiers and developers alike assess the situation. Longer term there is potential for owner occupation to ease back against increased levels of activity in the leasing market as companies, previously entering on an owner occupancy basis, prefer to rent in what is a very fair priced leasing market.

Across the market there is large potential but still a low level of speculative development remains prominent. Infrastructure developments, for example rail upgrades over the next 5 years, should further enhance existing port and intermodal facilities and associated demand should follow. The expansion of the port of Antwerp is having the knock-on effect of increasing demand for warehousing in the near vicinity.

Investment market

Prime yields across Belgium continued their downward trend over 2007. Yields fell in Brussels by 55 basis points to 6,20% over the year. Elsewhere across Belgium yields compressed by between 75 basis points to 90 basis points, with Antwerp the lowest at 6,40%. Despite this compression, yields remain relatively high and investor interest continues to be strong. Activity has been recorded on the ground with a number of transactions carried out over the last year although due to high levels of owner occupancy and relatively limited new supply on the market, investors are being forced to target smaller schemes. 2008 is expected to continue to see good levels of interest and investment volumes should remain high, despite the actual general market insecurities. No further hardening of yields is expected, they will probably remain stable over 2008.

Outlook

The future of the Belgian industrial sector is positive. Logistics and distribution space will continue to be the dominant sub sectors due to the healthy economy and attractive rents. Increased demand is already evident, helping to sustain healthy take-up levels. With relatively limited space available on the open market in prime areas, owner occupation still maintains a high proportion of the market. However, new entrants on the same basis are weighing up the odds as both land and construction costs are

on the up making developments increasingly expensive. This may have the effect of pushing up rents for top end space in well located areas although with limited growth prospects in other areas. Short term, the investment sector will continue to be the main driver of growth with the investor audience growing both in terms of numbers but also in terms of diversification. New logistic funds are being launched and it is forecast that this trend will continue for the immediate future.

2. > France

Overview

The French industrial market continues its solid performance seen in previous years. Prime rents are largely stable; prime rents in Paris are at 95 EUR/m²/year for warehouse space and 52 EUR/m²/year for logistics space. Landlords continue to offer incentive packages which is pressuring rental growth prospects although there is evidence that these are easing back, especially for prime schemes. Competition in the investment sector is tight and this has pushed yields down; these are stable now and in the near term they are expected to rise again slightly. Both the Paris region and the main regional industrial markets returned healthy levels of activity.

Growth

Rents grew with 5,6% in the Paris region but declined in most other major regional markets, resulting in an average rental growth of -1,4% in Q4 2007.

Average prime yields for France declined to 6,81% over 2007, down from 6,9% in December 2006.

Demand

Overall occupier activity was strong in 2007 with the logistics submarket the most dynamic. Still, the level of take-up for 2007, about 2,0 million m², falls short of the excellent performance seen in 2006. Occupier and investor interest remains firmly planted in the Grade A market, with large floor plated logistics schemes the most popular. Paris saw a drop in take-up. Lille and Lyon performed extremely well, underlining the increasing importance of these two locations as logistics centres. Secondary hubs such as Bordeaux, Toulouse, Orléans and Metz saw some impressive levels of occupier activity as they gain in importance.

Supply

Overall supply and demand are largely in balance. However, the same cannot be said of the balance between suitable supply and demand. Partly as a result of the CIEP regulations, as much as 80% of the available space is second-hand and does not meet the increasingly sophisticated demands of occupiers or industry regulations. The majority of occupiers are seeking Grade A space, which is increasingly difficult to source. Despite a healthy pipeline this is unlikely to ease in the short term, as many projects are custom built. The situation could change with several large logistics schemes in the pipeline particularly in the Paris and Lille regions, but also in the secondary poles of Orléans and Normandy. If all the current and planned schemes complete there is potential for some overall supply in certain regions, compounded by older space being released as occupiers upgrade. Completions in the Ile-de-France region reached approximately 550.000 m² over 2007; this did not impact on a rise in the vacancy rate as a large proportion of the space was pre-let or absorbed with ease due, in part, to the lack of quality space. The current vacancy rate remains around the 8,7% mark.

Description of the semi-industrial and logistics markets in Belgium, the Netherlands, France, the Czech Republic and Romania (continued)

Investment market

The increasing volume in the logistics sub sector is mainly driven by significant portfolio sales, reaching new highs with nearly 3 billion EUR transacted in 2007. As the logistics market continues to mature, it represents a diversification in terms of products for new players in this sector, offering higher yield returns. Prime logistics yields held firm across the board over the last quarter of 2007, standing in Paris and Lyon on a par at 6,00%, with the remaining provincial towns ranging from between 6,50 and 7,25%. In Toulouse prime yields rose back to 7,25% over Q4 2007. Despite the market readjusting itself in terms of pricing in light of tighter borrowing conditions, opportunities remain.

Outlook

With impressive development pipelines in a number of key locations and a slowing in the overall economy there is potential for prime rents to slip marginally from their current levels. In the short to medium term this may be countered by the immediate lack of quality supply that meets occupier requirements and healthy levels of take-up. Whilst the investment market is still a key driver of the market investors are more cautious and deal times are lengthening. Secondary cities such as Lille, Marseille and Lyon are experiencing increased attention with the strong demand for the limited supply of modern stock. The pipeline is relatively large, but sizeable increases in availability are unlikely as strong levels of demand will remain. A decision to place a 50% reduction in capital gains tax on all sales to SIIcs to the end of 2007 is causing contention. Designed to promote inward investment and French ownership and also promote liquidity in the market, its detractors argue that it unfairly favours the SIIcs at the expense of others.

3. > The Netherlands

Overview

The Netherlands industrial market has been relatively slow over the last years. The Dutch economy is experiencing significant improvements; Q4 2007 recorded increased levels of occupier activity. Take-up levels have improved in the main markets of Rotterdam and Amsterdam, and in the southern regions of the Netherlands. Rents remained static over the year, at 60 EUR and 70 EUR per m²/year in Rotterdam and Amsterdam respectively. The only exception is Amsterdam Schiphol where prime rents rose with 5,6% over the year 2007 from 90 EUR/m²/year in December 2006 to 95 EUR/m²/year in December 2007. Investor interest for prime stock is strong, especially for logistics units, but despite the shortage of investment product further compression of prime yields is not expected in the current general market conditions.

Growth

Average prime industrial rents rose marginally by 0,2% over the year 2007 as a result of the rise of Amsterdam Schiphol rents.

The country average prime industrial yield December 2007 was 6,7%, down from 6,85% in December 2006.

Demand

Overall take-up in the Netherlands has been about 2 million m² (2006 even 2,2 million m²). Take-up in 2007 was slow in H1 but picked up in the second half of 2007. Occupier activity over H1 2007 was down on the comparative period in 2006 in both Amsterdam and Rotterdam. Take-up in Amsterdam reached a total of 66.800 m²,

90% of which was transacted in the first quarter of the year. Levels have been more stable across the first two quarters of the year in Rotterdam averaging 33.000 m² a quarter. However, with a large proportion of the market under owner occupation take-up levels on paper are artificially low and overall demand in the market is perhaps stronger than it appears.

Modern logistics platforms remains in the highest demand bracket with the Schiphol airport area and Amsterdam and Rotterdam harbours attracting the most amount of attention. However there is a growing trend of occupiers relocating in the southern region of Noord-Brabant, forming the so called "logistics belt" where new, potentially important, clusters are being formed away from the congested region of the Randstad area (Rotterdam, The Hague and Amsterdam).

Supply

Over H1 2007 the overall level of availability in Amsterdam decreased by approximately 5% from 490.000 to 465.000 m², decreases were also recorded in Rotterdam where immediate supply is circa 430.000 m².

However, the overall vacancy rate remains high in both locations, at an estimated 19% in Amsterdam and 15% in Rotterdam; the overall vacancy is approximately 18%, mainly older buildings that do not meet the needs of modern tenants.

Into 2008 construction activity will ease back as developers seek pre-lets before construction; they prefer to undertake phased developments limiting their risk of empty units. However, older more obsolete stock remains difficult to re-let as it is released by occupiers upgrading in what remains a pressurised rental market but the supply of second hand space is increasing at a much lower pace than previously. In terms of activity attention remains on the airport and

harbour areas where demand here is strong supported by the services using the port and airports. In the south and southeast, logistics is clearly the main driver. However, the limited availability of suitable land plots is a limiting growth in most of these areas.

Investment market

The investment market is still driven by investors seeking high quality product. Investment demand has held firm over the year.

As a result yields fell in all the primary markets. For example, both Amsterdam-Schiphol and Rotterdam have seen current yield levels at a historic low level of respectively 6,0 and 6,25%. Encouragingly interest is from both domestic and international investors who are seeking opportunities on order to diversify their portfolios. Well located units, particularly with large floor spaces, are most sought after.

Outlook

The industrial market is expected to remain unchanged over the short term. Although there will be some activity by logistics operators moving towards the south of the country, take-up levels are expected to remain subdued. Rents are expected to remain stable throughout the market over the short term; Amsterdam and Rotterdam areas may see some slight rental growth.

In contrast to the quiet occupier market, investment activity should remain strong. Despite the competition, no further yield compression at the prime end is expected in the current general market conditions.





Description of the semi-industrial and logistics markets in Belgium, the Netherlands, France, the Czech Republic and Romania (continued)

4. > The Czech Republic

Overview

The Czech industrial market has performed well over the last years. The sector recorded excellent growth over the year, with the logistics market underpinned by an expanding retail sector, lower costs, infrastructure projects and an active investment sector. Prime rents are stable and saw slight downward pressure versus 5 years ago due to an increasing trend for speculative developments. Prime yield compression is being driven in the main by the lack of suitable Grade A investment product. There is an increasing foreign interest in this market that remains a developer-led market with relatively limited new supply due for completion; yields are expected to have stabilised now.

Growth

Prime rents in Prague and Brno were stable over the year; in Prague they fell by 1,7% compared with 5 years ago.

Average prime yields have fallen by 0,38% since the beginning of the year to 6,75%.

Demand

Overall take up for the year topped 780.000 m² with the submarket of Prague East accounting for nearly 300.000 m². Logistics platforms are the most highly sought after, underpinned by an expanding retail sector which is supporting the development of the market. Whilst Prague continues to be the main area of interest, regional cities such as Brno and Ostrava are increasing their proportion of the overall take-up.

Supply

The overall stock level across the Czech Republic increased by approximately 28% over H1 2007 reaching 1,8 millions m², of which 835.000 m² is located in the Prague area. This led to an increase in the country's vacancy rate to 7,00%, however remained low in the capital 2,50% at the end of Q2. This level is supported by limited speculative completions and strong demand levels. The market is dominated by built-to-suit schemes, however developers are beginning to actively seek out opportunities against a healthy occupier market, and consequently an increase in speculative development, which has already begun, is expected to continue further. Availability in older properties released to the market may increase, as some occupiers upgrade. The highest proportion of development is in the cities of Prague, Brno and Plzen as well as along the major motorways of D1 and D5. For example ProLogis has announced it plans to expand its industrial platform and has acquired more than 48 hectares of land to develop two industrial parks which will yield more than 185.000 m² of modern distribution space. The first is located in Ostrava, less than 10 km south from the Polish border and the second is located in the city of Stenovice near Plzen.

Investment market

Of all the commercial asset classes the industrial market remains the least active, although this is beginning to change. One of the main reasons for this is the high proportion of owner occupation and the lack of real investment opportunity. As the sector develops and new developments hit the market coupled with other sectors becoming increasingly saturated there should be increased demand for industrial product. Currently prime yields are at 6,50% in Prague

and 7,00% in Brno, having held firm since the beginning of 2007; they compressed with 25 basis points in Prague since the end of 2006. These are still slightly higher returns than in western Europe, but during Quarter 4 2007 interest has cooled slightly as the difficulties seen within the capital markets sector has encouraged investors and occupiers to adopt a greater caution.

Outlook

The outlook for the market remains positive in the short to medium term. Occupier activity is expected to remain strong driven by new requirements filtering through as well as current occupiers upgrading, with some further rental uplift achievable for top-end space. Distribution/logistics units remain the most sought after especially in proximity to Prague and Brno. Occupiers of light industrial premises seem to shift more towards Ostrava and Plzen, where rental levels are more competitive.

The investment market should remain active with a greater interest being shown in secondary markets like Brno, where there are higher returns. Prague is set to remain the focus of demand for occupiers and investors alike. Secondary markets will come more to the fore and play a bigger role as the investment in infrastructure bears fruit and improves access across the country. These locations are expected to offer more space for development, lower rents and higher yields although dependant on the pace of development of the market is inevitably the speed of the delivery of infrastructure developments. Prime yields may see softening in the early part of the year as the uncertainty of the financial markets dents investors confidence.

5. > Romania

Overview

The Romanian industrial market has developed strongly over the last years. The sector recorded excellent growth over the year, with the logistics market underpinned by an upcoming retail sector. Nevertheless rents in the prime markets Bucharest and Timisoara are at 48 EUR/m²/year and decreased slightly over the last years. The highest rents, 54 EUR/m²/year, are recorded in Constanta, the Black Sea port area. Romania is still an owner-occupier dominated market. There is increasing demand from foreign occupiers, mainly logistics operators.

Growth

Prime rents fell by 5,9% over the year to date in the Bucharest market. And seem to have stabilised now.

With increasing foreign interest and limited new supply, prime yields have hardened from 9,9% half 2006 to 7,5% in December 2007.

Demand

Demand outweighs supply which is reflected in a development pipeline that is mainly pre-let. However, as confidence in the market increases so does the number of construction starts. Short term this will not have a negative impact with speculative space hitting the market easily absorbed. Longer term there is potential for availability levels to rise as older space is released in favour of new, flexible space and levels of speculative developments tip the current supply: there is a risk that demand balances the other way.

Description of the semi-industrial and logistics markets in Belgium, the Netherlands, France, the Czech Republic and Romania (continued)

Supply

Given the majority of space remains held under owner occupation, the leasing market appears less active than it actually is. The evident trend is for established companies to upgrade their space especially in light of rental stagnation. There is also increasing demand from foreign occupiers, especially logistics operators, looking for space in what is still perceived to be a lower cost environment.

Investment market

Prime yields hardened by 2% in Bucharest over the last 2 years; over the last quarter they contracted by 50 basis points in Bucharest and even by 75 basis points in Constanta, Timisoara and Brasov. With prime yields higher than in core Central Europe, investors continue to probe the Romanian market for opportunities. However, activity is restricted by limited investment grade stock available.

Outlook

Bucharest continues to see the bulk of development, investment and occupier activity, and this is likely to remain so for the foreseeable future. However, there is an increasing trend of activity spreading to second tier cities, some of which are relatively large. Whilst some volatility should be expected in what remains an immature property market, the market looks set to benefit from strong performance despite relatively modest rental growth as high yields and further compression deliver value added or opportunistic growth levels.

Authors: Jef Van Doorslaer and the European Research Group of Cushman & Wakefield.

Evaluation of the portfolio by Stadim CVBA and Cushman & Wakefield

1. > Portfolio statement at 31 December 2007

The annual valuation of the WDP's property portfolio, based on the market value of the property portfolio provided by the independent surveyors Cushman & Wakefield and Stadim CVBA and applying the IAS 40 fair value rules*, was 614,1 million EUR at 31st December 2006. This compared with 429,6 million EUR at the end of 2006.

Based on the calculation method applied until the beginning of 2008, the WDP portfolio value (including transaction costs) amounted to 638,5 million EUR at 31 December 2007. However, this figure was revised downwards to 618,5 million EUR following application of the IAS 40 rules under which portfolio value must now be calculated at fair value**. In addition, under IFRS rules, gains on projects in progress and assets under construction are no longer included in portfolio value. This means a temporary reduction in the value of the WDP portfolio of 4,4 million EUR pending completion of these projects. Together, these changes resulted in a total portfolio value of 614,1 million EUR at 31 December 2007.

Taking into account development potential on own land of 84,7 million EUR (including VAT, margins and fees), the current portfolio has an estimated gross rental value of 48,10 million EUR, after deduction of charges payable for concessions. This gives a gross return on rents at market prices of 7,09%.

2. > Main properties in the portfolio

The portfolio contains 72 sites. Of these, 52 are in Belgium and have a combined fair value of 449,1 million EUR. They represent 72,6% of the portfolio. The 20 foreign sites represent 169,7 million EUR, or 27,4% of the portfolio.

Sint-Katelijne-Waver - Drevendaal 1+3 - Fortsesteenweg 19+27 - Strijbroek 4+10, Ridderkerk - Handelsweg 20 (the Netherlands), Kontich - Satenrozen, Boom - Langelei and Mlada Boleslav (the Czech Republic) are the five most important sites and together account for 168,8 million EUR, or 27,3% of the total portfolio value.

Five sites have a value of 15-20 million EUR. In order of importance these are: Zele - Lindestraat 7, Nivelles - Rue de l'Industrie 30, Willebroek - Koningin Astridlaan 14, Asse-Mollem - Assesteenweg 25 and Voorhout - Loosterweg 33 (the Netherlands). Together, these properties account for 84,6 million EUR, or 13,7% of the total portfolio.

Twelve sites have a value of 10-15 million EUR: Anderlecht - Frans Van Kalkenlaan 9, Hazeldonk (the Netherlands), Leuven - Vaart 25-35, Machelen - Rittwegerlaan 91-93, Bornem - Rijksweg 19, Londerzeel - Nijverheidstraat 13-15, Aalst - Tragel 11-12, Vilvoorde - Willem Elsschotstraat 5, Vilvoorde - Havendoklaan 12, Grimbergen - Eppegemstraat 31, Ternat - Industrielaan 24, and Lille-Templemars (France). Together, these properties account for 152,8 million EUR, or 24,7% of the total portfolio.

Eight other sites are each valued individually at 7,5-10 million EUR: Lille-Fretin-Sainghin (France), Vilvoorde - Havendoklaan 19, Aalst - Wijngaardveld, Neuville-en-Ferrain (France), Bornem - Rijksweg 17, Leuven - Kolonel Begaultlaan 9-21, Boortmeerbeek - Industrieweg 16 and Roncq (France). Their total value amounts to 65,6 million EUR, i.e. 10,6% of the portfolio.

The 30 main sites thus account for 76,3% of the portfolio. The 42 other sites therefore have a total value of 147,0 million EUR, and account for 23,7% of the portfolio.

*Real value or fair value: under Belgian market practice; there is a ceiling of 2,5% on the transaction costs that can be deducted for property valued at more than 2,5 million EUR. On smaller properties and foreign property the full transactions costs can be deducted.

In accordance with IAS 40, land and buildings are valued at their fair value; assets under construction are valued at their acquisition price or fair value (whichever is the lower).

**For full details of the valuation method used, please refer to the BEAMA press release of 6 February 2006: <http://www.beama.be/content/index.php>.

Evaluation of the portfolio by Stadim CVBA and Cushman & Wakefield (continued)

3. > Value and composition of the rental portfolio

The total surface area is 279,9 hectares, including 16,8 hectares granted in concession. The remaining 263,06 hectares have an estimated resale value of 239,6 million EUR, i.e. 38,7% of the total fair value. The average value of the land amounts to 91 EUR/m², excluding transaction costs.

The total rentable surface area of the buildings is 952.819 m², with a total estimated rental value of 41,3 million EUR. Warehouses form the lion's share (74,9%), with a surface area of 812.221 m² and a total rental value of 30,9 million EUR. Their average rental value per m² is thus 38,08 EUR/m².

Office space, either separate or adjoining warehouses, represent 97.298 m², or a rental value of 8,0 million EUR, i.e. an average rental value

of 82,2 EUR per m². Commercial premises cover 18.575 m² and have a rental value of 1,09 million EUR, i.e. an average of 58,7 EUR per m². Finally, various other spaces account for a further 24.726 m² or 1,2 million EUR, with an average rental value of 50,5 EUR/m². Charges payable for concessions amount to 0,28 million EUR.

4. > Rental situation of vacant buildings

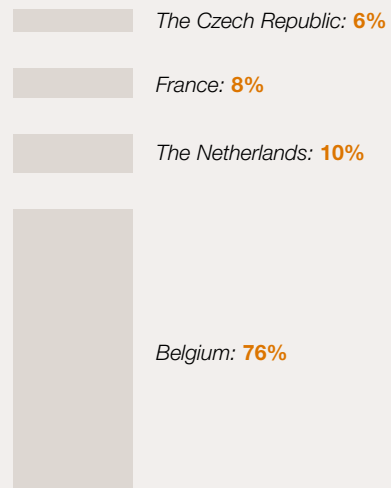
Based on the leases running at 31st December 2007, the leased buildings generated a rental income of 41,69 million EUR, i.e. an increase of 26,3% as compared with the previous financial year. Rental income is the sum generated by all the leases plus the charges paid for the management of the buildings or specific works, after deduction of the advance property levy and/or charges payable by the owner for concessions. In total, it is therefore equivalent to 86,7% of the rental value, based

Use at 31-12-2007	Constructed surface area (m ²)	Estimated rental value (EUR million)	Estimated average rental value per m ² (EUR)	% of the total rental value
Warehouses	812.221	30,93	38,08	74,90%
Offices adjoining warehouses	81.735	6,47	79,21	15,70%
Offices	15.563	1,53	98,01	3,70%
Commercial premises	18.575	1,09	58,71	2,60%
Other spaces (multipurpose premises, car parks and archives)	24.726	1,25	50,47	3,00%
TOTAL	952.819	41,26	43,31	100,00%
Charges payable for concessions		-0,28		
TOTAL		40,98		

Rentable surface area by category



Rental value per country for 2007



on market prices, of 48,1 million EUR indicated in point 1.

The main tenants are: Univeg Group with a 17% share of the rental income, Massive PLI - Philips Lighting (7,1%), Belgacom (3,5%), De Post (3,2%), Renault (2,8%), Lidl (2,6%), and DHL Solutions (2,5%).

The ten principal clients jointly represent 44,6% of total rental income. The "top 20" account for 61,4% and the "top 50" for 86,1%.

Top tenants (% rental income)

1	Univeg Group	17,0%
2	Massive PLI - Philips Lighting	7,1%
3	Belgacom	3,5%
4	De Post	3,2%
5	Renault	2,8%
6	Lidl	2,6%
7	DHL Solutions	2,5%
8	Tech Data	2,1%
9	Inbev - Interbrew	2,0%
10	Disor	1,9%
TOP 10 =		44,6%

Evaluation of the portfolio by Stadim CVBA and Cushman & Wakefield (continued)

Leases expiring in 2008 and 2009 represent 7,4 and 10,0% respectively of the total rental value. By contrast, leases expiring in 2012 at the earliest account for 72,7%.

Vacant areas available for immediate letting represent an additional rental value of 0,62 million EUR, i.e. a vacancy rate of 1,5% for the entire portfolio of available buildings:

- vacant warehouses represent 6.263 m² or 0,16 million EUR;
- at the end of December 2007, 7.891 m² of offices were available for let, i.e. 0,43 million EUR;
- vacant commercial premises and other spaces account for just 0,02 million EUR.

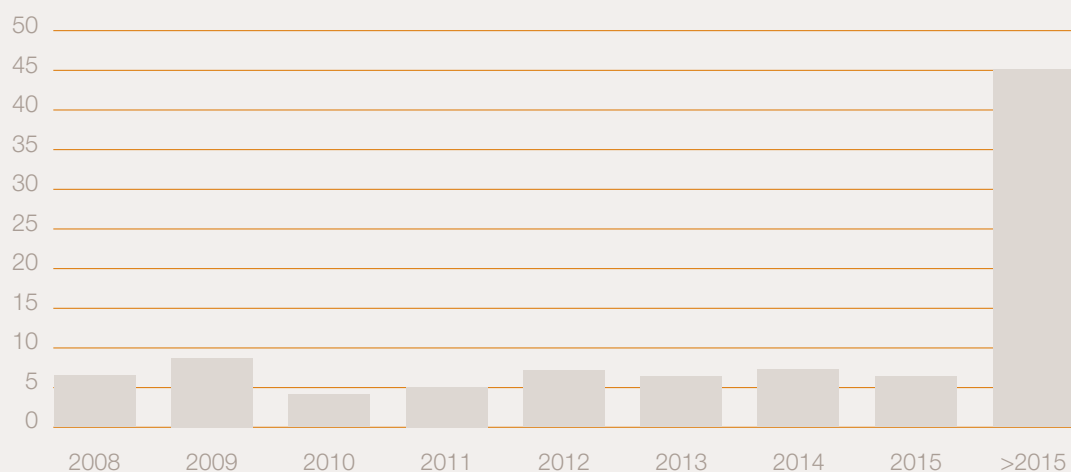
Breakdown of vacant available buildings

Use	Vacant surface area (m ²)	Estimated rental value (EUR million)
Warehouses	6.263	0,16
Offices	7.891	0,43
Commercial premises	0	0
Other spaces	5.849	0,02
TOTAL	14.703	0,62

The rental value of investments in new development and refurbishment amounted to 7,1 million EUR. Leases worth 3,8 million EUR have already been concluded. Part of the investment is undertaken only once a lease has been signed.

The total rental income, less the rental value of vacant properties and investments, amounts, therefore, to 49,4 million EUR, or 1,3 million EUR more than the rental value calculated on the basis of market prices.

Annual expiry of existing leases



5. > Buildings in the project phase

The estimates relate to eight complexes for which there are potential new development or refurbishment programmes, some of which are already underway. All of these programmes together represent an additional investment of approximately 84,7 million EUR, including fees, taxes, margins and interim interest. This equates to an additional rental potential of 7,1 million EUR, i.e. a return of 8,4% of the outstanding works. Leases for 3,8 million EUR have already been concluded, i.e. 53,9% of the lettings.

The principal potential investments relate to:

- a new building project in Genk - Brikkenovenstraat;
- a new building project in Willebroek - Koningin Astridlaan;
- a new building project in Grimbergen - Industrieweg;
- works to set up offices in the Asar Tower in Anderlecht, as and when the areas are let, and construction of a warehouse in Anderlecht;
- a new building project in Sint-Katelijne-Waver - Fortsesteenweg;
- a new building project in Nivelles - Naamsesteenweg;
- a new building project in Ridderkerk - Handelsweg (the Netherlands);
- a new building project in Venlo - Edisonstraat (the Netherlands).

This investment potential relates solely to a proportion of the investments actually planned by WDP. For the other sites, such as Zele - Lindestraat, the Czech Republic and Romania, the development plans had not yet been finalised or the acquisitions, as in Sint-Niklaas, had not been completed by 31st December 2007.

6. > Changes in the WDP portfolio since 31 December 2006

Since 31st December 2006, the fair value of the total portfolio has increased by 187,6 million EUR. This amounts to growth of 43%. The value of the Belgian portfolio has risen by 97,9 million EUR (+27%), while the value of the foreign portfolio has increased by 89,6 million EUR (+112%).

Growth was achieved through the acquisition of sites and in certain cases also generated by building work already undertaken – on the sites of the Univeg Group at Sint-Katelijne-Waver, Doornik - Marquain, Asse - Terheidenboslaan, Ridderkerk (the Netherlands) and Voorhout (the Netherlands) – as well as properties in Estaimpuis, Nivelles, Venlo (the Netherlands) and five sites in Romania. Together, they amount to 135,2 million EUR.

Growth is further accounted for and valued at a total of 17,9 million EUR by new development and refurbishment works on sites already in the portfolio:

- Terhagen - Polder 3;
- Beringen (Paal) - Industrieweg;
- Zele - Lindestraat;
- Anderlecht - Frans Van Kalkenlaan;
- Ternat - Industrielaan;
- Boortmeerbeek - Leuvensesteenweg 238;
- Nivelles - Rue du Bosquet;
- Vilvoorde - Havendoklaan 13;
- Grimbergen - Industrieweg 16;
- Mlada Boleslav (the Czech Republic).

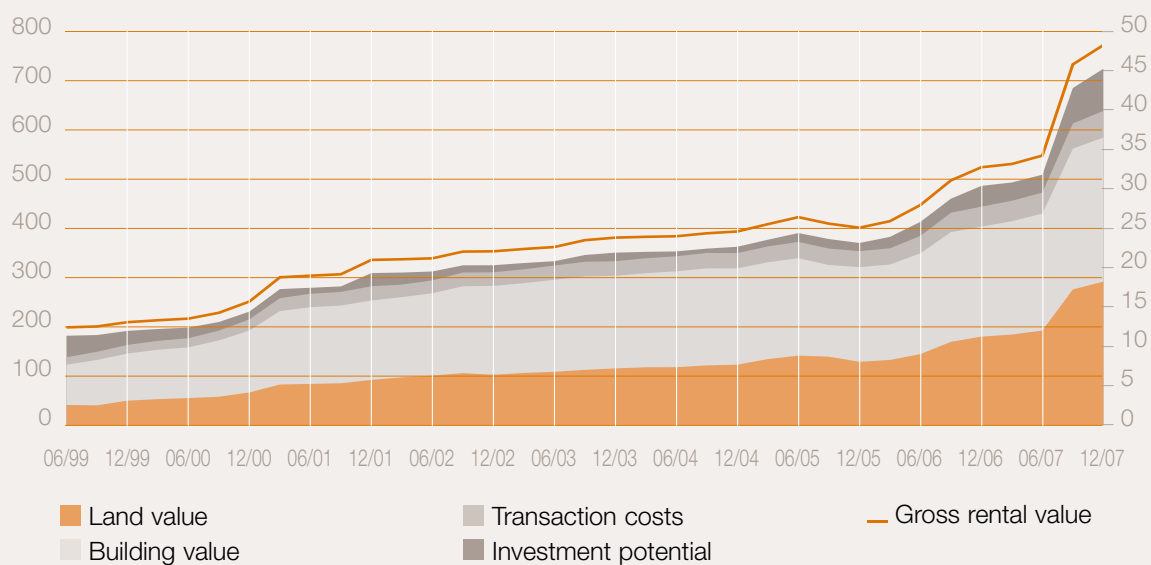
There was also the disposal of properties in Vilvoorde - Steenkade and Tienen - Getelaan, amounting to a fair value of 4,3 million EUR.

The outcome of these purchases, investments and disposals is an overall increase of 148,6 million EUR.

Evaluation of the portfolio by Stadim CVBA and Cushman & Wakefield (continued)

This means that the share of the portfolio in which there has been little or no investment – i.e. taking into account capital appreciation and depreciation – rose in net value by 39,8 million EUR.

Changes in the WDP portfolio (EUR million)







Property overview

PROPERTIES: KEY FIGURES

	Surface area						
	Land (m²)	Warehouses (m²)	Offices (m²)	Commercial (m²)	Other (m²)	Capitalisation** (%)	Occupancy on 31/12/2007 (%)
BELGIUM							
Aalst Dendermondsesteenweg 75	9.195	-	-	4.501	-	7,25	100,00
Aalst Denderstraat 54	7.518	2.964	576	-	-	7,36	100,00
Aalst Tragel 5 - Gheeraerdstraat 15-16	16.546	12.534	-	-	-	8,50	95,03
Aalst Tragel 11-12 - Garenstraat	44.163	18.208	3.934	-	-	6,94	100,00
Aalst Wijngaardveld 3 - Dijkstraat 7	39.822	21.902	-	-	-	7,83	100,00
Anderlecht Frans Van Kalkenlaan 9	28.476	16.581	4.351	-	444	7,23	100,00
Antwerpen Lefebredok - Grevendilf - Vrieskaai	22.513*	18.786	64	-	-	10,20	100,00
Asse (Mollem) Assesteenweg 36	47.800	23.422	3.139	-	244	7,62	99,73
Asse (Mollem) Terheidenboslaan 10	10.000	5.339	654	-	-	7,31	100,00
Beersel (Lot) Heideveld 3-4	22.459	6.703	456	-	-	7,29	100,00
Beersel (Lot) Stationsstraat 230	15.922	4.388	673	-	-	7,71	100,00
Beringen (Paal) Industrieweg 135 - Rijsselstraat	21.438	9.056	1.483	-	-	7,26	100,00
Boom Groene Hofstraat 13	1.733	-	2.548	-	-	10,07	46,32
Boom Kapelstraat 46 (to be divided into plots)	4.292	-	-	-	-	-	-
Boom Langelei 114-120 - Industrieweg	71.412	34.222	2.982	-	-	6,50	100,00
Boortmeerbeek Industrieweg 16	40.151	14.335	3.250	-	-	7,11	73,10
Boortmeerbeek Leuvensesteenweg 238	11.739	4.471	863	-	-	7,37	100,00
Bornem Rijksweg 17	31.100	9.973	1.616	-	323	6,85	100,00
Bornem Rijksweg 19	38.000	19.948	2.463	-	-	6,94	85,50
Brussel (Neder-over-Heembeek) Chaussée de Vilvoorde 146	6.450	4.257	685	-	-	8,71	93,64

*Concession land

**Capitalisation or return on rents: the ratio between potential gross rent and the project's value.

Property overview (continued)

	Surface area					Capitalisation** (%)	Occupancy on 31/12/2007 (%)
	Land (m²)	Warehouses (m²)	Offices (m²)	Commercial (m²)	Other (m²)		
Courcelles Rue de Liège 25	106.824	7.632	600	-	-	4,55	100,00
Doornik (Marquain) Rue de la Terre à Briques 14	30.938	7.660	1.002	-	-	6,24	100,00
Estaimpuis Rue du Pont Bleu 21	4.464	1.782	247	-	-	7,16	100,00
Genk Brikkenovenstraat (to the right of n° 50) (project)	62.905	-	-	-	-	7,28	-
Grimbergen Epegemstraat 31	58.992*	24.009	2.548	-	-	9,47	100,00
Grimbergen Industrieweg 16 (project)	27.724	-	-	-	-	6,69	-
Haacht (Wespelaar) Dijkstraat 44	17.229	7.991	1.813	-	-	11,15	95,03
Jumet Zoning Industriel - 2ième rue	9.941	4.478	634	-	-	7,00	100,00
Kontich Satenrozen 11-13 and Elsbos	160.743	50.845	5.644	-	-	6,42	100,00
Kortenbergh A. De Conincklaan 2-4	10.663	5.644	820	-	-	7,35	100,00
Lebbeke (Wieze) Kapittelstraat 31 (Hall C)	8.619	5.652	-	-	-	10,85	100,00
Leuven Kolonel Begaultlaan 9, 17-19 at the corner of Lefevrelaan	13.526	-	-	-	20.802	7,69	100,00
Leuven Vaart 25-35	3.170	-	10.300	3.500	1.505	8,22	100,00
Londerzeel Nijverheidstraat 13-15	42.115	25.867	1.601	-	-	7,77	100,00
Machelen Rittwegerlaan 91-93 - Nieuwbrugstraat	12.360	13.322	2.464	-	-	7,41	100,00
Merchtem Wolvertemse Steenweg 1 - Bleukenweg 5	13.241	8.471	-	1.160	-	8,75	78,32
Nivelles Chaussée de Namur (project)	20.000	-	-	-	-	7,74	-
Nivelles Rue de l'Industrie 30	60.959	24.439	2.471	-	-	6,65	100,00
Nivelles Rue du Bosquet 12	19.429	9.549	1.109	-	-	6,6	100,00
Puurs Lichterstraat 31	23.569	14.101	1.606	-	-	9,34	100,00

*Concession land

**Capitalisation or return on rents: the ratio between potential gross rent and the project's value.

	Surface area					Capitalisation** (%)	Occupancy on 31/12/2007 (%)
	Land (m²)	Warehouses (m²)	Offices (m²)	Commercial (m²)	Other (m²)		
Rumst (Terhagen) Polder 3 - Kardinaal Cardijnstraat 65	47.435	20.020	426	-	801	9,09	100,00
Sint-Katelijne-Waver Univeg site	59.915 86.822*	44.694	6.572	-	-	6,89	100,00
Ternat Industrielaan 24	28.274	13.913	2.646	-	479	7,86	89,15
Vilvoorde Havendoklaan 12	27.992	12.008	1.853	-	42	7,39	100,00
Vilvoorde Havendoklaan 13	18.066	4.935	845	-	-	7,21	100,00
Vilvoorde Havendoklaan 19	19.189	10.677	879	-	-	7,32	100,00
Vilvoorde Jan Frans Willemsstraat 95	13.678	6.010	371	-	-	7,45	100,00
Vilvoorde Willem Elsschotstraat 5	47.203	18.843	1.990	-	-	7,75	95,91
Willebroek Breendonkstraat (land)	46.695	-	-	-	-	-	-
Willebroek Koningin Astridlaan 14	119.742	18.045	2.461	-	-	6,82	100,00
Zaventem Fabriekstraat 13	14.501	6.811	701	-	86	7,94	100,00
Zeel Lindestraat 7- Baaikensstraat	71.415	34.110	462	-	-	6,35	100,00

*Concession land

**Capitalisation or return on rents: the ratio between potential gross rent and the project's value.

Property overview (continued)

	Surface area						
	Land (m²)	Warehouses (m²)	Offices (m²)	Commercial (m²)	Other (m²)	Capitalisation** (%)	Occupancy on 31/12/2007 (%)
ABROAD							
France							
Aix-en-Provence ZAC Gustave Eiffel II - Lot 22 - Rue G. Fraysinnet	31.179	8.259	1.012	-	-	7,19	100,00
Lille - Fretin - Sainghin-en-Mélanois Rue des Hauts de Sainghin, plots 179 & 180	31.689	16.655	248	-	-	7,61	100,00
Lille - Roncq Avenue de l'Europe 17	27.948	12.234	858	-	-	7,53	95,54
Lille - Templemars Route d'Ennetières 40	44.071	17.391	1.790	-	-	6,74	100,00
Lille - Templemars Route de l'Epinoy 16b	12.000	2.935	1.412	-	-	8,33	100,00
Neuville-en-Ferrain Rue de Reckem 33	24.200	12.954	249	-	-	7,04	100,00
The Netherlands							
Breda Hazeldonk 6462 & 6464	53.172	35.977	1.100	-	-	7,59	100,00
Ridderkerk Handelsweg 20	43.237	15.537	3.710	-	-	6,15	100,00
Venlo Ampèrestraat 15-17	50.400	-	-	-	-	6,90	-
Venlo Edisonstraat 9	70.000	-	-	-	-	-	-
Voorhout Loosterweg 33	63.159	35.977	1.100	-	-	6,78	100,00
Romania							
Agigea (Constata County) Parcela 19/6, sola A	48.450	-	-	-	-	-	-
Ariceştii-Rahtivani (Prahova County) Tarla 76, parcela 396/77, lot 2	127.500	-	-	-	-	-	-
Corbii Mari (Dambovita County) Tarla 51	111.748	-	-	-	-	-	-
Mihail Kogalniceanu Parcela A353/5, A353/4 lot I, A353/6/2	46.002	-	-	-	-	-	-
Paulesti (Prahova County) Tarla 39, parcela A804/143	99.659	-	-	-	-	-	-

*Concession land

**Capitalisation or return on rents: the ratio between potential gross rent and the project's value.

	Surface area						
	Land (m²)	Warehouses (m²)	Offices (m²)	Commercial (m²)	Other (m²)	Capitalisation** (%)	Occupancy on 31/12/2007 (%)
The Czech Republic							
Hradec Kralove Pilmarova 410	8.289	-	-	2.403	-	7,58	100,00
Jablonec nad Nisou Janovska 4633/2	2.750	-	-	1.075	-	8,37	100,00
Mlada Boleslav Jicinska 1329/III	4.477	-	-	1.327	-	7,83	100,00
Mlada Boleslav Neprevazka	86.728	25.705	4.016	-	-	6,85	100,00
Pruhonice-Praha Uhrineveska 734, 258243	13.189	-	-	4.609	-	7,07	100,00

*Concession land

**Capitalisation or return on rents: the ratio between potential gross rent and the project's value.

THE PROPERTY PORTFOLIO IS STRUCTURED AS FOLLOWS (EUR):

	fair value*	insured value**	acquisition value ***
warehouses	571.331.400	420.451.277	446.052.205
offices	22.954.100	18.735.737	12.575.937
commercial	15.549.900	18.277.187	12.338.177
miscellaneous	8.510.000	9.307.691	1.792.814
TOTAL	618.345.400	466.771.892	472.759.133

*Fair value = including the value of the land and transaction costs 31-12-2007.

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

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

Project testimonial: Ferrero

Location: **Ternat**

Surface area: **3.950 m²**

Activities: **distribution of chocolate products and confectionery in Belgium and the Netherlands**

WDP added value: **fast completion of bigger storage space with cooling system**





” Thanks to WDP we were able to double the surface area of our warehouses in the space of a few months. Their efficient approach ensured that we could repack and store our chocolate products in cold conditions even in the summer months. ”

“In 2000 our distribution centre in Ternat became too small because of the growth in activity within Ferrero. It just so happened that at that moment there was a more spacious building to let on the other side of the road, and it belonged to WDP.

However, during peak times around Christmas and Easter and due to additional co-packing activities during the summer months, this building appeared to be too small as well and it looked as though we would have to search elsewhere.

Together with WDP we looked at the problem and quickly came up with the perfect solution. At the rear of their building they were able to equip an even bigger storage place with cooling installations, so that the distribution of our chocolate products could be moved before the start of the warm summer.

In total we have more than doubled our capacity, thanks to WDP”!

Freddy Van Droogenbroeck
Supply Chain Director

WAREHOUSES WITH BRAINS

WDP shares

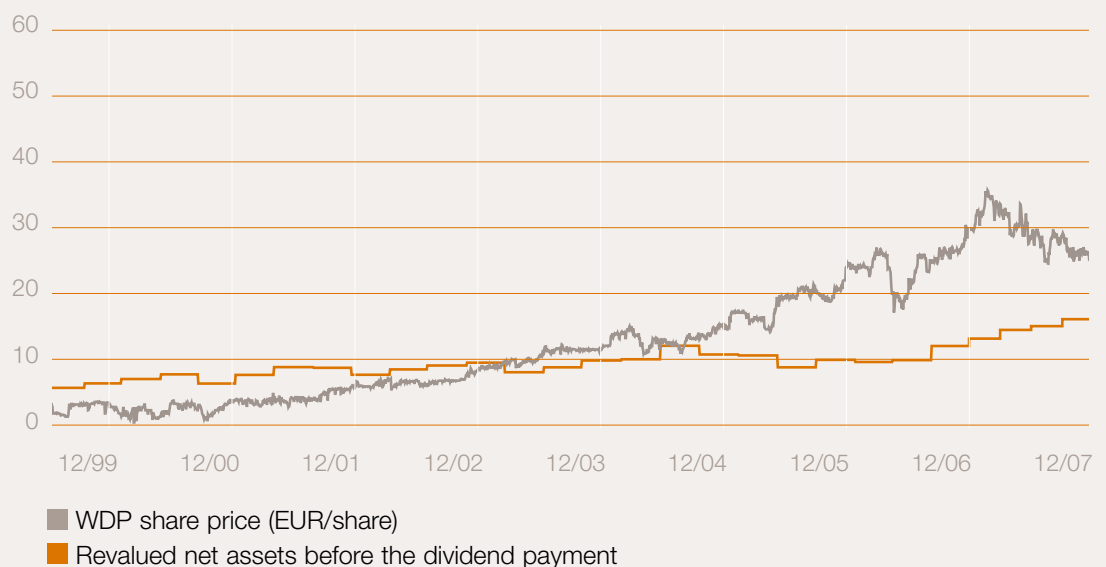
Share price

The WDP share price has been rather variable in 2007. Starting at 50 EUR, it increased steadily during the first quarter to reach almost 57 EUR. It then stabilised for a long time at 52 EUR, before falling in the second quarter to 47,5 EUR, after the dividend payout. In August, WDP also felt the shockwaves from the international markets. The price fell sharply for a short time to 42 EUR, before rising once again to 48 EUR in early September, after the interim dividend had been paid out and the announcement that the reference shareholder, the Jos De Pauw family from Merchtem, was to increase its stake to 30%. This increase took place as a result of new legislation relating to

acquisitions which entered into force on 1st September 2007. The stock market unrest nevertheless heightened in the autumn and the WDP share price also fell. The price fluctuated between 44 and 46 EUR before ending at 45,5 EUR on 31st December.

Compared with the share's intrinsic value, i.e. 36,10 EUR, the closing price of 45,5 EUR on 31st December represents a premium of 26%. This is partly explained by the importance that potential investors assign to the added value offered by WDP. This added value largely exceeds its intrinsic value, i.e. the purely arithmetic sum of the investment values of the various property assets. It arises notably from WDP's position as the market leader in Belgian semi-industrial property and the favour-

Comparison between the share price and the revalued net assets



able tax system under which the cepic operates in both Belgium and France. The fact that WDP is a self-managed fund – whose management is undertaken within the company which is entirely at the service of its shareholders – is also highly appreciated by investors.

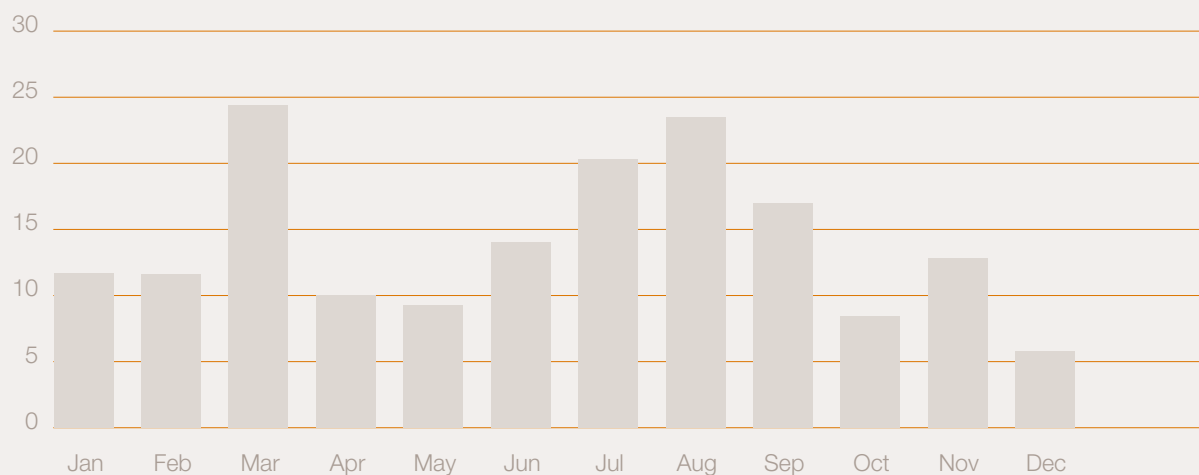
Other reasons also justify the fact that a property portfolio value exceeds the sum of its constituent assets. Firstly, in the event of its sale, institutional investors are now prepared to spend far higher sums for profitable portfolios than individual projects, as they then obtain more attractive credit terms in the financial markets. A property portfolio also offers a significant, immediate economy of scale in specific regions.

Turnover velocity and liquidity

The share turnover velocity – i.e. the total number of shares traded during the year divided by the total number of shares at the end of the year – remained at approximately 39,8%. In absolute figures, this represents an average of 13.869 shares per day.

Such high liquidity is notably explained by investors' sustained interest for the aforementioned added value which is characteristic of WDP. The cepic also attaches great importance to its investor relations, be they private or institutional. The high proportion of free float (70%) and interim dividend payment also encourage the share's liquidity.

Evolution of the WDP share volume on Euronext Brussels in 2007 (EUR million)



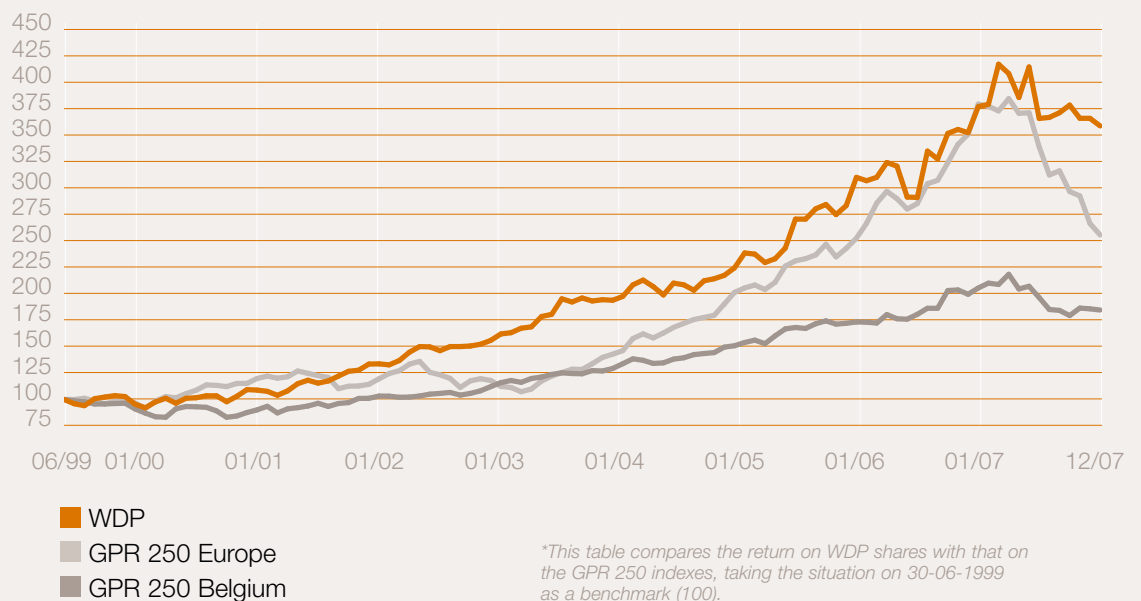
WDP shares (continued)

Return

The return was -4,84% in 2007. WDP nevertheless continues to outperform most other Belgian and European property securities. According to the GPR 250 EUROPE Global Property Research index, the average return on European listed property was -32% in 2007. According to the GPR 250 BELGIUM, the return on Belgian property shares in 2007 was -10%. See also the monthly update of figures on the www.wdp.be website. The gross return on the Bel20 index was -6% last year.

WDP shares thus had a slightly negative return in 2007, but continue to achieve better results than other property shares and the Bel20 index. The average annual return since its stock market flotation in June 1999 is still 16%. These positive figures are explained by the value of the underlying property assets and the regular payment of an attractive dividend each year.

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



Figures per share (in EUR) 31-12-2007 31-12-2006 31-12-2005

Number of shares	8.592.721	8.592.721	7.885.249
Free float	70%	72%	70%
Market capitalisation	390.968.805	428.347.142	346.950.956
Traded volume in shares per year	3.458.483	3.291.286	2.717.445
Average daily volume in EUR	664.934	994.836	411.094
Velocity*	40,25%	38,30%	34,46%
Stock exchange price			
- highest	56,95	50,45	44,96
- lowest	42,02	36,75	34,30
- closing	45,50	49,85	44,00
Net asset value after profit distribution	34,68	31,17	27,48
Dividend payout ratio	89,51	90%	94%
	12m	12m	12m
Operating profit/share**	3,04	2,75	2,56
Gross dividend/share**	2,72	2,47	2,47
Net dividend/share**	2,31	2,10	2,10

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

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

The company's shares are bearer, registered or dematerialised, at the shareholder's discretion, subject to the fact that the company can no longer issue new bearer shares since 1st January 2008. As from 1st January 2014, all shares will be registered or dematerialised, at the shareholder's discretion.



EURONEXT BRUSSELS - First Market

IPO: 28/06/99

trading: continu

ISIN-code: BE0003763779

liquidity provider: Petercam

EURONEXT PARIS - Second Market

trading: 17/12/04

trading: continuous

