Annual financial report 2010

This registration document is a translation of the registration document in Dutch. In the event of any discrepancy the Dutch version shall prevail, the English version being a free translation. Warehouses De Pauw Comm. VA is responsible for ensuring consistency between the Dutch and English versions. The Dutch version of this document can be consulted at www.wdp.be.

Annual financial report 2010

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WDP
warehouses with brains

Risk factors

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

Strategic management

Risks relating to the economic environment

The nature of its activities makes WDP sensitive to the economic climate. A poorer economic environment will depress economic activity, which can reduce companies' demand for storage and distribution spaces. This can in turn result in higher vacancy levels, lower rents and the potential bankruptcy of tenants.

The impact of this risk on WDP's results and valuations is limited by the long duration of the leases (over 68% of the contracts will expire after 2015), the diversification across industry sectors of the customer portfolio and a low average rent per m² of the portfolio. Also, the quality of tenants is very good, as evidenced by the lower bad-debt write-downs in 2010 (declining from EUR 1.5 million at year-end 2009 to EUR 1.3 million at year-end 2010).

The location of WDP's properties also plays a vital role in this regard. They are sited mainly on the Breda-Antwerp-Brussels-Lille corridor. Good accessibility and proximity to consumers are indispensable conditions for the presence of logistics companies. However attractive it may be, a building that does not fulfil those essential conditions will not attract any interest among potential tenants.

In addition, the geographic location of WDP's portfolio limits its sensitivity to economic trends, as 94% of the portfolio is located in Western Europe. In March 2011, WDP signed a letter of intent with Wereldhave for the acquisition of six leased logistics sites in the Netherlands (see Section 10, 'Events after the reporting date' in the Management Report on page 76). Through this letter of intent, WDP underlined its investment policy and the planned growth strategy in this region. The region is less susceptible to economic fluctuations than are growth markets such as Central and Eastern Europe, where WDP also maintains operations.

Risks relating to the property market

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

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 to which WDP pays particular attention.

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, waterways or 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 parameters that WDP takes into account are notably the headroom, the floor carriage capacity, fire safety achieved by sprinkler systems and the accessibility of loading and unloading bays. This second factor is becoming increasingly important, particularly as warehouses are becoming versatile, mixed-use storage spaces that must comply with specific legal norms and standards, in accordance with the tenant's operations and the location of the property (e.g. NBN in Belgium, NEN standards in the Netherlands, etc.).

Risks related to investment and development activities

WDP develops its property portfolio in various ways. On the one hand, there are its own development activities for storage and distribution spaces. As of 31 December 2010, these accounted for 5.3% of the investment value of the portfolio. On the other hand the portfolio is expanded through potential acquisitions. An extensive technical, legal, accounting and tax due diligence review is performed for each acquisition, supported by outside experts.

The company's risk profile is therefore limited, as most of the total portfolio has been let or pre-let for long periods to first-rate tenants.

Risks relating to property valuations

Property is not like an indexed bond with a pre-defined return. Profit – or loss – is determined primarily by two inseparably linked factors.

The first is the recurrent annual net rental income, which constitutes the net rental return on the invested capital. In the case of the cepic, this income is expressed in the income statement under 'Property result'. The second factor relates to the fluctuations in medium to long-term property values, i.e. changes in the fair value of the property. The property portfolio is valued on a quarterly basis by independent property surveyors. In the cepic's income statement, changes in the fair value of property are disclosed as the (unrealised) 'Result on the portfolio'. Despite the general economic situation, the risk of a write-down of the property value is limited. This is partly due to the fact that 36% of the portfolio consists of land, which has historically been least susceptible to falls in value. Also, merely 6% of the total portfolio is located in Central and Eastern Europe, which are usually hit harder by difficult economic situations than is Western Europe. After all, WDP is considered relatively inexpensive: an average of EUR 38.78 m²/year for storage space compared to the market standards of EUR 46 m²/year on average for storage space in Brussels and EUR 42 m²/year for storage space in Antwerp[1]. During economic slowdowns, comparatively low rents are expected to reduce the likelihood of vacancies, and therefore also the associated risk of a fall in value of the portfolio.

It is the combination of property as investment instrument and fluctuations in value that determines the quality of the investment and the total profit in the longer term.

1 *Source: 'Research department Cushman & Wakefield, Belgian industrial snapshot Q4 2010'*

Risk factors

Property management

Risks relating to tenants and credit risks

WDP aims to develop a portfolio of stable and solvent tenants. In this respect, the leasing activity offers the advantage that the rent has to be paid in advance. Rents are payable on a monthly, quarterly or (exceptionally) annual basis. Therefore a tenant's potential payment problems can be identified swiftly and appropriate solutions sought. In addition the majority of tenants are asked for an advance for rental costs and taxes for which WDP is liable as lessor, but which can be contractually charged on to the tenant. Advances are likewise payable on a monthly, quarterly or (exceptionally) annual basis. The customary rental guarantee of at least three months' rent paid to WDP as the owner also constitutes a security.

The creditworthiness of WDP's tenants is very good. This is reflected in the fact that in 2010 only EUR 171,000 was recorded in bad-debt write-downs. In addition, the creditworthiness of potential new tenants is screened on the basis of a credit review by an external agency, to anticipate potential payment problems.

In addition to tenants' creditworthiness it is important to enter into long-term leases with a view to safeguarding future rental income flows.

As vacancies or a tenant's insolvency can never be totally ruled out, the re-letting potential of a building is very important. Here again, the aforementioned location and technical qualities are decisive for re-letting. The average occupancy rate in 2010 was 95%. A 1% fall in occupancy would reduce gross rental income by an average 1.5% to EUR 57.3 million.

Maintenance risks

WDP is able to keep maintenance and repair costs to a minimum through its investments in high-quality and technically advanced buildings. The quality of its tenants, the long-term leases and the perfect state of its buildings when they are completed or purchased also contribute to the guaranteed quality of the buildings, as does the technical due diligence review that is performed on the acquisition of a building.

Investments are made where necessary to maintain the technical quality of the buildings. Construction and renovation work is performed either by WDP's own technical team or by calling in external specialists. These projects are monitored internally, in terms of both timely completion and budget.

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 tenants and through the active commercial management of its property portfolio to limit vacancies.

Risk of destruction of the 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 EUR 660 million (situation at the end of December 2010). The insured value is based on the rebuilding cost, which is the cost of reconstructing the building as new, including architects' fees and VAT. The solar panels are insured for a total of EUR 33 million. As such disasters often result in the vacancy, or partial vacancy, of premises, this risk has also been insured (loss of rental income for a period of up to two years). As of 31 December 2010, the total actual value of the portfolio was EUR 822 million.[1]

Financial management

WDP's property portfolio is financed on the one hand with shareholders' equity and with debt on the other. This debt financing has a significant impact on profitability.

Liquidity risks

The liquidity risk consists mainly in the risk that the cepic might not at all times have sufficient funds to finance its activities or to meet its ongoing payment obligations and would as a result be in default in respect of its counterparties and investors.

WDP adopts a conservative and cautious strategy to optimally limit this risk. This financing strategy comprises:

- a balanced distribution over time of debt maturities (financial liabilities and liabilities relating to leases) (25% due in less than 1 year, 48% due between 1 and 5 years and 27% due in more than 5 years);
- a diversification of sources of financing by issuing commercial paper (from 1 to 12 months) and by entering into straight loans (from 1 day to 1 month) and long-term bank loans, mainly bullet loans[2] (from 4 to 10 years);
- spreading the financing across various banks, notably BNP Paribas, ING, Dexia and KBC.

The loans entered into also comprise covenants relating to the maximum gearing permitted under the cepic status (which is 65%). WDP's gearing at 31 December 2010 was 55.19%. Following the Wereldhave transaction (see Section 10, 'Events after the reporting date' in the Management Report on page 76), WDP's gearing, after all current investments until the end of 2011 have been made and without taking into account a potential positive impact of the introduction of the optional dividend[3], will be 57%.

Interest rate risks

WDP has hedged interest rate risks on its financial liabilities mainly through Interest Rate Swaps (IRS). These hedges serve to convert floating rates of interest to fixed rates and are used to hedge the risk of a sharp rise in interest rates. As at 31 December 2010, WDP had

1 *Not including the solar panels.*

2 *A bullet loan is a loan where interest is payable only during the term of the loan. The entire principal of the loan is due at the end of the loan term.*

3 *If an optional dividend is distributed, the dividend claim that is linked to a specific number of shares, entitles the holder to one new share, at an issue price per share that may or may not represent a discount compared to the share price (either an average share price for a specific period or otherwise). The issuance of shares as part of the optional dividend is subject to common company law regarding capital increases. If, in addition to a contribution in kind as part of the distribution of an optional dividend, there is a contribution in cash, the special provisions of Article 13, paragraph 1 of the Royal Decree of 7 December 2010 regarding capital increases in cash can be declared inapplicable under the Articles of Association, provided that this optional dividend is made payable to all the shareholders. However, the special rules regarding non-monetary contribution in a cepic, as provided for in Article 13, paragraph 2 of the Royal Decree of 7 December 2010, do not apply either, provided that specific conditions are satisfied.*

Risk factors

hedged 84% of these liabilities for a remaining term of 4.9 years at an average fixed interest rate of 4.11% (excl. bank margin).

As a result of the recent crisis in the banking industry the interest rate levels of the reference rates (such as Euribor) have fallen to almost historic lows. As at 31 December 2010, the 3-month Euribor rate was 1.006%. Due to the interest rate hedges that had already been contracted as of 31 December 2010, WDP is unable to profit fully from these low rates of interest. With a view to minimising interest rate risks, however, this decision is completely justified.

On the other hand the banks are applying margin increases to existing and new loans, which partly offset the low interest rate levels. WDP's total average interest expenses account for 4.28% (including bank margin).

Foreign currency risks

WDP concentrates its activities mainly in the eurozone, the activities in the Czech Republic and Romania excepted. The outstanding euro positions of these subsidiaries relate to the financing provided from within the group. Translation differences resulting from the revaluation of these positions from local currencies into euros have a minimal impact on total equity and results. Accordingly, no specific transactions were entered into to hedge against exchange rate fluctuations.

The secret of a good property investment lies in weighing up and limiting all these risk factors. Only then can a suitable balance be found between short-term operating profit and potential long-term added value. This clearly also depends on the quality of the people in decision-making roles, for which WDP can rely on an experienced management team and Board of Directors.

Warehouses De Pauw – Warehouses with Brains

Presentation of WDP

A highly individual 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 it pursues by:

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

The mixed-use nature of a building plays a crucial role in each investment. The useful life of the building is, in fact, determined by the potential for leasing it again after the departure of the present tenant. Furthermore, WDP retains the projects it has acquired or completed within its portfolio, so that the added value achieved 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 issues. This objective is clearly demonstrated in its slogan: 'WDP – Warehouses with Brains'.

Portfolio

On 31 December 2010, WDP held 99 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 3.749 million m², along with 1,322 million m² of buildings, with over 43,000 m² in the development pipeline. In accordance with the IAS 40 fair value measurement, the fair value of WDP's property portfolio amounted to EUR 821.5 million at the end of 2010.

Stock market listing and capitalisation[1]

The WDP cepic has been listed on Euronext Brussels since 28 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. At the end of 2010, the closed-end property investment company's market capitalisation was EUR 459 million[2].

WDP focuses on investors in logistics property that are interested primarily in a stable dividend policy.

Shareholders

WDP developed from the assets of the family group Jos De Pauw from Merchtem, Belgium, which remains the reference shareholder with a 31% strategic stake in the closed-end property investment company (for an overview of the company's evolution, see '7. Key dates in the history of WDP' on page 181).

1 *In 2010, WDP shares were delisted from Euronext Paris. Euronext currently operates a single pricing basis.*

2 *Market capitalisation is calculated as follows: net asset value (excluding IAS 39 result) prior to profit distribution multiplied by the number of shares at the end of the period.*

Other than that, its shareholders are mainly Belgian and foreign private and institutional investors, none of which have reported holdings of more than 3% of the total number of shares.

Overview of the most important participations in WDP on 31 December 2010

Name	Number of voting rights (on a total of 12,533,938)	% voting rights
Robert De Pauw	982,796	7.84
Anne De Pauw	982,796	7.84
Tony De Pauw	982,796	7.84
Kathleen De Pauw	982,796	7.84
De Pauw NV	1,438	0.01
Total	**3,932,622**	**31.37**

Robert, Anne, Tony and Kathleen De Pauw entered into an agreement to act in mutual consultation concerning:

- the exercise of their voting rights with a view to a long-term common policy;
- the property, acquisition or transfer of shares.

WDP has only one category of shares. Holders are entitled to one vote per share at the Annual General Meeting of Shareholders (also see note XIII on page 152).

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 corridor. In addition, in March 2011 WDP signed a letter of intent with Wereldhave for the acquisition of six leased logistics sites in the Netherlands (see Section 10, 'Events after the reporting date' in the Management Report on page 76). WDP aims to have a dominant presence in the Western European logistics hub in order to be able to provide its customers with optimal services. Given the presence of major ports such as Antwerp and Rotterdam and the high purchasing power of this densely populated region, the Board of Directors of the management company of the cepic WDP Comm. VA expects that demand will be sustained here in the future despite fluctuations in the world economy.

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

Growth prospects

WDP is launching a new growth plan aimed at further developing its property portfolio and creating shareholder value. For the next three financial years – particularly the period 2011 to 2013 – the company intends to increase net current result per share by 20%. This growth is to be achieved based on the present capitalization and an acceptable gearing (i.e. between 55 and 60%). In implementing this plan, WDP also aims to ensure future dividend growth. Furthermore, the optional dividend will be added as an alternative in 2011.

After making an exception for the past two financial years, WDP intends to first reduce the distribution rate to 90% (which is standard for the company), while maintaining the dividend of EUR 2.94 gross per share for 2011. The expected increase in net current result per share may then result in future dividend growth.

Consolidated key figures

Consolidated result (EUR x 1,000)	31-12-2010	31-12-2009	31-12-2008
NET CURRENT RESULT			
Net rental result	57,985	54,127	46,645
Income from solar energy*	5,029	3,704	247
Other operating income/expenses	-349	-58	-11
Property result	**62,665**	**57,773**	**46,880**
Property charges	-1,285	-1,083	-1,195
Corporate management costs	-3,831	-3,325	-3,454
Net property result	**57,549**	**53,365**	**42,232**
Financial result excl. IAS 39 result	-18,485	-18,086	-12,752
Taxes on net current result	-864	-220	-396
Deferred taxes on net current result	823	-1,023	-361
Net current result	**39,023**	**34,035**	**28,723**
RESULT ON PORTFOLIO*			
Variations in the fair value of investment property (+/-)	-5,538	-26,791	-17,919
Result from sale of investment property (+/-)	-69	11	80
Deferred taxation on portfolio income	1,442	4,105	2,101
Portfolio result	**-4,165**	**-22,675**	**-15,737**
IAS 39 RESULT			
Fair value change of financial instruments (IAS 39 impact)	-2,256	-10,923	-29,184
Deferred taxes on revaluation IRS	0	0	414
IAS 39 result	**-2,256**	**-10,923**	**-28,771**
NET RESULT	**32,602**	**437**	**-15,785**

in EUR	31-12-2010	31-12-2009	31-12-2008
Net current result / share***	3.11	3.14	3.34
Result on portfolio / share***	-0.33	-2.29	-1.83
Net result / share**	2.60	-0.21	-1.84
Proposed payment***	36,864,818	32,256,717	25,272,709
Distribution percentage (in relation to the net current result)****	94.47%	94.77%	87.99%
Gross dividend / share	2.94	2.94	2.94
Net dividend / share	2.50	2.50	2.50
Number of shares at the end of the period	12,533,938	12,533,938	8,592,721

* *Due to the increased importance of the income from solar energy, this income is no longer included in the section 'Other operating income/ expenses'.*

** *The portfolio result does not include the movements in fair value on the solar panels – these are valued in accordance with IAS 16, where the above-mentioned movements are taken directly to equity. In 2010, this result was EUR 3.9 million.*

*** *The earnings per share are calculated on a pro rata temporis basis of the number of shares for dividend income for 2009 (first 6 months: 9,400,454; from 1 July 2009: 12,533,938). Net earnings per share based on the annual profit/loss and based on the weighted average number of shares for dividend income amount to EUR 0.04 per share. This calculation takes into account the capital increases effective 31 March 2009 and 30 June 2009.*

**** *The dividend payout ratio is calculated based on the consolidated profit/loss. The actual distribution of the dividend is based on the Articles of Association of WDP Comm VA.*

Some figures are rounded and therefore totals shown in some tables may not represent exact arithmetical totals of the figures preceding them.

Consolidated key figures

Consolidated balance sheet (EUR x 1,000)	31-12-2010	31-12-2009	31-12-2008
Intangible assets	422	287	184
Investment properties	821,511	815,392	742,129
Other tangible assets (solar panels included)	65,773	55,232	32,359
Non-current financial assets	12,535	11,737	10,618
Finance lease receivables	107	195	277
Trade receivables and other non-current assets	6,150	168	320
Deferred tax assets	0	836	761
Non-current assets	**906,498**	**883,847**	**786,648**
Assets held for sale	2,850	14,199	4,642
Finance lease receivables	88	83	78
Trade receivables	7,812	9,678	4,256
Tax receivables and other current assets	1,824	3,108	2,598
Cash and cash equivalents	1,209	2,204	1,273
Deferred charges and accrued income	2,100	2,959	3,208
Current assets	**15,883**	**32,230**	**16,055**
TOTAL ASSETS SHAREHOLDERS' EQUITY	922,381	916,076	802,703
Capital	97,853	97,853	68,913
Premiums on issue	63,960	63,960	0
Reserves (including profit/loss)	236,070	231,129	212,901
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties (-)	-27,626	-27,124	-22,106
Translation differences	1,029	1,025	1,599
Minority interests	0	0	0
Shareholders' equity	**371,286**	**366,843**	**261,307**
Non-current liabilities	411,691	413,651	328,895
Current liabilities	139,404	135,582	212,501
Liabilities	**551,095**	**549,233**	**541,396**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	922,381	916,076	802,703

in EUR	31-12-2010	31-12-2009	31-12-2008
NAV* / share	29.62	29.27	30.41
NAV* (excl. IAS 39 result)/share	32.58	32.05	33.2
Share price	36.65	33.93	30.15
Premium / discount on price compared with NAV* (excl. IAS 39 result)	12.48%	5.87%	-9.18%

(in EUR x 1,000)	31-12-2010	31-12-2009	31-12-2008
Fair value of the portfolio (solar panels included)	886,369	869,466	773,205
Debts and liabilities included in gearing	509,105	506,145	506,055
Balance sheet total	922,381	916,076	802,703
Gearing**	55.19%	55.25%	63.04%

* *NAV = Net Asset Value = Shareholders' equity before profit distribution for the current financial year.*

** *For the calculation method of the level of debt, refer to the Royal Decree dated 21 June 2006 with regard to financial statements of cepics.*

Notes to WDP's consolidated results for 2010

Profit and loss account

In 2010, the property result increased by 8.5% to EUR 62.7 million, up from the previous year's EUR 57.8 million. This increase was driven by the further growth of the portfolio on the back of the successful completion of the company's own projects, both in Belgium (in Genk, Vilvoorde and other locations), the Netherlands (Tilburg and Nijmegen) and France (Libercourt). For more details on these acquisitions and completions, please see the Management Report on page 71. In addition, during the course of 2010 the occupancy rate increased from 92.4% on 31 December 2009 to 95.7% on 31 December 2010. The occupancy rate is calculated by dividing the rental value of the let surface area by the rental value of the rentable surface area. Projects under construction and/or undergoing refurbishment are not included in the calculation.

The income from the solar panels also had a substantial impact on the property result. At a total of EUR 5 million for the full financial year, this income was up EUR 1.3 million from the previous year.

Property charges and other general expenses totalled EUR 5.1 million for 2010, up 16.1% from 2009. Despite this increase, which was driven by portfolio growth and the development of the internal organisation, costs remain under control. As a result, the operating margin[1] at 31 December 2010 was 91.8% (compared to 92.4% at 31 December 2009).

The net property result for 2010 totalled EUR 57.5 million, compared to EUR 53.4 million the previous year.

The financial result (excluding the IAS 39 result) amounted to EUR -18.5 million in 2010, compared to EUR -18.1 million in 2009. Average interest charges for 2010 accounted for 4.28% (including bank margin) – up slightly from 2009 (0.17%). Of the total financial liabilities of EUR 500 million, a total of EUR 420 million was hedged as of 31 December 2010, mainly through interest rate swaps (IRS).

Taxes include a) the taxes payable, primarily at subsidiaries that do not enjoy cepic tax status (as in the Czech Republic, the Netherlands and Romania) and the taxes on disallowed expenses in Belgium. However, since 1 November 2010 WDP Nederland has been subject to the regime for fiscal investment institutions and the accompanying tax rate of 0% (see also 'Permanent document' on page 174). This transition also has a positive effect on deferred taxes from the past.

Furthermore, deferred taxes were entered on the movements in the fair value of the investment property in those countries where WDP does not hold cepic status. Since these values declined in 2010, they had a positive impact on the profit and loss account.

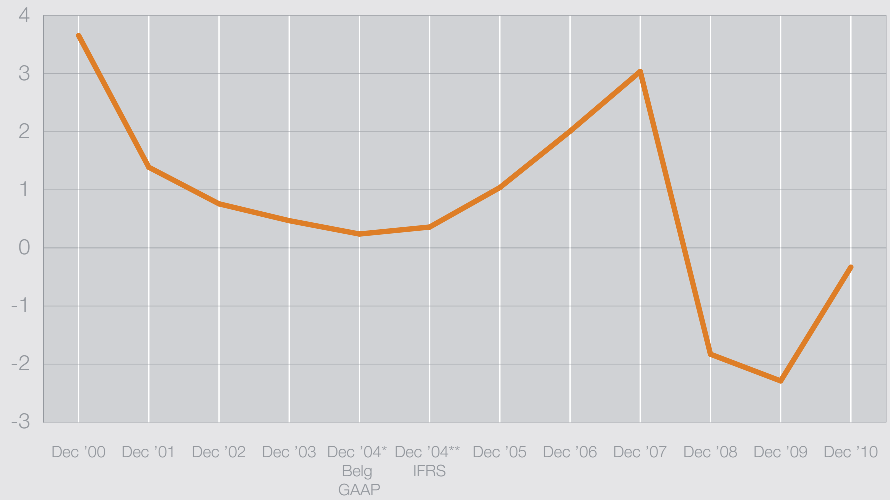
The result on the portfolio for 2010 (including the associated impact of deferred taxes) in compliance with IAS 40, was EUR -4.2 million or EUR -0.33 million per share. For the same period last year, this result was EUR -22.7 million or EUR -2.29 per share. On the other hand, the revaluation surplus on the solar panels for 2010 totalled EUR 3.9 million. In compliance with IAS 16, this revaluation surplus is taken directly to shareholders' equity. The result on the portfolio and the revaluation surplus on the solar panels cancel each other out, thereby undoing the impact of the net asset value per share (NAVPS) due to the decline in the fair value of the investment property.

1 *The operating margin is calculated by dividing the net property result by the property result x 100.*

Notes to WDP's consolidated results for 2010

Result on the portfolio per share

	EUR
Dec '00	3.66
Dec '01	1.39
Dec '02	0.76
Dec '03	0.47
Dec '04	0.24 *
Dec '04	0.36 **
Dec '05	1.04
Dec '06	2.01
Dec '07	3.04
Dec '08	-1.83
Dec '09	-2.29
Dec '10	-0.33



On the other hand, the impact of the IAS 39 result is EUR -2.3 million, compared to EUR -10.9 million in 2009. This negative impact results from the additional negative movements of the fair value of the interest rate hedges entered into (primarily IRS) on 31 December 2010 as a result of declining interest rates. Movements in the fair value of these interest rate hedges are fully recognised in the profit and loss account rather than through equity as these are non-effective interest rate hedges.

The WDP Group's total net result for 2010 was EUR 32.6 million, compared to EUR 437,000 in 2009.

The net current result for 2010 was therefore EUR 39 million – up 14.7% from last year's net current result of EUR 34 million. This results in a net current result per share of EUR 3.11 (compared to EUR 3.14 last year), taking into account the newly issued shares as part of the capital increases of 31 March and 30 June 2009.

Dividend

Based on this net current result, the management company of WDP will propose to the General Meeting that a total dividend be distributed for 2010 of EUR 2.94 gross or EUR 2.5 net per share. This means the dividend would remain at the same level as 2009, bringing the distribution rate for 2010 to 94.5%.

WDP's management company has announced an Extraordinary General Meeting, to be held on 8 April 2011, to amend the Articles of Association to comply with the new Royal Decree of 7 December 2010. In the event that the quorum is not present, the meeting will be held on 27 April. If the proposed amendment of the Articles of Association is approved by the shareholders, the amended articles will allow for the option to henceforth distribute the dividend as an optional dividend. An optional dividend is a form of dividend distribution that enables the shareholders to add their claim arising from the profit distribution to the

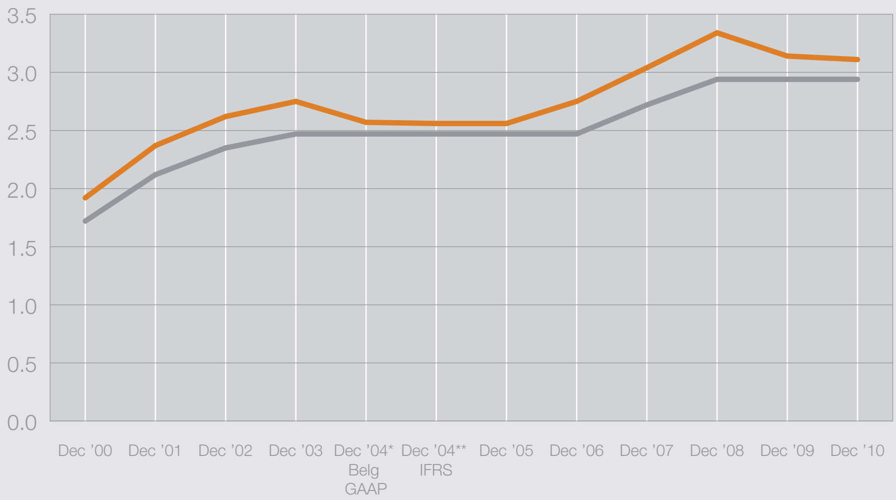
Notes to WDP's consolidated results for 2010

company's capital in exchange for the issuance of new shares[1]. In addition, shareholders will continue to have the option to receive the dividend in cash.

The management company of WDP intends to take advantage of this option for the dividend for the 2010 financial year. The shareholders will be informed in time regarding the specific terms of this optional dividend, including the issue price of the shares and the acceptance period.

EUR	Net current result/ share	Gross dividend/ share	
Dec '00	1.92	1.72	
Dec '01	2.37	2.12	
Dec '02	2.62	2.35	
Dec '03	2.75	2.47	
Dec '04	2.57	2.47	*
Dec '04	2.56	2.47	**
Dec '05	2.56	2.47	
Dec '06	2.75	2.47	
Dec '07	3.04	2.72	
Dec '08	3.34	2.94	
Dec '09	3.14	2.94	
Dec '10	3.11	2.94	

Development of net current result per share and the gross dividend per share



Balance sheet

As at 31 December 2010, the fair value of the investment property (including property investments in developments at WDP's expense for the purpose of leasing) totalled EUR 821.5 million, compared to EUR 815.4 million at the start of the financial year. The fair value, which consists of the fair value determined by the expert and the transaction costs associated with the property, is included in the consolidated balance sheet through the

1 *If an optional dividend is distributed, the dividend claim that is linked to a specific number of shares, entitles the holder to one new share, at an issue price per share that may or may not represent a discount compared to the share price (either an average share price for a specific period or otherwise). The issuance of shares as part of the optional dividend is subject to common company law regarding capital increases. If, in addition to a contribution in kind as part of the distribution of an optional dividend, there is a contribution in cash, the special provisions of Article 13, paragraph 1 of the Royal Decree of 7 December 2010 regarding capital increases in cash can be declared inapplicable under the Articles of Association, provided that this optional dividend is made payable to all the shareholders. However, the special rules regarding non-monetary contribution in a cepic, as provided for in Article 13, paragraph 2 of the Royal Decree of 7 December 2010, do not apply either, provided that specific conditions are satisfied.*

Notes to WDP's consolidated results for 2010

application of the IAS 40 standard. For more detailed information on the portfolio, please refer to 'Review of the consolidated property portfolio' on page 96.

This value of EUR 821.5 million includes EUR 772.1 million in completed properties in the portfolio (i.e. the standing portfolio) – up EUR 20 million from the previous year's portfolio. This increase is due to the projects completed in Libercourt (France), Genk (Belgium, Tilburg and Nijmegen (the Netherlands) during the course of 2010. In addition, the properties in Lesquin (France) and Sint-Jans-Molenbeek (Belgium) were sold, along with part of the land based in Sint-Niklaas. The total value also includes the land bank located in Romania, at a fair value of EUR 23 million. For further information on these transactions, please visit **www.wdp.be**.

The fair value of the projects under development was EUR 49.4 million. This relates to the investment plan under development, which includes projects on the Merchtem, Mollem, Puurs and Ternat sites in Belgium; the Ridderkerk and Venlo sites in the Netherlands (multi-storey car park and completion of phase II, respectively); and Libercourt in France.

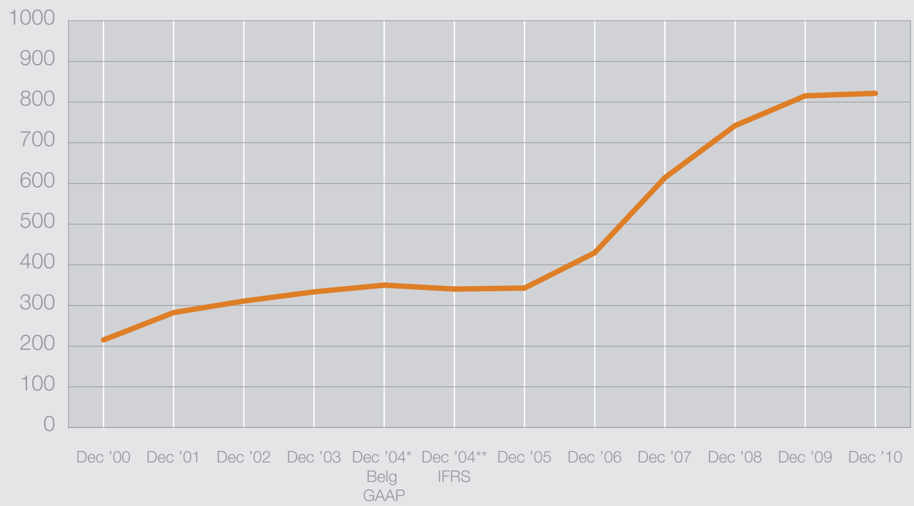
The increase in value of the other tangible fixed assets (from EUR 55.2 million on 31 December 2009 to EUR 65.8 million on 31 December 2010) is driven primarily by the investments made in the solar panels. These were appraised on 31 December 2010 at a fair value of EUR 64.9 million, in compliance with IAS 16 and in accordance with the revaluation model.

	EUR m
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
Dec '08	742.13
Dec '09	815.39
Dec '10	821.51

Increase since june 1999: 509%

Cumulative annual growth: 17%

Evolution in fair value of the property portfolio***



**** Exclusive solar panels.*

Notes to WDP's consolidated results for 2010

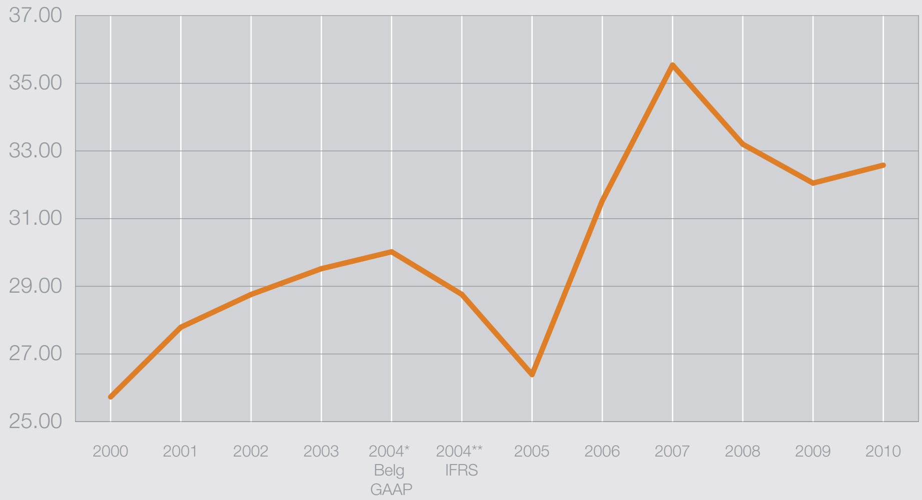
Along with the valuation at fair value of the investments in solar panels, the total portfolio value increases to EUR 886.4 million, compared to EUR 869.5 million at year-end 2009.

The non-current financial assets mainly comprise amounts receivable from associated companies, more specifically an amount of EUR 11.5 million relating to the financing of the activities in Romania.

The shareholders' equity of the group at 31 December 2010 is EUR 371.3 million, compared to EUR 366.8 million at year-end 2009. The net asset value per share (excluding the general IAS 39 result and before profit distribution for the financial year) was EUR 32.58 at 31 December 2010. This represents a limited increase from EUR 32.05 at 31 December 2009. The net asset value including the IAS 39 result was EUR 29.62 per share at 31 December 2010, compared to EUR 29.27 at 31 December 2009.

Changes in net asset value excluding IAS 39

	EUR
2000	25.73
2001	27.79
2002	28.76
2003	29.52
2004	30.02 *
2004	28.76 **
2005	26.39
2006	31.53
2007	35.54
2008	33.20
2009	32.05
2010	32.58



In 2010, the total (long-term and short-term) financial debt increased from EUR 496 million at 31 December 2009 to EUR 500 million at 31 December 2010. The debt and liabilities, as included in the calculation of the gearing in compliance with the Royal Decree of 7 December 2010, increased from EUR 506.2 million to EUR 509.1 million. As a result, the gearing remained relatively stable during 2010: 55.19% at year-end compared to 55.25% at 31 December 2009.

1 NAV = Net Asset Value = equity before distribution of profit for the current financial year.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Chairman's report to the Shareholders

For WDP, 2010 was a year in which we operated at two speeds. The main challenge in the first six months was to keep the crisis at bay, in which we succeeded admirably. Despite the slump in the logistics sector, our portfolio did not show a rise in vacancy rates. On account of several new leases and the sale of a property in northern France, we were even able to increase the occupancy rate from 92.4% at year-end 2009 to 94.8% at the end of June 2010.

However, WDP truly began to gather momentum in September. In the second half of 2010, the company managed to sign several new leases, which further drove up the occupancy rate to 95.7% at the end of December. The revival was also evident in several new projects scheduled to be launched in early 2011. In Romania, the first projects got underway after several years of groundwork. The European Investment Bank (EIB) provided a EUR 75 million loan to our Romanian subsidiary, as part of a regional development support initiative.

This was also the year in which we further increased our international presence, notably in the Netherlands. WDP became the first Belgian cepic to be granted fiscal investment institution status (FBIs, or *Fiscale Beleggingsinstellingen*, known internationally as 'REIT status') in the Dutch market, which provides it with certain tax benefits. With the previous tax barriers now eliminated, we will be able to expand our position in the Netherlands – a leading logistics hub – and create a second home market (see Section 10, 'Events after the reporting date' in the Management Report on page 76).

Meanwhile, WDP also continues to build its credentials as a sustainable company. A fine example is the solar energy project currently in operation, part of our objective to eventually have a fully carbon-neutral property portfolio in place. We increased our solar energy capacity from 10 to 14 megawatt peak (MWp) in 2010, and hope to reach a level of 30 MWp in the near future.

By efficiently using the space available on flat roofs, WDP helps tenants reduce both their energy bills and their environmental footprint, which ultimately benefits the environment as well. WDP, for its part, is taking advantage of the Green Energy Certificates, which guarantee long-term revenues.

WDP's leading role as a sustainable business was recognised in 2010, earning us a number of 'firsts' along the way. In April, we were awarded the first-ever BREEAM sustainability certificate granted to a logistics site in Western Europe, for our Tilburg property. BREEAM is the leading benchmark for the assessment of the sustainability of new buildings. In June, the Nijmegen site received the same certificate – which was also the first 'very good' rating awarded to a property located in Western Europe.

The year 2010 also saw a number of practical and organisational changes. Since WDP's internal organisational structure has gradually been adapted to accommodate the company's growth, Joost Uwents was appointed CEO alongside Tony De Pauw, who will remain in his current position.

WDP's shares were voluntarily delisted from Euronext Paris in June, as Euronext currently maintains only one price setting. Additionally, the Paris listing was no longer necessary in order for the company to be eligible for SIIC status in France, which comes with a number of tax benefits.

The Royal Decree for cepics was finally ratified at the end of 2010, having been a long time in the making. This is good news for us all, as the new statutory framework can help boost

Chairman's report to the Shareholders

growth and professionalization in the industry. Cepics will now be able to raise new capital more quickly as well as to establish institutional cepics. If desired, they can also pay optional dividends, with the shareholders being able to choose between dividends in cash or shares.

I am pleased to announce that WDP, provided that the Extraordinary General Meeting allows for this option through the planned amendment to the Articles of Association, will take advantage of this new option for the distribution of the 2010 dividend. As before, this represents a win-win situation. In 2010, our share price showed that investors continue to have great confidence in WDP. In the current climate of low interest rates, the stable dividend and favourable outlook confirm our status as a safe haven for investors. At the same time, the optional dividend allows WDP to reserve a portion of the cash flow and use it to invest in further growth. Shareholders, for their part, can increase their stake in the company inexpensively.

In summary, I am proud to report that WDP has continued to perform well over the past year, despite the economic uncertainty. In fact, the company has proved to be prepared for the future. That is exactly why we launched the new Growth Plan 2011-2013, which is discussed elsewhere in this annual financial report. Over the next three years, WDP intends for its net earnings per share to increase by 20%.

I am confident that we will be able to count on the support of all our employees, whose contribution throughout this year has been commendable. I would therefore like to personally thank the members of the management team, as well as all our employees, for their consistent efforts. I am also grateful for the contribution of my fellow members of the Board of Directors. Together we will continue the growth strategy we have been pursuing for several years now.

Mark Duyck
Chairman of the Board of Directors


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Corporate governance and structures

Corporate governance report

Pursuant to Section 96, paragraph 2 (1) of the Companies Code (amended through the Act of 6 April 2010 to promote good governance among listed companies) and the Royal Decree of 6 June 2010 regarding compliance with the Code on good governance by listed companies, WDP Comm. VA is required to comply with the Belgian Corporate Governance Code 2009.

WDP fully endorses the principles of good governance contained in the Belgian Corporate Governance Code of 12 March 2009, and uses this as a reference code.
The Belgian Corporate Governance Code is available on the website **www.corporategovernancecommittee.be**. WDP makes every effort to comply at all times with these principles, with due regard for the size of the company and WDP's specific management structure.
For this reason, the corporate governance principles are relevant primarily to the management structure of the statutory management company. Integrity and correctness in business conduct has been a priority for the closed-end property investment company since its establishment.
In addition, WDP is committed to creating a 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') on the other hand.

The Corporate Governance Code mandates the 'comply or explain' principle, whereby deviations from the recommendations must be justified.
The WDP Corporate Governance Charter deviates from the recommendations of the Corporate Governance Code in a number of areas. The deviations from these recommendations can be explained by the limited size of the Board of Directors of the management company of WDP:

- The Corporate Governance Code recommends that the Board of Directors should be chaired by a non-executive director. WDP has departed from this rule, as the company's Chairman of the Board of Directors, Mark Duyck, maintains the role of 'executive director' without, however, being part of the executive management. WDP has elected to assign a particularly active role to the Chairman of the Board of Directors, with the latter serving as a sounding board to the executive management and providing advice in this capacity. However, the Chairman of the Board of Directors does not participate in the management's decision-making process.
  His executive duties also include preparing strategic initiatives for discussion (and decision making) by the Board of Directors. WDP believes this role improves communication between the Board of Directors and the executive management and, more generally, the company's operations. In order to be able to properly perform these duties, Mr Duyck is present at the company's offices an average of three days a week. Under the Corporate Governance Code, the Chairman of the Board of Directors is permitted to assume specific responsibilities other than chairing the Board of Directors and its meetings.
- The audit committee convened twice in 2010, always prior to the start of a meeting of the Board of Directors. The Corporate Governance Code recommends a minimum of four meetings per year; however, in view of the company's size, its consistency, and the relatively high degree of predictability of the results, WDP believed that two meetings

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

of the audit committee, attended by the statutory auditor, were sufficient. With effect from the 2011 financial year, the audit committee will convene four times a year, always prior to the start of a meeting of the Board of Directors.

- The appointments committee and the remuneration committee convene at least once a year. The Corporate Governance Code recommends at least two meetings per year, but given the limited size of the Board of Directors and workforce of the management company, a second meeting is superfluous. Effective 1 January 2011, the remuneration committee, pursuant to Section 526*quater* of the Companies Code, is required to convene at least twice per year. As from that date, WDP will act in accordance with the law.
- The Corporate Governance Code recommends that the appointments committee should include a majority of independent non-executive directors. Due to the limited size of the Board of Directors, WDP's appointments committee consists of the entire Board of Directors, and is chaired by the Chairman of the Board of Directors. The appointments committee consequently consists of six members, half of whom – and hence not the majority, as recommended by the Corporate Governance Code – are independent non-executive directors. The Chairman of the Board of Directors (who has certain management duties) chairs the appointments committee, even though the Corporate Governance Code recommends that this should be a non-executive director. Since the Chairman of the Board of Directors, despite having certain executive duties, does not also serve as the CEO, the Board of Directors believes that one of the specific, typical duties of the Chairman, such as chairing the appointments committee, can be assigned to the Chairman of the Board of Directors.
- The Corporate Governance Code also recommends that the remuneration committee should consist of non-executive directors exclusively. WDP's remuneration committee has a different composition, consisting of four members – three of whom are non-executive directors – plus the executive chairman of the Board of Directors of the management company. Effective 1 January 2011, the remuneration committee, in accordance with Section 526*quater* of the Companies Act, must be composed of non-executive members of the Board of Directors. As from that date, WDP will act in accordance with the law and will change the composition of the remuneration committee in compliance with Section 526*quater* of the Companies Code.
- The Corporate Governance Code recommends that the remuneration committee prepare a remuneration report to be submitted to the Board of Directors. WDP will not be preparing a separate remuneration report for the 2010 financial year, as it believes that disclosure in the annual financial report (or, specifically, the corporate governance report) of the remuneration policy and the compensation paid to the members of the Board of Directors and the executive management is sufficient to describe the remuneration policy in a transparent manner. The Corporate Governance Code recommends that the remuneration committee should prepare a remuneration report (including a breakdown of the various components of the remuneration), which is then submitted to the Board of Directors. WDP will not prepare a separate remuneration report for the 2010 financial year (and, consequently, departs from the relevant provisions regarding separation of the various components of the remuneration in the remuneration report, as prescribed by the Corporate Governance Code), since the company believes that disclosure in the annual financial report (or, specifically, in the Corporate Governance Code) of the remuneration policy and the compensation paid to the members of the Board of Directors and the executive management are sufficient in order to describe the remuneration policy in a transparent manner. Commencing in the financial year ending on 31 December 2011, WDP will include a separate remuneration report in the corporate governance report, prepared by the remuneration committee,

in compliance with Section 96, paragraph 3 of the Companies Code, which is applicable from the above-mentioned financial year.

- In the past, all members of the management company's Board of Directors were appointed for a period of six years (please also refer to Section 1.2.5., 'Current members of the Board of Directors' on page 33), whereas the Corporate Governance Code recommends a maximum term of four years. WDP preferred a mandate for a period of six years, since this offers the managers the chance to become familiar with this section of the property sector. In the future, however, the management company's directors will be appointed – and, as appropriate, reappointed – for a term of four years, in accordance with the recommendations of the Corporate Governance Code. At the Annual Meeting of 27 April 2011, the Board of Directors will propose that the mandates expiring this year – specifically, those held by Mark Duyck, Tony De Pauw and Dirk van den Broeck – be renewed for a period of four years.

The Board of Directors must devote a separate section of its annual report to corporate governance, detailing the company's practices in this area during the relevant financial year, including the specific information required under the applicable laws and the Corporate Governance Code. Pursuant to Section 96, paragraph 2 of the Companies Code, the corporate governance report must contain at least the following information:

- the Corporate Governance Code applied by the company, including statements regarding any deviations from the Corporate Governance Code, in accordance with the requirement of the 'comply or explain' principle;
- the principal features of the internal systems for monitoring and risk management in relation to financial reporting;
- the shareholder structure, based on the transparency statements the company has received from its shareholders, and specific financial and company information;
- and the composition and operation of its administrative bodies and committees.

This chapter of the 2010 annual financial report includes the contents of the WDP Corporate Governance Charter, which is also available on its website **www.wdp.be**.
The description of the Board of Directors of the management company and executive management applies to the situation as at 31 December 2010.

1. The Board of Directors

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

Warehouses De Pauw is a public closed-ended property investment company that has assumed the legal form of a limited partnership with share capital (Comm. VA). Limited partnerships with share capital have two types of partners. The first of these is the managing partner, whose name appears in the company's commercial name and who has unlimited liability and is jointly and severally liable for the commitments the company makes. The managing 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.

It is characteristic of a limited partnership with share capital (Comm. VA) to be managed by a management company under the Articles of Association, which must have the capacity of managing partner which, to all intents and purposes, cannot be dismissed and holds the veto right against all important resolutions adopted by the General Meeting.

The management company is free to resign at any time. However, its mandate can only be withdrawn by the decision of a court called upon for this purpose by the General Meeting of shareholders, based on valid reasons. The management company cannot take part in the vote on this General Meeting resolution.

The General Meeting can only deliberate and take decisions when the management company is represented. The latter must approve any amendment to the Articles of Association and the General Meeting resolutions on actions concerning the company's third-party interests, such as the distribution of dividends and any decision that has an impact on the company's capital.

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

1.2.1. Mandate of the Board of Directors

The Board of Directors performs various duties for the closed-end property investment company (cepic), including:

- defining its strategy and policy;
- approving all major investments, divestments and other significant transactions in order to achieve the goals set by WDP;
- monitoring the quality of its management, including through an in-depth analysis and detailed discussion of the annual financial statements, as well as by an annual assessment of its operations;
- ensuring that the company's management is consistent with its strategy;
- handling the company's financial communications with the media and analysts;
- dealing with such matters as:
  - approving the budget and the annual and interim financial statements;
  - proposing the dividend to the General Meeting of WDP
  - allocating authorised capital;
  - convening ordinary and extraordinary General Meetings.

1.2.2. Current composition of the Board of Directors

Since WDP is a closed-ended property investment company, WDP and its management company, De Pauw NV, are required to comply with the provisions of the Royal Decree of 7 December 2010 regarding cepics (the 'Royal Decree on Cepics').

Pursuant to Article 9 of the Royal Decree on Cepics, the Articles of Association of the management company De Pauw NV must provide that its Board of Directors is composed such that WDP can be managed independently and exclusively in the interest of its shareholders. Additionally, the Articles of Association must provide that the Board of Directors includes at least three independent members, within the meaning of Section 526*ter* of the Companies Code.
Furthermore, the Articles of Association of the management company De Pauw NV must provide that compliance with the criteria specified in Section 526*ter* of the Companies Code is also assessed as though the relevant independent member of the Board of Directors of De Pauw NV were, in fact, a director of WDP. This amendment to the Articles of Association pursuant to the new Royal Decree on Cepics will be adopted on the date of WDP's ordinary Annual Meeting.

The Board of Directors currently includes only one representative of the reference shareholder.
The management company's Board of Directors is currently composed of six directors, including three independent directors who each comply with the criteria of Section 526*ter* of the Companies Code, and three executive directors.

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

- the Board of Directors is composed of a minimum of four members – at least three of whom are independent – and a maximum of ten members;
- one or several directors, accounting for no more than half of the total number, can be executive directors, in other words they can assume an operational role within WDP;
- the individual competencies and experience of the Board members must be complementary;
- the individual contribution of each of the directors guarantees that no individual or group of directors can control the decision-making;
- directors should bear in mind the company's interests, forge an entirely independent opinion and contribute to the decision-making process;
- any independent director who ceases to comply with the independence requirements contained in Section 526ter of the Companies Code (to be completed by the Board of Directors as necessary) is obliged to inform the Board accordingly.

The directors of the management company De Pauw NV comply with sections 38 and 39 of the Act of 20 July 2004 regarding specific forms of group management of investment portfolios (a fit-and-proper test of the directors, advice provided by the Banking, Finance and Insurance Commission for appointments and reappointments, and rules regarding disqualification from professional practice).

1.2.3. Procedures of the Board of Directors

The Board of Directors of the management company meets four times a year, on the invitation of the chairman. One of these meetings is devoted to discussion of the company's strategy. The dates of the meetings are established in advance for the entire year, in order to prevent absences as much as possible.

Additional meetings must also be convened whenever the closed-end property investment company's interests so require or two directors so request.
The chairman is responsible for the management and smooth running of the Board meetings and sets the agenda of the meetings in consultation with the CEO. This agenda contains a fixed list of items to be discussed, which are prepared in depth and are the subject of detailed documentation, ensuring that all the directors receive the same information in good time prior to the meeting. These documents are sent to all the Board members no later than the Friday before the week during which the Board meeting is to take place, so that each of them can prepare for it appropriately.

The position of chairman of the Board of Directors and CEO cannot be held by the same person.

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

Solely 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 a simple majority of votes. In the event of a tied vote, no resolution is adopted.

On the chairman's invitation, executive directors who are not Board members or specialists in a particular field may attend Board meetings 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 accounting procedures, the Board can call upon the accounts department and/or statutory 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 nominations. The selection of a new director is based on a professional, objective selection process. Care is taken with all appointments so that the capacities and know-how within the Board of Directors are guaranteed.

A new director is appointed as soon as a director's mandate becomes vacant or as soon as this is required.

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

Whereas in the past directors were appointed for a term of six years, in the future they will be appointed for a period of four years. Independent directors must not have completed more than three successive mandates as non-executive directors on the Board of Directors, and this period may not exceed 12 years. The appointment of other, non-independent directors can then be renewed indefinitely. These rules are subject to the condition that the age limit of 65 is respected. That is to say, a director's mandate expires upon completion of the annual meeting held in the year in which he or she reaches the age of 65, unless the Board of Directors resolves otherwise on the recommendation of the remuneration committee.

Directors are authorised to hold additional director's mandates in other listed and unlisted companies. They must inform the Chairman of the Board of Directors of any such mandates. Under the Corporate Governance Code, non-executive directors are not permitted to hold more than five mandates in listed companies without the consent of the Board of Directors (subject to the 'comply or explain' principle). Any changes in their other relevant commitments and new commitments outside the company must be reported to the Board of Directors in a timely manner.

The directors must respect agreements relating to discretion and mutual confidentiality. They must also strictly comply with all the legal and applicable principles relating to conflicts of interest, inside information, etc. When a transaction is considered where a director has a potential conflict of interest, the corresponding provisions of the Company Code and the Royal Decree on Cepics apply. With regard to WDP share transactions conducted by directors on their personal behalf, WDP's rules of procedure must be respected (see also '4.1. Code of conduct regarding financial transactions' on page 52).

Remuneration

Any contractual arrangement entered into on or after 1 July 2009 regarding the compensation of executive directors must specify that the amount of the severance pay granted in the event of early termination of the contract may not exceed twelve months of basic remuneration and variable remuneration.

However, the Board of Directors may consider awarding severance pay of more than 12 months' salary, or, following the recommendation of the remuneration committee (stating compelling reasons), of more than 18 months' salary. Pursuant to Section 554, paragraph 4 of the Companies Act, which applies to contracts with executive directors entered into or renewed effective 3 May 2010, such payment must be submitted for prior approval by the ordinary General Meeting of Shareholders. Any such contract (i.e. entered into on or after 1 July 2009) must specify that the severance package does not include the variable remuneration and must not exceed the amount of twelve months' basic pay if the departing executive director has not satisfied the performance criteria referred to in the contract.

Effective 1 January 2011, the criteria for granting variable remuneration to executive directors must be included in the contractual or other provisions applicable to the legal relationship between the individual concerned and the company. The variable remuneration is payable only if the criteria for the reference period have been satisfied. In the event of non-compliance with the requirements above, the variable remuneration may not be included in the calculation of the severance pay.

Furthermore, effective 1 January 2011 and, unless otherwise provided for in the Articles of Association or expressly approved by the ordinary General Meeting, the following applies: (a) the variable remuneration of an executive director must be based for a least 25% on performance criteria that are measured over a period of at least two years, and for another 25% on performance criteria measured over a period of at least three years; and (b) directors can acquire shares no sooner than three years after they were allocated, and they can likewise only exercise share options or other rights to acquire shares no sooner than three years after they were granted. However, the rules specified in (a) above do not apply if the variable remuneration accounts for 25% or less of the total annual remuneration, where the total annual remuneration matches the total amount of the director's basic salary, variable remuneration, pension payments and other types of compensation.

Any contracts entered into or renewed between the company and an independent director from 3 May 2010 onwards and which would provide for variable remuneration are subject to the same conditions for approval as for the granting of severance pay of more than 12 months, or, depending on the individual case, 18 months for executive directors.

Pursuant to Article 16 of the Royal Decree on Cepics, the compensation awarded to directors, management companies, members of the management board, individuals responsible for the company's day-to-day management and the de facto managers of WDP and De Pauw NV must not be determined based on the actions and transactions performed by the public closed-end property investment company or its subsidiaries.
They may receive variable remuneration, provided that (a) the criteria for the granting of such remuneration, which depends on the company's financial results, relate only to the cepic's consolidated net profit, not including any fluctuations in fair value of the assets and

the hedging instruments, and (b) no remuneration is granted based on a specific action or transaction on the part of the cepic or any of its subsidiaries.

The Board of Directors can resolve to grant additional remuneration to the chairman for additional work, such as part-time executive duties. Remuneration can also be granted to directors who are assigned special roles or mandates. These are accounted for as general expenses.

The remuneration committee meets once a year to discuss the directors' compensation package. Effective 1 January 2011 and in accordance with Section 526*quater* of the Companies Act, the remuneration committee convenes at least twice a year, and whenever it deems this necessary in order to properly perform its duties.

Disclosure of remuneration

The corporate governance report included in the annual financial report must contain a separate remuneration report, prepared by the remuneration committee, commencing in the financial year ending on 31 December 2011. In compliance with Section 96, paragraph 3 of the Companies Act, concerning directors, this remuneration report must include the following information (list is not exhaustive):

- the procedures followed during the financial year under review to (a) create a remuneration policy for the directors and (b) to determine the remuneration of individual directors;
- a report regarding the remuneration policy for directors pursued during the financial year under review, which must include at least the following information:
  - the principles on which the remuneration was based, specifying the relationship between remuneration and performance;
  - the relative importance of the various components of the remuneration;
  - the features of performance-based bonuses in shares, options or other rights to purchase shares;
  - information regarding the remuneration policy for the two subsequent financial years;
- the remuneration and any other perquisites the non-executive directors have received on an individual basis either directly or indirectly from the company or from a company within the company's scope of consolidation;
- in the event that the executive directors are eligible for compensation based on the performance of the company (or a company included in the company's scope of consolidation), a business unit or the individual concerned, the criteria for the assessment of the performance in relation to the targets, the specification of the assessment period and the descriptions of the methods used to verify that these performance criteria have been satisfied;
- the amount of the remuneration and other perquisites granted by the company (or a company that is part of the company's scope of consolidation) to the principal representative of the executive directors either directly or indirectly. This information must break down into the following components:
  - the basic salary;
  - the variable remuneration: each additional perquisite linked to the performance criteria, specifying the form in which this variable remuneration is paid;
  - the pension: the amounts paid during the financial year under review or the charges for the services provided during the financial year under review, based on the type of pension plan, including a specification of the applicable pension scheme;

  - the other components of the remuneration, such as the costs or value of insurance policies and other in-kind perquisites, including details on the specific features of the main components;
- the total amount of the remuneration, broken down by category, of the executive directors. This information must be provided based on the same breakdown as for the principal representatives of the executive directors;
- an individual overview of the shares held by, the share option schemes for, and any other rights to acquire shares held by, the executive directors;
- on an individual basis, the severance pay or potential severance pay of the executive directors;
- in the event of the departure of an executive director, the justification and resolution by the Board of Directors, following the proposal of the remuneration committee, as to whether the individual concerned is eligible for the severance pay, and the calculation base to be used to calculate this pay;
- the degree to which the company is able to claim back the variable remuneration from the executive directors if such remuneration was granted based on inaccurate financial information.

The ordinary General Meeting that passes resolutions regarding the annual report prepared by the Board of Directors will also decide on the remuneration report.

The management company's remuneration for 2010 was EUR 850,000. This amount matches the total cost incurred by the Board of Directors in 2010, including the bonus scheme for the executive management and the administration of the closed-ended property investment company.

Overview of individual remuneration for the 2010 financial year.

Non-executive directors	Fixed (EUR)	Variable (EUR)
MOST BVBA, permanently represented by Frank Meysman	20,000	-
Alex Van Breedam	20,000	-
Dirk Van den Broeck	20,000	-
Executive directors		
Tony De Pauw	180,000	100,000
Joost Uwents	180,000	72,000
Executive Chairman of Board of Directors		
Mark Duyck	177,000	

The total pay of the independent directors and the executive director during the 2010 financial year amounted to EUR 237,000 (100% fixed). The total pay of the executive management during the 2010 financial year was EUR 532,000 (including 30% variable remuneration).

There are currently no employment contracts or service contracts in place with the executive directors that provide for special payments upon termination of employment.
In addition, each director receives a fixed expense allowance of EUR 3,500 per year. No options or other perquisites are provided for, except a company car for the members of the executive management.

The criteria and objectives based on which the variable pay is granted to the executive directors are expressly documented by the Board of Directors at the beginning of the financial year, following a proposal by the remuneration committee. For the 2010 financial year, the criteria were used for the group's operating result, the occupancy rate, the execution of the 'solar energy' project and the management of the gearing. These criteria and objectives were assessed by the remuneration committee after the end of the financial year. Based on the profit achieved, the Board of Directors granted the variable pay to the executive directors Tony De Pauw and Joost Uwents. Since the Royal Decree on Cepics became effective on 7 January 2011, the criteria for granting the variable remuneration or the portion of the remuneration that is based on financial performance may relate solely to WDP's consolidated net profit, excluding any fluctuations in the fair value of the assets and the hedging instruments, and no remuneration may be granted on the basis of a specific action or transaction performed by WDP or any of its subsidiaries.

Evaluation

Directors are evaluated on a continuous basis (as members of the Board of Directors and as members of a committee), in particular by their colleagues. If a director has any doubts concerning the contribution of one of his colleagues, he can propose that this be included as an agenda item of a meeting of the Board of Directors or the relevant committee, or notify the chairman, who may then, at his discretion, take any necessary steps.

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

1.2.5. Current members of the Board of Directors

The Board is composed of the following six members:

- **Mark Duyck** (Lindekensweg 73, B-1652 Alsemberg) has been a director since 1999, chairman of the Board of Directors since 2003 and executive chairman since 2006. He is an economist and holds an MBA. After holding various positions, including at European and American companies, he held various management positions during a 15-year period at Brussels Airport.

  In the past five years, he has also been a director of SN Brussels Airlines* and Valck Group*, and managing director of Coconsult BVBA, companies where he is also a strategic adviser.

  His mandate ends on 27 April 2011 (attendance rate in 2010: 100%). The Board of Directors of the management company intends to nominate Mr Mark Duyck for reappointment as a director of De Pauw NV, for a mandate expiring on 29 April 2015.

- MOST BVBA, (Drielindenbaan 66, B-1785 Merchtem), permanently 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 reinforce WDP's customer focus. He has been a director at several international companies including Procter & Gamble, Douwe Egberts and Sara Lee. In the past five years, he has also been a director of Gimv*, Picanol, Spadel, Pinguin*, Palm, MOST BVBA, Grontmy NV, Betafence, and Corporate Express*. He is also Chairman of the Board of Directors of JBC.

  His mandate ends on 25 April 2012 (attendance rate in 2010: 87.5%).

* *These mandates have now expired.*

- **Alex Van Breedam** (Duffelshoek 5, B-2550 Kontich) 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, he has since 2000 coordinated the launch of the Flanders Institute of Logistics and is an independent expert in Supply Chain Management, specialising in strategic support for logistics companies. Until 2008, he was the director general of the Flemish Institute of Logistics. He is currently a director at Tri-Vizor NV, an innovative new logistics company affiliated with the University of Antwerp. He is also a part-time lecturer and a guest professor at three Flemish universities.
  In the past five years he has also been a director of Advisart BVBA (managing director) and Business Development Logistics BVBA.

  His mandate ends on 29 April 2015 (attendance rate in 2010: 100%).

- **Dirk Van den Broeck** (Leo de Bethunelaan 79, B-9300 Aalst) has been an independent director since 2003. He was a partner of Petercam from 1988 to 2010 and a director there from 1994 to 2010. He represented Petercam on several boards of directors of property companies involved in the issuing of mortgage debentures. He still works as an independent consultant in the property sector and other areas. Dirk Van den Broeck graduated in law and economic sciences.

  In the past five years, he has also been a director of 3P (L) SARL*, 3P Air Freighters Ltd*, 3P Air Freighters Belgium SA*, ASL Aviation Group Ltd*, Amil Singapore, AMP Ltd, Beaulieulaan NV*, Belgian European Properties, SA*, Certifimmo SA*, Certifimmo II SA*, Certifimmo III SA*, Distri-Invest NV*, EQM Funds Plc*, ALINSO NV*, Financière Sainte Gudule CVBA*, German Residential Property SA*, Immobilière de la Place Sainte Gudule SA*, Immo-Régence SA*, Meli NV, NIBC Petercam Derivatives NV*, New Paragon Investments Ltd, New Phoenix Investments Ltd, Nouvelle Inter NV*, Omega Preservation Fund Luxembourg*, PAM Alternative Investments PLC*, Park De Haan NV*, Petercam & Associés SCRL*, Petercam Capital UK Ltd*, Petercam Management Ireland Ltd*, Petercam Management Services NV*, Petercam SA*, Petercam Services SA*, Promotus BVBA, QAT Investments SA*, QAT II Investments SA*, QAT ARKIV SA*, Reconstruction Capital II Ltd, Resilux NV*, Schumanplein SA*, Serviceflats Invest NV, Urselia NV, Vastgoedmaatschappij Leopold III-laan NV*, Wilma Project Development NV and WPD Holding NV Winprover.

  His mandate ends on 27 April 2011 (attendance rate in 2010: 100%).

  The Board of Directors of the management company intends to nominate Mr Van den Broeck for reappointment as a director of De Pauw NV, for a mandate ending on 29 April 2015. In view of the statutory rule that independent directors may not have completed three successive mandates as non-executive directors on the Board of Directors subject to a maximum term of 12 years, Mr Van den Broeck will no longer be regarded as an independent director from 25 February 2015, i.e. prior to the expiry of the term of his mandate as director. In view of the statutory rule that cepics (or their management companies) must employ three independent directors at all times, the management company will be required to appoint a new independent director in a timely manner.

* *These mandates have now expired.*

- **Tony De Pauw**, (Ganzenbos 5, B-1730 Asse), executive director and CEO since 1999, represents the principal group of shareholders, i.e. the De Pauw family.
  In the past five years, he has also been a director of Ensemble Leporello VZW.

  His mandate ends on 27 April 2011 (attendance rate in 2010: 87.5%).

  The Board of Directors of the management company intends to nominate Mr De Pauw for reappointment as the director of De Pauw NV, for a mandate ending on 29 April 2015.

- **Joost Uwents**, (Hillarestraat 4 A, B-9160 Lokeren), director since 2002 and executive director and CEO since 2010, forms the WDP executive management team together with Tony De Pauw. He is a commercial engineer and holds an MBA.

  His mandate ends on 30 April 2014 (attendance rate in 2010: 100%).

The directors Alex Van Breedam, Dirk Van den Broeck and MOST BVBA (permanently represented by Frank Meysman) meet the independence criteria as stated in Section 526*ter* of the Companies Code.

The table below shows the terms of the mandates of the Board of Directors and the proposed reappointments (for a period of 4 years)

Directors	Start of mandate	Renewal	End of mandate	End of mandate following proposal for reappoint-ment
MOST BVBA, permanently represented by Frank Meysman	2006		25 April 2012	-
Alex Van Breedam	2003	2009	29 April 2015	-
Dirk Van den Broeck	2003	2005	27 April 2011	29 April 2015
	(after cooptation)	2005	27 April 2011	29 April 2015
Tony De Pauw	1999	2005	27 April 2011	29 April 2015
Joost Uwents	2002	2008	30 April 2014	-
Mark Duyck	1999	2005	27 April 2011	29 April 2015

1.2.6. Declarations concerning directors and executive management

WDP's management company under the Articles of Association declares, based on the information at its disposal, that:

- at least in the past five years neither it, nor its directors or, in the case of companies that act as directors, their permanent representatives, nor members of the executive management:
  - have been convicted of fraud;
  - have been the object of officially and publicly expressed accusations and/or sanctions imposed by legal or regulatory authorities (including recognised professional organisations), or have ever been declared unfit to act as a member of the administrative or regulatory bodies of a company or to act in the capacity of a director or performing a company's activities;

  - have held a managerial position as a senior manager or member of a company's administrative, managerial or supervisory bodies at the time of its bankruptcy, curatorship or liquidation.
- at present, there are no employment contracts or service contracts in place with the directors, cepic or statutory management company that provide for special payments upon termination of employment;
- the employment contracts or service contracts concluded between the management company under the Articles of Association and the members of the executive management provide for no special payments upon termination of employment.

Number of shares in possession on 31 December 2010

Non-executive directors	Number of shares	% shares
MOST BVBA	1,000	0.01
Alex Van Breedam	0	0.00
Dirk Van den Broeck	130,000	1.04
Executive directors		
Tony De Pauw	982,796	7.84
Joost Uwents	14,000	0.11
Part-time executive Chairman of Board of Directors		
Mark Duyck	1,423	0.01

1.2.7. Conflicts of interest

Conflicts of interest involving directors

The statutory regulation relating to conflicts of interest for directors, (pursuant to Section 523 of the Companies Code), applies to decisions or actions arising from the competences of the Board of Directors, subject to the following conditions:

- a director has a direct or indirect property interest, i.e. an interest with financial implications;
- the interest must be conflicting.

The potentially conflicting interest relates to the company's interest in the proposed decision or action and the interest of the director concerned.

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 agenda item and cannot take part in the debate or the decision taken on this agenda item.

To the company's knowledge, none of the directors currently have a conflict of interest within the meaning of Section 523 of the Companies Code of which the Board of Directors has not been informed. Other than potential conflicts relating to remuneration issues, the company does not foresee any other potential conflicts of interest in the immediate future.

Conflicts of interest involving transactions with affiliates

The cepic is also required to follow the procedure stipulated in Section 524 of the Companies Code should it make a decision or perform a transaction that is related to (a) the cepic's relations with an affiliate, not including its subsidiaries, and (b) relations between a subsidiary of the cepic and an affiliate, not including subsidiaries of that subsidiary.

Functional conflicts of interest

WDP is subject to the provisions of articles 18 and 19 of the Royal Decree on Cepics. Article 18 contains a provision regarding functional conflicts of interest under which cepics must inform the Banking, Finance and Insurance Commission if and when certain persons affiliated with the cepic (an exhaustive list of which is set out in the same Article, including the management company and its directors, the individuals responsible for supervising the cepic, are affiliated therewith or hold a stake therein, the promoter and the other shareholders of all the cepic's subsidiaries) that act directly or indirectly as a counterparty concerning, or gain any financial benefit from, a transaction with the public cepic or any of its subsidiaries. In its statement to the Banking, Finance and Insurance Commission, WDP must demonstrate its interest in the planned transaction and the fact that the transaction concerned is within the scope of the investment policy of the cepic. Transactions that involve a functional conflict of interest must be completed at normal market conditions. If such a transaction concerns property, the valuation of the property expert is binding as a minimum price (in the event of a sale by the cepic) or a maximum price (in the event of acquisition by the cepic).

Such transactions, along with the data to be reported, are publicly disclosed without delay. They are explained in the annual financial report and in the report of the statutory auditor.

In addition to these provisions of the Companies Code and the Royal Decree on Cepics, WDP also requires that each director should avoid the creation of conflicts of interest as much as possible.

If a conflict of interest nevertheless arises (that is not subject to the statutory regulations for conflicts of interest), with regard to an issue that does not fall within the authority of the Board of Directors and on which it must take a decision, the director concerned will notify his colleagues accordingly. They will then decide whether the member concerned will be permitted to vote on the issue to which the conflict of interest relates, and if he is entitled to attend the meeting during which the issue is discussed.

There is a 'conflict of interest involving a member of the Board of Directors' if:

- the member or any of his or her close relations has a property interest that conflicts with a decision or transaction of the company;
- a company that does not form part of the group and in which the member or any of his or her close relations holds a director's or management position has a proprietary interest that conflicts with a decision or transaction of the company.

1.3. Specialist committees established by the Board of Directors

With a view to the implementation of the Corporate Governance Code, WDP's Board of Directors already set up four specialist committees in autumn 2004: a strategic committee, an audit committee, an appointments committee and a remuneration committee. The composition of these committees is in accordance with the Royal Decree on Cepics and the Corporate Governance Code, with the exception of the deviations specified at the beginning of this section see page 24.

All of these committees can invite people who are not committee members to attend their meetings. They can also request, on behalf of the company, external professional advice on subjects relating to the committee's specific competences. They are nevertheless required 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 that could potentially affect the company's strategy.

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

The strategic committee is chaired by the chairman of the Board of Directors.

Name	Capacity	Attendance rate
Mark Duyck	Executive Chairman	100%
MOST BVBA	Independent Director	50%
Alex Van Breedam	Independent Director	100%
Dirk Van den Broeck	Independent Director	100%
Tony De Pauw	Executive director	50%
Joost Uwents	Executive director	100%

1.3.2. The audit committee

The Board of Directors has appointed an audit committee from its midst. This committee is composed of the non-executive directors of the Board of Directors. Mr Dirk Van den Broeck is the chairman of the audit committee.

At least one member of the audit committee must possess the necessary expertise in the field of accountancy and audits and, as an independent director, must satisfy the criteria specified in Section 526*ter* of the Companies Code. Mr Dirk Van den Broeck currently satisfies the criteria with respect to expertise, as well as the criteria specified in the foregoing sentence.

The audit committee is chaired by an independent director, who organises the proceedings of the audit committee and can invite members of the executive management, the chairman or the statutory auditor to take part in the meetings.

The audit committee performs the following duties:
- monitoring the financial reporting process;
- monitoring the efficiency of the systems for WDP's internal control and risk management;
- monitoring the internal audit and its effective operation;
- monitoring the statutory audit of the financial statements and the consolidated financial statements, including the follow-up of questions and recommendations made by the auditor;
- assessing and monitoring the auditor's independence, in particular in relation to additional services provided to the company.

The audit committee reports to the Board of Directors on a regular basis on the performance of its duties, and in any case when the Board of Directors prepares the financial statements, the consolidated financial statements and the summary income statement intended for publication.

Prior to each half-yearly meeting of the Board of Directors, an interim report is drawn up that is presented to the audit committee by the statutory auditor.

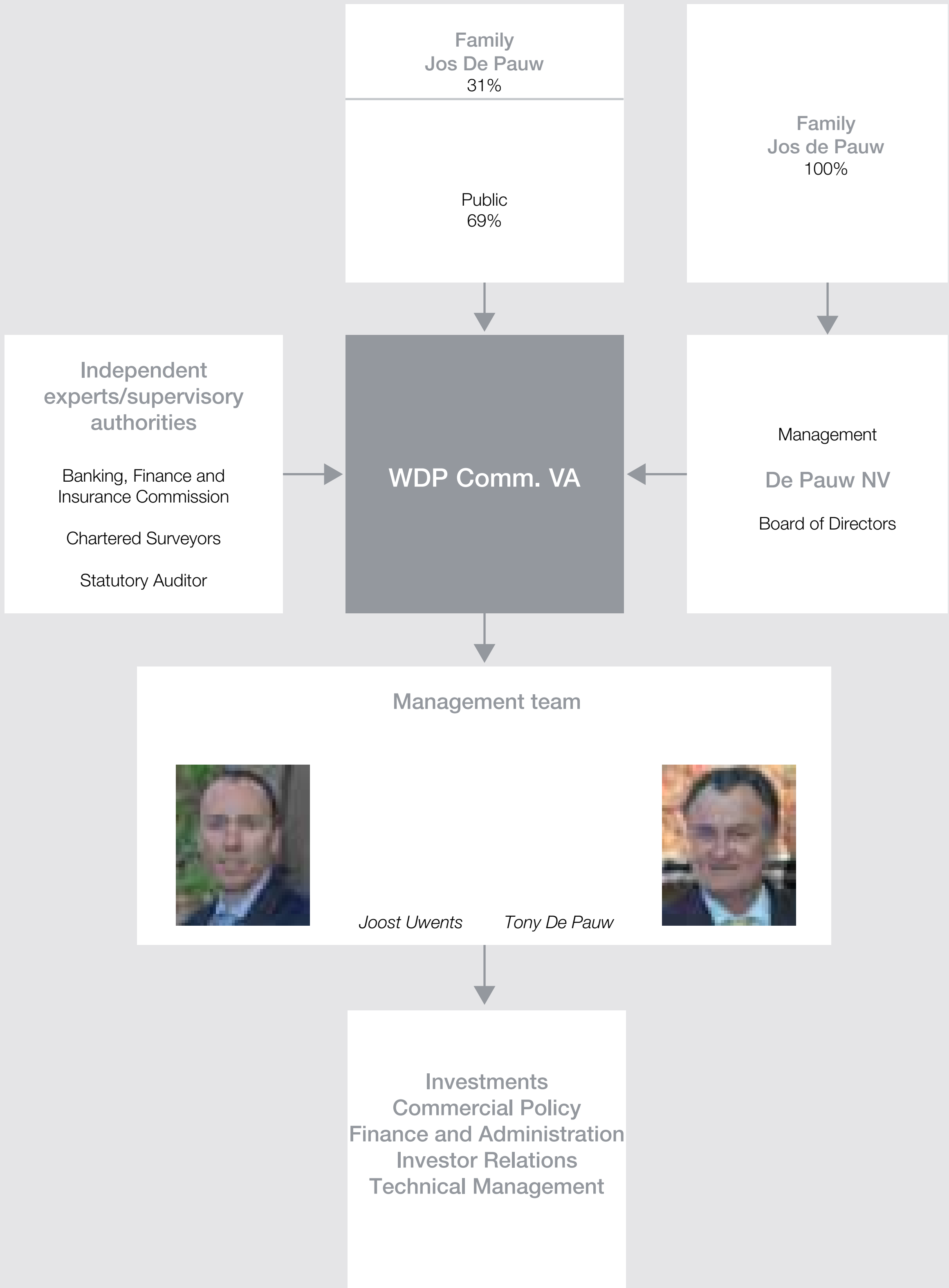
Name	Capacity	Attendance rate
MOST BVBA	Independent Director	100%
Alex Van Breedam	Independent Director	100%
Dirk Van den Broeck	Independent director and chairman of the audit committee	100%

1.3.3. The appointments committee

The appointments committee was established to advise the Board of Directors on appointments to be proposed to the General Meeting of the management company. It also gives its opinion on recruitment for key posts at the management company and the cepic, even if this does not have to be approved by the General Meeting of the management company.

Given the limited size of the Board of Directors, the appointments committee is composed of the entire Board of Directors and is chaired by the Chairman of the Board of Directors. The appointments committee consequently consists of six members, half of whom – i.e. not the majority (as recommended by the Corporate Governance Code) – are independent directors. The Chairman of the Board of Directors (who has certain executive duties) chairs the appointments committee, even though the Corporate Governance Code recommends that this should be a non-executive director. Since the Chairman of the Board of Directors, although he/she has certain executive duties, does not also serve as CEO, the Board of Directors believes that a specific, typical responsibility of a chairman, such as chairing the appointments committee, can be assigned to the Chairman of the Board of Directors. However, the chairman is not authorised to chair the appointments committee when his/her successor is to be selected or where it concerns his reappointment.

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. The Corporate Governance Code recommends at least two meetings per year, but given the limited size of the Board of Directors and the workforce of the management company, WDP is of the opinion that a fixed second meeting would be superfluous.


Family
Jos De Pauw
31%
Public
69%
Family
Jos de Pauw
100%
Independent experts/supervisory authorities
Banking, Finance and Insurance Commission
Chartered Surveyors
Statutory Auditor
WDP Comm. VA
Management
De Pauw NV
Board of Directors
Management team
Joost Uwents
Tony De Pauw
Investments
Commercial Policy
Finance and Administration
Investor Relations
Technical Management

Name	Capacity	Attendance rate
Mark Duyck	Executive chairman	100%
MOST BVBA	Independent director	50%
Alex Van Breedam	Independent director	100%
Dirk Van den Broeck	Independent director	100%
Tony De Pauw	Executive director and CEO	50%
Joost Uwents	Executive director and CEO	100%

1.3.4. The remuneration committee

The remuneration committee is comprised of the non-executive members of the Board of Directors. It includes a majority of independent directors within the meaning of Section 526*ter* of the Companies Code, and possesses the necessary expertise on remuneration policies. The Chairman of the Board of Directors (if the latter is a non-executive director) or another non-executive director chairs the committee.

The remuneration committee performs the following duties:

- It submits proposals to the Board of Directors regarding the remuneration policy of directors and the members of the executive management, as well as, where applicable, any resulting proposals that the Board of Directors must submit to the shareholders;
- It submits proposals to the Board of Directors regarding the individual remuneration of the directors and the members of the executive management, including variable remuneration and long-term performance bonuses, linked to shares or otherwise, in the form of share options or other financial instruments, and of severance payments and, where applicable, the resulting proposals that must be submitted to the shareholders by the Board of Directors;
- It prepares the remuneration report that the Board of Directors subsequently incorporates into the corporate governance report contained in the annual financial report;
- It clarifies the remuneration report at the ordinary General Meeting of shareholders.

The Corporate Governance Code recommends that the remuneration committee should meet at least twice a year; however, considering the limited size of the Board of Directors and the executive management of the management company, WDP believes that a regular second meeting would be superfluous. In compliance with the newly implemented Section 526*quater* of the Companies Code, which provides that the remuneration committee must convene at least twice a year and whenever it deems this necessary to properly perform its duties, however, the committee, with effect from 2011, will meet at least twice a year, and it will regularly report to the Board of Directors regarding the performance of its duties.

Composition in the 2010 financial year:

Name	Capacity	Attendance rate
Mark Duyck	Executive chairman	100%
MOST BVBA	Independent director	0%
Alex Van Breedam	Independent director	100%
Dirk Van den Broeck	Independent director	100%

With effect from the 2011 financial year, the executive director, pursuant to the newly implemented Section 526*quater* of the Companies Code, no longer forms part of the remuneration committee (which may only include non-executive directors). However, the Chairman of the Board of Directors is invited to all the meetings of the remuneration committee, which he may attend without being a member of this committee and without having voting rights. However, if the remuneration committee is discussing the remuneration of the Chairman of the Board, the latter is not invited to that particular meeting. MOST BVBA, permanently represented by Frank Meysman, will chair the remuneration committee with effect from the 2011 financial year.

2. The executive management

The cepic WDP Comm. VA 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 management company. The management is therefore not involved in any other property activity, but works exclusively for WDP's stakeholders.

2.1. Executive management duties

WDP's executive management is responsible for:
- preparing, proposing and implementing the strategic objectives and the group's general policy plan, as approved by the Board of Directors;
- defining the standards based on which the strategy must be implemented;
- implementing Board resolutions, monitoring performance and results;
- reporting to the Board.

2.2. Current composition and division of duties of the executive management

Duties amongst the executive management are divided as follows:

Tony De Pauw is an executive director and CEO.
He bears executive responsibility for:

- general management (i.e. day-to-day management of the WDP team);
- investment policy (i.e. finding, analysing and negotiating new potential acquisitions in the areas where WDP operates);
- management of the property portfolio (specifically, defining the policy for the management of existing properties [maintenance, renovation and improvement work] in consultation with the facility managers);
- project management, i.e. supervising current new construction sites in conjunction with the project managers.

Joost Uwents is an executive director and CEO.
He has ultimate responsibility for:

- financial policy and internal reporting. This includes cash management, accounts receivable and accounts payable, the management of loans and interest charges, and reporting to the various levels in consultation with the finance manager;
- marketing, particularly preparing commercial campaigns aimed at current and potential clients, in conjunction with the marketing director;

- the commercial policy, i.e. devising a strategy to increase long-term occupancy rates, focussing on both current and potential clients. Mr Uwents works in conjunction with the various commercial directors;
- investor relations, i.e. liaising with private and institutional investors through communications with financial analysts and journalists, as well as directly with the investors through road shows and other initiatives.

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

2.3. Procedures of the executive management

The members of the executive management work together closely and in constant consultation. Where the company's day-to-day operations are concerned, resolutions are adopted by a majority of votes. Major decisions regarding day-to-day management are taken unanimously in accordance with agreements made with the Board of Directors.
If the executive management fails to reach agreement regarding these major decisions, the decision is passed to the Board of Directors.

External representation of the company is conducted in accordance with the provisions of the Companies Code and the Royal Decree on Cepics and as set out in the Articles of Association.

A weekly management meeting is held, 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 contains matters including operational decisions relating to day-to-day operations, the status of projects in progress and leases and the evaluation of new projects under consideration.

2.4. Accountability to the Board of Directors

The executive management submits all the relevant financial and business information to the Board of Directors of the management company 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 changes in the property portfolio, and consolidated management accounts including notes.

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

2.5. Management

At least two members of the Board of Directors – each of them natural persons or single-director BVBAs represented by their sole partner and managing director – supervise the cepic's day-to-day management. In the past financial year, these duties were performed by Tony De Pauw and Joost Uwents. Their duties in relation to the actual management of the cepic are explained above (see '2.2. Current composition and division of duties', on page 44).

2.6. Appointments, remuneration and evaluation

2.6.1. Appointments

The CEO (or both CEOs, if two CEOs are nominated) is/are selected and nominated by the Board of Directors, which also acts as an appointments committee.

The CEO (or both CEOs, if two CEOs are nominated) and the Chairman of the Board of Directors jointly submit the selection and nomination of the executive management for approval to the Board of Directors, which also acts as an appointments committee.

2.6.2. Remuneration

WDP's remuneration policy with regard to its executive management is the responsibility of the remuneration committee, which submits proposals to the Board of Directors. The remuneration of the executive management is assessed annually.

The remuneration committee has drawn up a new remuneration policy under the supervision of the Chairman of the Board of Directors, which was approved by the Board of Directors and is made up of two parts:

- fixed remuneration, including insurance and pension contributions;
- variable remuneration, a portion of which is awarded after the end of the financial year, with the other portion awarded at the end of the subsequent financial year (i.e. after three years);

WDP complies with the provisions regarding remuneration as set forth in the Companies Code and the Royal Decree on Cepics, as well as with the principles of the Corporate Governance Code (with the exception of the deviations set out in this corporate governance report), as contained in this annual financial report (see '1.2.4. Appointment, remuneration and evaluation of the Board of Directors' on page 29). These provisions also apply to the executive management.

2.6.3. Disclosure of remuneration

The corporate governance report contained in the annual financial report must include a separate remuneration report prepared by the remuneration committee, with effect from the financial year ending on 31 December 2011. In compliance with Section 96, paragraph 3 of the Companies Code, concerning executive management, this remuneration must include the following information (list is not exhaustive):

- The procedures followed during the financial year under review to (a) develop a remuneration policy for executive management and (b) to fix the remuneration of the individual members of the executive management;
- a report regarding the remuneration policy for the executive management pursued during the financial year to which the annual report relates, which must contain at least the following information:
    - the principles on which the remuneration was based, specifying the relationship between remuneration and performance;
    - the relative significance of the various components of the compensation;
    - the features of the performance-related bonuses in shares, options or other rights to acquire shares;
    - information regarding the remuneration policy for the two subsequent financial years;

- the amount of the remuneration that the members of the executive management who are also members of the executive management receive in that capacity;
- in the event that the members of the executive management are eligible for compensation based on the performance of the company (or a company that is part of the company's scope of consolidation), a business unit or the individual concerned, the criteria for assessing the performance in relation to the targets, the specification of the evaluation period and a description of the methods used to determine whether these performance criteria have been satisfied;
- the amount of the remuneration and other perquisites that the company (or a company that is part of this company's scope of consolidation) has granted either directly or indirectly to the principal representative of the other directors or to the principal representative of the individuals responsible for day-to-day management. Thus information must break down as follows:
  - the basic salary;
  - the variable remuneration: any additional perquisites linked to performance criteria, specifying the form in which this variable remuneration was paid;
  - pension: the amounts paid during the financial year under review or the charges for services provided during the financial year under review, based on the type of pension plan, including a specification of the applicable pension scheme;
  - the other components of the remuneration, such as the costs or value of the insurance and other in-kind perquisites, including specific details on the principal components.
- the total amount of the remuneration, broken down by category, of the members of the executive management. This information must be provided with the same breakdown as used for the principal representative of the executive directors;
- a separate list of the shares held by, the share option plans for, and any other rights to acquire shares held by, the members of the executive management;
- on an individual basis, the severance pay or potential severance pay of the members of the executive management;
- in the event of the departure of a member of the executive management, the justification and resolution by the Board of Directors, following a proposal by the remuneration committee, whether the person concerned is eligible for the severance pay, and the calculation base used;
- the degree to which the company has the right to recover the variable remuneration of the members of the executive management if such compensation was granted on the basis of inaccurate financial information.

The ordinary General Meeting that adopts resolutions regarding the annual report of the Board of Directors will also resolve on a remuneration report through a separate vote.

The total pay of the independent directors and the executive chairman during the 2010 financial year amounted to EUR 237,000 (100% fixed). The total pay of the executive management during the 2010 financial year was EUR 532,000 (including 30% variable remuneration). The statutory rules regarding the distribution over time of the variable remuneration, as detailed above (see '2.6.2. Remuneration' on page 46) are complied with effective 1 January 2011.

There are currently no employment contracts or service contracts in place with the executive directors that provide for special payments upon termination of employment.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2.6.4. Evaluation

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

The executive management will be assessed by the remuneration committee and the Board of Directors.

The objectives used as a basis for the evaluation are defined by the Board of Directors, following the recommendation of the remuneration committee.

2.7. Conflicts of interest

The provisions regarding functional conflicts of interest set out in sections 18 and 19 of the Royal Decree on Cepics also apply to the members of the executive management (see ‘2.2. Current composition and division of duties of the executive management’ on page 44).

In addition to these provisions of the Royal Decree on Cepics, WDP also requires that each member of the executive management should avoid the creation of conflicts of interest as much as possible. Should a conflict of interest nevertheless arise (that is not subject to the statutory regulation on conflicts of interest) concerning a matter that is within the authority of the executive management, and on which it must decide, the person involved shall inform his colleagues. They will then decide whether or not their colleague can take part in the vote on the matter to which the conflict of interest relates and whether that colleague can be present during the debate on this issue.

There is a ‘conflict of interest for a member of the executive management’ if:
- the member or one of his/her close relatives has a proprietary interest which conflicts with a company decision or transaction;
- another company which does not belong to the group and in which the member or one of his/her close relatives exercises a directorship or management position has a proprietary interest which conflicts with a company decision or transaction.

3. Structures outside Belgium

In order to manage its foreign property assets as effectively as possible, WDP Comm. VA has created subsidiaries in various European countries (these subsidiaries do not have the status of ‘institutional closed-ended property investment companies’).

France
- Etablissement stable WDP, Rue Cantrelle 28, 36000 Châteauroux.
- WDP France SARL, Rue Cantrelle 28, 36000 Châteauroux.

The Netherlands
- WDP Nederland NV, Princenhagelaan 1–A2 Herenkantoor B, 4813 DA Breda, P.O. Box 9770, 4801 LW Breda.

Romania
- WDP Development RO, Baia de Arama no. 1, sector 2, Bucharest, a 51-49% joint venture with entrepreneur and Romania expert Jeroen Biermans.

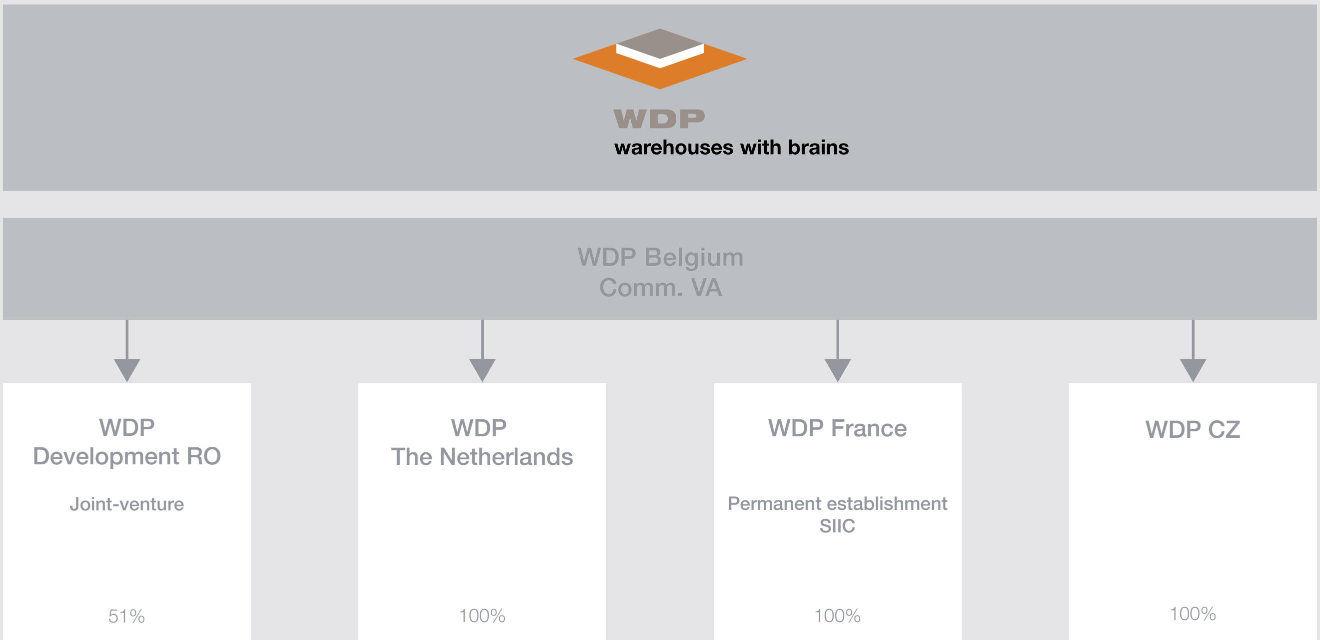
Corporate governance and structures

Czech Republic

- WDP CZ sro, Hvězdova 1716/2b, 14078 Prague.

The group’s companies share various characteristics.

- The company structure is the local equivalent of a private limited liability company (BVBA), with the exception of WDP Nederland, which has held the status of *Naamloze Vennootschap* [public limited company] since 29 October 2010.
- WDP has a 100% stake in all the subsidiaries outside Belgium, except for the WDP Development RO joint venture (51%), always apart from a single share held by De Pauw NV (owing to the prohibition of 100% shareholding).
- Subsidiaries’ results are subject to local corporation tax, except WDP Nederland, which holds the status of *Fiscale Beleggingsinstelling* (fiscal investment institution), and WDP France, which has SIIC status (‘Sociétés d’Investissements Immobiliers Cotées’) providing exemption from corporation tax and capital gains tax. More information on the FBI and SIIC statuses is available on our website **www.wdp.be**.
- Net profits can be distributed 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.



In the choice of financing methods (i.e. group loans versus bank loans), the effect of this financing on the consolidated gearing of WDP (the maximal gearing that is to be respected at the consolidated level is 65%, in accordance with Article 53, paragraph 1 of the Royal Decree on Cepics. With effect from 7 January 2012, this same maximum gearing also applies at the separate level for cepics). At the consolidated level, the deferred group loans do not affect the group's gearing, whereas bank loans do.

In applying this financing strategy (in addition to the gearing), two important tax principles that vary from country to country must be taken into account:

- the rules regarding companies' thin capitalisation obligation;
- the percentage of withholding tax charged on interest for group loans paid to the country of origin.

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 monitoring compliance with the rules of conduct regarding the financial transactions provided under the Corporate Governance Charter (i.e. the 'dealing code').

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. Rules regarding transactions involving the company's shares

The following rules apply to all the members of the Board of Directors, members of the executive management and all the members of staff of WDP Comm. VA and De Pauw NV, as well as the staff of the independent property surveyors who have access to information of which they are aware, or should be aware, that it constitutes inside information. Inside information is understood as any information not publicly disclosed that is accurate and directly or indirectly relates to one or more issuers of financial instruments or one or more financial instruments and that, if it were publicly disclosed, could significantly affect the price of those financial instruments (or that of financial instruments derived from them).
The statutory auditor is subject to the legal provisions and code of ethics of the Institute of Company Auditors.

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

Duty of disclosure

Both where the management company and the directors of the management company are concerned, WDP applies the provisions of Section 25bis §2 of the Act of 2 August 2002 concerning the supervision of the financial sector and financial services (the 'Act of 2 August 2002'), relating to the reporting of the transactions made by these persons. This means that persons with management responsibilities at WDP Comm. VA (the management company and its permanent representative), along with the persons who are closely affiliated with them (in the meaning of Section 2, 23° of said Act of 2 August 2002) and the directors of De Pauw NV are required to report each transaction to purchase shares issued by WDP Comm. VA on their own behalf to the compliance officer (stating all information required to enable the compliance officer to report to the Banking, Finance and Insurance Commission as is legally required) in the course of the working day following the working day when the transaction was made.

The compliance officer must report each notification to the Banking, Finance and Insurance Commission as soon as possible however no later than five working days after the execution of the transaction. However, the compliance officer can postpone such notifications until 31 January of the following calendar year at the latest if the total amount of transactions made by the same person during the current calendar year remains below the EUR 5,000 limit. Should this limit be exceeded, the compliance officer shall report all transactions made by the same person so far within five working days after execution of the last transaction of said person.
This system, in which the compliance officer reports on behalf of the person concerned, does not alter the fact that, from a legal perspective, the duty of disclosure exclusively exists on account of the individual persons obliged to make a disclosure, namely the persons with management responsibilities and those closely related to them, and that they remain responsible for this.

Disclosure of inside information
The Board of Directors is required to report any inside information (or postpone the notification of such information) in accordance with the statutory provisions. All of the members of the Board of Directors, the executive management and staff who obtain potentially price-sensitive information regarding WDP are obliged to inform the compliance officer accordingly.

The directors undertake to preserve the confidential nature of inside information and to not disclose it in any form whatsoever, nor enable anyone to gain access to it without the prior consent of the Chairman of the Board of Directors and in compliance with the relevant statutory provisions.

Ban on the misuse of inside information
In this respect, WDP complies with Section 25, paragraph 1, (1) of the Act of 2 August 2002.

Ban on market manipulation
WDP complies with the provisions of Section 25, paragraph 1, (2) of the Act of 2 August 2002.

Closed periods
As from the sixteenth working day after the end of each quarter until the date of publication of the results for the past 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 of options or any capital gains tax payable is also forbidden during these periods.

However, the compliance officer can authorise derogations to this principle in exceptional cases. He is also entitled to impose occasional closed periods on the basis of significant inside information known to the Board of Directors and the executive management, but of which the disclosure under Section 10 of the Act of 2 August 2002 is postponed.

These occasional closed periods begin at the moment when the information becomes known 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 the members of WDP's Board of Directors, executive management and all members of staff.

Transactions prohibited at all times

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

The following transactions are always authorised, including during closed periods:

- Purchases and sales are possible even during closed periods on condition that these were ordered outside these periods (and, obviously, at a time when the person concerned did not possess any inside information). Restricted purchase and sale orders must not be altered during closed periods.
- The exercise of options granted under a share option scheme, provided that this transaction was ordered outside the closed period (and, obviously, at a time when the person concerned did not possess any inside knowledge). The sale of shares acquired through this exercise during a closed period is nevertheless prohibited.
- The acquisition of shares as part of dividend distribution (and, obviously, at a time when the person concerned did not possess any inside information).
- Transactions undertaken in the context of discretionary asset management outsourced to third parties, where the party concerned does not exercise control over the management and the choice of the financial instruments by the asset management company, with the latter preferably not consulting the parties concerned on this issue.

4.2. Relations with shareholders and the General Meeting

The company will treat all WDP shareholders that are in the same circumstances equally. Shareholders have access to the Investors section of the website, where they are provided with all the information they need to act in knowledge of the facts. They can also download from the website 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 Articles of Association and the Corporate Governance Charter.

In accordance with the conditions and terms stipulated in sections 6 to 13 of the Act of 2 May 2007, any natural person or legal entity that, either directly or indirectly, purchases shares carrying voting rights of the company, is obliged to inform the latter and the Banking, Finance and Insurance Commission of the number of shares in their possession if the voting rights associated with these shares reach or exceed 3% of the total of the existing voting rights. This threshold was incorporated into the Articles of Association in accordance with Section 18 of the Act of 2 May 2007, along with the legal thresholds referred to in the following paragraph.

This notification is also obligatory in the event that additional shares are acquired, either directly or indirectly, if as a result of this acquisition the number of voting rights associated with the acquired shares is equal to or exceeds 5%, 10%, 15%, 20%, or any following increment of 5 percentage points, of the total number of voting rights. This notification is also obligatory in the event that the shares with voting rights are sold, either directly or indirectly, if such disposal results in the voting rights falling below one of the aforementioned thresholds.

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 (see '1.2.5. Current members of the Board of Directors' on page 33).

The notice convening a General Meeting should include the agenda and the proposals for resolutions.

Once the Act concerning the exercise of specific rights of shareholders of listed companies (Bill approved by the House and Senate, for the implementation of Directive 2007/36/EC regarding the exercise of specific rights of shareholders in listed companies) the 'Act on Shareholder Rights' has entered into force, the notice will also include the following information:

- the location, date and time of the General Meeting; a clear and detailed description of the formalities that shareholders must complete in order to be admitted to the General Meeting and exercise their right to vote during this meeting, particularly the term within which shareholders must communicate their intention to attend the meeting, along with information regarding the formalities related to attendance of the General Meeting and exercising the right to vote; the deadline for registration for attendance; the procedures used for proxy voting; and any options of participation and voting remotely, to the extent that the Articles of Association provide for this option;
- the registration date and the announcement that only individuals who are shareholders on the date of the meeting are authorised to participate and vote in the General Meeting;
- the location where, and the manner in which, documents prescribed by the Companies Code can be consulted;
- the website where the following information is made available: the notice and agenda for the General Meeting; the total number of shares on the date of the notice; the documents to be submitted to the General Meeting; a proposal for resolution for each item on the Agenda of the General Meeting, or, if the item to be addressed does not require a resolution, notes from the Board of Directors; the forms to be used for proxy voting, unless these forms are sent directly to each shareholder. If these forms cannot be made available on the website for technical reasons, the company will include information on its website on how these forms can be obtained in hardcopy format.

The notices are made through an announcement in the Belgian Official Gazette and in one national newspaper at least 24 days prior to the meeting. The holders of the registered shares will receive the notices by post 15 days prior to the meeting, unless they expressly agreed in writing that the notice would be made through another channel. If a second notice is necessary because the required quorum was not met at the first meeting, the date of the second meeting was listed in the first notice and no new item was included on the agenda, then the notice for the second meeting must be made at least seventeen days prior to the meeting. The minutes of the General Meeting and the results of the votes will be published as soon as possible on WDP's website, **www.wdp.be**.

Once the Act on Shareholder Rights has entered into force, the notices for the General Meeting will be made through an announcement published at least thirty days prior to the meeting in (a) the Belgian Official Gazette, (b) in media of which it can reasonably be assumed that they can ensure efficient dissemination of the information among the public in the European Economic Area and that is accessible quickly and without restriction of access (to this end, WDP will include the notice on its website) and (c) in a nationally distributed periodical. For ordinary General Meetings being held in the city or town and at the venue, date and time specified in the deed of incorporation and with an agenda limited to discussion of the financial statements, the annual report and the statutory auditors' report, for the vote on the discharge to be granted to the directors and the statutory auditors, along with the vote on the items listed in Section 554 of the Companies Act (paragraphs 4 and 5), the company has been relieved of the obligation to publish the notice in a nationally distributed periodical. However, publication under (a) and (b) remain compulsory. If a second notice is necessary because the required quorum was not met at the first meeting, the date of the second meeting was listed in the first notice, and no new item was included on the agenda, then the notice for the second meeting must be made at least seventeen days prior to the registration date. Once the Act on Shareholders Rights has entered into effect, the notices to the holders of registered shares must be sent by post thirty days or seventeen days (for second notices), respectively, prior to the meeting, unless they have expressly agreed in writing that the notice will be made through a different channel.

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 financial report or items on the agenda, within the statutory parameters.

Shareholders who wish to have certain items included on the agenda of a General Meeting must 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. The Board of Directors is not obliged to accept these proposals. This does not affect the right of the shareholders representing 20% of the capital and that have requested the Board of Directors to convene the General Meeting in compliance with Section 532 of the Companies Act, in order to include items to be discussed on the agenda for this General Meeting.

From the effective date of the Shareholder Rights Act until no later than the twenty-second day prior to the date of the General Meeting, one or more shareholders that collectively own at least 3% of the authorised capital will be authorised to include items to be discussed on the agenda for the General Meeting and submit proposals regarding items included or to be included on the agenda. This does not apply if a General Meeting is convened because the quorum required for the first notice was not met.

Shareholders representing over one-fifth of the authorised capital can request that an Extraordinary General Meeting be convened.

As from the effective date of the Shareholders' Rights Act, the following provisions will also apply:

- Shareholders can only participate in Annual General Meetings and exercise their right to vote in these meetings based on the registration of the shareholders' registered shares in the accounts, on the registration date, through registration in the share register in the company's name, or through registration in the accounts of a recognised shareholder or an institution designated by the King as a central depository for financial instruments, or by submitting the bearer shares to a financial agent, irrespective of the number of shares the shareholder possesses at the General Meeting. The fourteenth day prior to the General Meeting, at twenty-four hours (24:00 a.m. CET) will be deemed to be the registration date.

- No later than on the sixth day prior to the date of the General Meeting, shareholders, or the person they have designated for that purpose, must indicate their intention to attend the General Meeting.
- The management company will maintain a register for each shareholder that has communicated the wish to attend the General Meeting. This register will state the shareholders' name and address or registered office, the number of shares they own on the registration date and through which they have communicated their intention to attend the General Meeting, along with a description of the documents demonstrating that they were in possession of the shares on the registration date. Without prejudice to Section 549, paragraph 1 (1) of the Companies Act (concerning a public request to grant proxies), a proxy may be granted for one or more specific meetings or for the meetings held during a specific period. The proxy granted for a specific meeting applies to the successive meetings convened through the same agenda. The proxy holder possesses the same rights as the shareholder represented in this manner, specifically the right to take the floor, ask questions during the General Meeting and exercise his right to vote at this meeting.
- The shareholder of the company whose shares have been approved for trading in one of the markets specified in Section 4 of the Companies Act ('listed company') is only entitled to designate one person as a proxy holder for a specific General Meeting. In derogation thereof:
    - the shareholder will be entitled to appoint a separate proxy holder for every type of shares he possesses, as well as for each of its securities accounts if he owns shares in a company in more than one securities account;
    - an individual qualified as a shareholder who, however, acts professionally on behalf of other natural persons or legal entities, is entitled to grant a proxy to each of these other natural persons or legal entities or to a third party they have designated.
- A person acting as a proxy holder is entitled to hold a proxy of more than one shareholder. Proxy holders who have received proxies from multiple shareholders can vote differently on behalf of different shareholders.
- The designation of a proxy holder by a shareholder in a listed company must be in writing or through an electronic form, and must be signed by the shareholder, where applicable through a technologically advanced electronic signature within the meaning of Section 4 (paragraph 4) of the Act of 9 July 2001 regarding the adoption of specific rules relating to the legal framework for electronic signatures and certification services, or through an electronic signature that satisfies the conditions of Article 1322 of the Belgian Civil Code.
- The notification of the proxy to the company must be in writing, This notification can also be electronic, at the address listed in the notice.
- The company must be in receipt of the proxy no later than six days prior to the date of the meeting.
- In order to determine the rules regarding quorum and majority, the only proxies considered will be those submitted by the shareholders that have completed the formalities specified in Section 536, paragraph 2 of the Companies Act that must be complied with in order to be admitted to the meeting.
- Without prejudice to the option to depart from the instructions under specific circumstances, pursuant to Section 549, paragraph 2 of the Companies Act, the proxy holder will cast his vote in accordance with any instructions provided by the shareholder of a listed company that has designated him. The proxy holder must maintain a register of voting instructions for at least one year, and, at the request of the shareholder, must confirm that he has complied with the voting instructions.
- In the event of a potential conflict of interest between the shareholder and the proxy holder he has designated, as provided under Section 547bis, paragraph 4 of the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Companies Act the proxy holder must disclose the exact facts that are relevant to the shareholder in order to assess whether there is a risk that the proxy holder has any interest other than that of the shareholder. Furthermore, the proxy holder will only be entitled to vote on behalf of the shareholder if he has received specific voting instructions for each item on the agenda.

4.3. Misuse of company property and corruption

WDP directors, executive management and staff are prohibited from using WDP's property or credit for private purposes, either direct or indirect. They can only do so if they have been duly authorised for this purpose.

They also undertake not to accept any benefits in the form of gifts 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.

If a director, executive manager or member of staff is unsure whether or not a specific act constitutes 'misuse of company property' or 'corruption', they must request prior authorisation from the Chairman of the Board of Directors. Such authorisation, however, can clearly not exempt them from any potential criminal liability.

4.4 Internal control and risk management systems

Control environment

- Company organisation

WDP's internal organisation has expanded significantly in recent years through the growth of WDP. The number of employees has increased considerably, and the internal division of duties has been expanded in order to ensure a clearer separation of responsibilities.

For example, WDP is organised into various support departments. The various roles are held by the following departments: Commercial Management & Business Development, Finance, Legal, Human Resources, Facility Management and Project Management.

Notwithstanding this further professionalisation, the size of the team remains limited, as an excessively heavy structure and bureaucracy would have an undermining effect on the company. A certain flexibility, where some employees must sometimes serve as a backup for colleagues, remains vital. However, the responsibilities are clearly defined and daily meetings are held to discuss and follow up on current business.

Furthermore, in 2010 WDP also implemented a new ERP-system (Enterprise Resource Planning) by the name of SAP Real Estate. This system will allow the company to more effectively structure its business processes, as well as ensuring improved accuracy and consistency of business data. In the course of 2011, WDP's offices in France and the Netherlands will also be switching to this platform.

- Organisation of internal control

With regard to the organisation of internal control, the audit committee has a specific responsibility as regards WDP's internal control and risk management. The composition of the audit committee and its activities are described elsewhere in this annual report (see '1.3.2 The audit committee', on page 40).

Risk analysis and audits

The company's risk analysis processes are described in the section entitled 'Risk factors' of this annual financial report (see page 4). This section also describes the measures WDP is implementing and the strategy it pursues in order to manage and reduce the potential impact of these risks if they occur.

The audit committee and the Board of Directors regularly assess these risks and, based on these assessments, they take a number of decisions (e.g. with regard to defining an interest-rate-hedging strategy, assessing tenant risks, etc.

Financial information and communications

The process of preparing financial information is structured based on predefined responsibilities and the time schedules to be adhered to.

WDP uses a checklist containing all the tasks to be performed as part of the annual, biannual and quarterly closing of the WDP accounts (at both the separate and consolidated levels). A person responsible within the financial department and a deadline are linked to each task. Based on this checklist, all employees in the financial department know exactly what tasks are to be performed, along with the deadline for completion.

Once all accounting tasks have been completed, the person responsible in the financial department verifies the figures. This verification consists mainly of the following steps:
- an analysis of the discrepancies between the actual figures and the budgeted figures; these latter figures are drawn up once a year and are updated each quarter based on a forecast;
- an analysis of the discrepancies between actual figures and historical data;
- an ad hoc analysis of all material amounts and entries;

Once these checks have been completed, the figures are submitted to WDP's executive management and documented by agreement with the person responsible in the financial department.

Parties involved in the assessment of internal control

During the course of the financial year, the quality of the internal control is also assessed by:
- the statutory auditor: a) as part of the audit of the biannual and annual figures, and b) as part of the annual investigation of the underlying processes and procedures. In the course of 2010, the process related to the invoicing, acquisition, and administrative follow-up of the solar panels was thoroughly checked and inspected based on spot checks. Based on the recommendations of the statutory auditor, the process was adjusted where necessary.

- The audit committee: as stated above, the audit committee has a special responsibility when it comes to WDP's internal control and risk management (see Risk factors on page 4).

The Board of Directors of the management company is responsible for ensuring that the duties of the audit committee are performed, including through reports submitted by the audit committee to the Board of Directors.

5. Statutory provisions relating to the management company and amendments to the Articles of Association

5.1. The statutory management company

Partnerships limited by shares are characterised by the fact that they are managed by a managing director who must act in the capacity of managing partner, essentially cannot be dismissed from this position, and has a right to veto any important resolutions adopted by the General Meeting.

The management company is appointed by an Extraordinary General Meeting with due regard for the requirements for amendment of the Articles of Association. The management company is free to resign at any time. However, its mandate can only be withdrawn by the decision of a court called upon for this purpose by the General Meeting of Shareholders, based on valid reasons. The management company is not authorised to vote on this resolution of the General Meeting.

The General Meeting can only deliberate and pass resolutions if the management company is in attendance. The management company must approve any amendment of the Articles of Association as well the resolutions passed by the General Meeting regarding actions affecting the company's third-party interests, such as dividend distribution and any resolution that has an impact on the company's capital.

For information regarding the Board of Directors of the management company, please refer to '1.2. The Board of Directors of the management company De Pauw NV' on page 27.

The company is represented for each act of disposition of its property in the sense of the legislation applicable to cepics by its management company, De Pauw NV, acting through two natural persons who are required to be members of its management body, with the proviso that these two natural persons, who must be members of the company's management body, in order to perform an exact and clearly described act of disposition on a clearly defined property and based on clearly defined transaction conditions, can jointly grant a written power of attorney to one or several natural persons who must not be members of the management body of the management company, provided that such individuals possess knowledge of and experience in property.

The management company's Board of Directors intends to propose to the General Meeting of 27 April 2011 that the Articles of Association be amended such that the company will be represented for any act of disposition involving property within the meaning of the applicable regulations for cepics by its statutory management company of Association, De Pauw NV. On the same date, the Articles of Association of De Pauw NV will be amended such that De Pauw will be represented for any act of disposition involving property within the meaning of the applicable regulations for cepics by its permanent representative and at least one director, acting collectively. The management company's Board of Directors further intends to propose to the General Meeting of 27 April 2011 that the Articles of Association be changed such that this rule does not apply if a transaction relates to a property the value of which is less than the lowest amount of 1% of the cepic's consolidated assets and EUR 2,500,000.

The management company De Pauw BV was appointed for an indefinite period.
On 1 September 2002, Tony De Pauw was appointed as permanent representative of De Pauw NV as part of its mandate as statutory management company, without, however, infringing on Article 9, paragraph 2 of the Royal Decree on Cepics.

WDP's management company, De Pauw NV, complies with Section 40 of the Act of 20 July 2004 concerning specific forms of group management of investment portfolios (i.e. appropriate policy structure, appropriate administrative, accounting, financial and technical organisation, appropriate internal control and an appropriate integrity policy and risk management method).

5.2 Amendments to the Articles of Association

The Extraordinary General Meeting can only adopt a resolution on an amendment of the Articles of Association in a legally valid manner if the proposed amendments are clearly stated in the notice and if those in attendance at the meeting represent at least half of the company's authorised capital, and provided that the management company is in attendance. If this quorum for attendance is not met or if the management company is not present, then a new meeting must be convened.
The second meeting deliberates and passes resolutions in a legally valid manner, irrespective of the portion of the capital that is absent or represented and irrespective of the absence of the management company.

Amendments to the Articles of Association will only be adopted with the prior approval of the Finance, Banking and Insurance Commission and if three-quarters of the votes associated with the shares absent or shares represented were in favour of the amendment. The amendment is also subject to the consent of the management company in attendance at the meeting or represented at the meeting.

6. Movements in capital

The Board of Directors of the management company intends to propose to the General Meeting of 27 April 2011 that the Articles of Association should be amended in order to provide that a) the statutory limitations of the Royal Decree on Cepics regarding increases in capital in kind and in cash (as well as regarding mergers, demergers and similar transactions), which must be included in a company's articles of association, are included in the Articles of Association, and that b) the company should take advantage of the flexibility in terms of movements in capital (e.g. regarding the cancellation of the preferential right when transferring funds if the current shareholders are granted an irreducible allocation right in the allocation of new securities, and the optional dividend).

7. The statutory auditor

On 25 April 2007, Deloitte Bedrijfsrevisoren, a professional partnership in the form of a CVBA, member of the Institute of Company Auditors, represented by Mr Rik Neckebroeck, with offices at Berkenlaan 8b, B-1831 Diegem, was appointed as statutory auditor of WDP Comm. VA. On 28 April 2010, the statutory auditor will be reappointed until the Annual Meeting of 2013.

The statutory auditor's mandate consists of auditing the consolidated financial statements of the WDP group and of the separate financial statements of WDP Comm. VA.

In France, Deloitte & Associés, represented by Jean-Yves Morisset, with offices at 67, rue de Luxembourg, 59777 Euralille, was appointed the auditor of the subsidiary WDP France SARL.

In the Czech Republic, Deloitte Audit sro, represented by Diana Rogerová, with offices at Karolinská 654/2, 186 00 Prague 8, was appointed auditor of the subsidiary WDP CZ sro.

The total remuneration for the mandate of the statutory auditor of WDP Comm. VA and its subsidiaries for the 2010 financial year amounted to EUR 77,920 (ex. VAT). During the 2010 financial year, no remuneration was paid for any statutory audits and other consultancy work (including due diligence work).

8. Other information pursuant to Article 34 of the Royal Decree of 14 November 2007 regarding the obligations of issuers of financial instruments that are authorised to trade in a Belgian regulation market

8.1 Capital structure

As of the date of this annual financial report, the authorised capital of WDP Comm. VA amounts to EUR 100,521,811.63, divided into 12,533,938 ordinary shares, each representing 1/12.533.938 of the capital. None of these shares entitles the holder to any special voting right or other right.

8.2 Share plan for employees

WDP currently has a share plan in place for employees – please refer to point 8.4 below.

8.3 Shareholders' agreements that could lead to transfer limitations or limitations of the exercise of voting rights

Pursuant to Section 74, paragraph 6 of the Act of 1 April 2007 relating to public takeover bids, the Jos De Pauw family group has confirmed in writing that a verbal agreement exists between them so that they can act by mutual agreement at the General Meetings and exercise their vote as a single entity. In their declaration, they also confirm the terms of this mutual agreement.

8.4 Authorisations of the management body to issue or purchase shares

The management company is authorised, for the duration of three years as from the publication of the minutes of the Extraordinary General Meeting of 31 March 2009 (published in the Belgian Official Gazette of 23 April 2009), to account, dispose of or accept as security its own shares on behalf of the company, without any prior resolution by the General Meeting, if such acquisition or disposal is necessary in order to protect the company from any serious or imminent loss.

The management company is also authorised, for the duration of five years after the Extraordinary General Meeting of 31 March 2009, to acquire for the company's account, accept as security and resell (even outside the stock exchange) the company's own shares at a share price that may not be lower than EUR 0.01 per share (acquisition and accept as security) or 75% of the closing price on the trading day preceding the date of the transaction (reselling) and that may not exceed EUR 70.00 per share (acquisition and accept as security), or 125% of the closing price on the trading day preceding the date of the transaction (reselling) without the company being authorised to hold over 20% of the total amount of shares issued.

On 3 July 2009, WDP's management company, de Pauw NV, took advantage of this statutory authorisation and purchased 1,490 own shares on Euronext Brussels. These shares were transferred on 6 July 2009 to employees of WDP as part of an incentive programme. These shares were purchased at EUR 28.106 per share.

On 31 December 2010, WDP Comm. VA did not own any shares. The management company of De Pauw NV possessed 1,438 shares. The book value of these shares is EUR 49,098.65. These 1,438 shares are not part of the incentive programme.

9. Insurance cover

WDP and its subsidiaries are required to take out appropriate insurance for all their immovable properties. This insurance must comply with the usual market conditions. WDP has currently insured 100% of its buildings at their new value.
The premiums paid in 2010 totalled EUR 633,000 (EUR 390,000 for Belgium, EUR 24,000 for the Czech Republic, EUR 72,000 for France, EUR 123.000 for the Netherlands and EUR 54,000 for the solar panels in Belgium).
The insured value of the property portfolio (including solar panels) is EUR 693 million (EUR 417 million for Belgium, EUR 28 million for the Czech Republic, EUR 61 million for France, EUR 154 million for the Netherlands and EUR 33 million for the solar panels). The total new value of the property portfolio (including the solar panels) is therefore covered by the insurance.


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Declarations by the statutory management company

WDP's statutory managing company declares that no government interventions, lawsuits or arbitrations exist that could influence – or in the recent past influenced – WDP's financial position or its yield. It also declares that, to its knowledge, no circumstances or facts exist that could lead to such government interventions, lawsuits or arbitrations.

Furthermore, the managing company declares that, to its knowledge:
- the annual accounts, drawn up in accordance with the applicable standards for annual accounts, give a true and fair view of the group's equity, financial position and of the results of the issuer and of the companies taken up into the consolidation;
- the annual financial report gives a true and fair view of the development and results of the company and of the issuer's position and of the companies taken up into the consolidation, along with a description of the main risks and uncertainties they face.

WDP declares that the information provided by the experts and the commissioner has been faithfully reproduced. To its knowledge, and based on what it has been able to deduce from the information published by the experts and the commissioner, no facts were omitted that would render the information provided incorrect or misleading.

This annual financial report contains statements referring to the future. Such statements enclose unknown risks, insecurities and other factors that could result in the current results, financial position, performance and realisations differing from any future results, financial position, performance and realisations expressed or implicated by such statements referring to the future. Given these uncertain factors, such statements referring to the future do not contain any guarantees.

WDP's statutory managing company is responsible for the information provided in this annual financial report.

The statutory managing company has made any reasonable efforts in order to verify this information. It declares that, to its knowledge, the data in this annual financial report are a fair presentation of reality, and that no information has been omitted which would, if reported, alter the effect of this annual report.

WDP's statutory management company also reports that the statutory auditor and the property experts have given their authorisation for the contents of their report and their conclusions, respectively, to be included in the annual financial report, and that they have approved the contents of and context in which this section is included in the annual financial report.

For confidentiality reasons, the full report of the property experts has not been included and cannot be consulted.

The statutory managing company of WDP declares that there have been no significant changes in the financial or commercial position of the group following 31 December 2010.

Corporate Social Responsibility

Any type of industry can potentially have an impact on its environment, and the property sector is no exception. We affect both the broader natural environment and the people who live and work in and around the buildings we have developed. In expanding its property portfolio, WDP has therefore positioned itself as a sustainable, responsible company committed to reducing its impact on the environment and our natural resources as much as possible. By focussing on land use and water consumption, waste streams, transport, sustainable materials and renewable energy, our company ensures that its environmental footprint remains as small as possible – both during the construction process and after the properties are completed.

Soil investigation

Prior to acquiring an existing building or plot of land, WDP always conducts an in-depth investigation into any environmental risks or irregularities that might arise as a result of previous, high-risk uses of the property. At the slightest suspicion of any contamination, an investigation is conducted of the quality of the soil and groundwater. If this investigation shows that the property is indeed contaminated, WDP will do all that is necessary to reduce and eliminate this risk. Once the property is occupied, potentially high-risk installations are inspected on a regular basis, in compliance with all the legal standards and regulations.

Environmental and town-planning permits

WDP possesses all the necessary official environmental and town-planning permits for all its buildings and installations, in compliance with the statutory regulations in each country. If tenants are responsible for obtaining these permits, WDP will ensure that they make the necessary arrangements as soon as possible. We closely monitor local laws and regulations for buildings and installations, and any legislative changes are immediately incorporated into our policies and procedures.

Inspection of technical and security systems

All technical and security systems in the buildings that are included in WDP's portfolio are inspected regularly, either at our own initiative or by the tenant on our orders. In the latter case, too, we continue monitoring the quality of the inspections by remaining closely involved throughout. For the follow-up inspection, we always engage independent and/or in-house experts.

Maintenance of air-conditioning systems

As part of the Kyoto Protocol, the industrialised nations agreed to reduce their greenhouse gas emissions by an average of 5.2% from the 1990 level by 2012. The target for the European Union is 8.2%. WDP is contributing to this reduction, for instance by installing state-of-the-art air-conditioning units in its buildings whenever possible, based on the use of non-ozone-depleting HFC coolants. All air-conditioning systems are inspected on a regular basis, since well-maintained equipment ensures a high degree of efficiency and low energy consumption levels, which, in turn, benefits the environment.

Corporate Social Responsibility

Asbestos removal

When an existing property has been designated for acquisition, the property is always inspected for asbestos by a team of experts. If there is a potential danger to the health of the individuals to be employed in the building, the asbestos is removed using the standard methods, in compliance with all legal standards and statutory obligations. If the team of experts determines that the asbestos, due to the type of application involved, does not pose a threat in the current situation, this is considered a latent risk, warranting regular inspections. As soon as it becomes evident that the risk has increased – for example, due to the property's obsolescence or as a result of an amendment of the regulations – the asbestos is removed immediately. These types of clean-up operations are also conducted during maintenance and renovation work.

Energy efficiency and Energy Performance Regulations

WDP is dedicated to reducing energy consumption in its portfolio properties to a minimum. This means that, in selecting heating, ventilation and air-conditioning systems, we always opt for the most energy-efficient and cost-efficient alternatives. WDP pursues a policy of 'sustainable warehouses'. Our sustainable power, heating and insulation projects are designed to reduce carbon emissions in the warehouses in our portfolio while at the same time significantly cutting tenants' energy bills. However, this focus on sustainability is not limited to new projects: older sites in our portfolio, too, are upgraded and transformed into modern, efficient and sustainable properties.

Since 1 January 2006, new construction projects and renovation projects in the European Union that require town-planning permits must comply with the European Energy Performance Regulations under the European Energy Performance of Buildings Directive, which sets out the energy performance and indoor climate standards. The Energy Performance standards include provisions for the minimum requirement of thermal insulation and ventilation in buildings. When developing new construction projects, we therefore consider the technical installations as well, which means that we calculate the aggregate energy performance level (referred to as the 'E' level). For existing buildings, the European Directive also provides for the introduction of an Energy Performance certificate, which shows a building's energy consumption levels.

All projects completed by WDP in 2010 meet the standards set. The company aims to consistently achieve energy performance levels that are as low as possible.

BREEAM

BREEAM (Building Research Establishment Environmental Assessment Method) is a sustainability certificate for the performance of buildings throughout their life cycle. BREEAM is the leading and most widely used environmental assessment method for buildings in Europe. Unlike other standards, BREEAM is based on a multi-criteria approach. The certification process includes a review of a building's energy consumption, as well as land use, ecology, the construction process, water consumption, waste, contamination, transport, equipment and materials, health, and comfort.
Buildings are subsequently assigned an overall score of 'Pass', 'Good', 'Very Good', 'Excellent' or 'Outstanding'.

Corporate Social Responsibility

WDP currently owns buildings that have been assigned a BREEAM score of 'Good' (Tilburg) and 'Very Good' (Nijmegen).

Solar energy and other renewable energy sources

WDP's aim is to eventually have a carbon-neutral property portfolio in place. Based on this objective, the company launched a solar energy project in 2007. By the end of 2010, a total of 14 megawatt peak (MWp) of green power was generated through solar panels installed on the roofs of the Belgian properties. The company aims to increase its total capacity of renewable energy to 30 MWp by the end of 2012.

Sustainable day-to-day operations

In its day-to-day operations, WDP has also implemented measures to gradually reduce its environmental footprint. One of these measures is digital document management: by digitising as many documents as possible and storing them electronically, the volume of paper consumed can be reduced substantially. If employees do need to use paper, this consumption is kept to a minimum through minor yet efficient measures such as duplex printing. Furthermore, efficient printers and photocopiers generate less waste and reduce energy consumption.

WDP has also extended these environmentally friendly methods to its fleet management. It has opted for Volkswagen's BlueMotionTechnologies label, which is based on energy-efficient and clean technologies. BlueMotion vehicles are fuel efficient and emit less carbon, particulate matter and nitrogen oxides. The fleet also includes hybrid vehicles which combine the advantages of a diesel motor for low-speed transmission with those of a highly energy-efficient petrol engine. Like BlueMotion vehicles, such hybrids are clean and fuel-efficient.

Sustainability and Energy Performance Regulations

Sustainable business is about more than using environmentally friendly materials and technologies; it also involves improving a company's business processes so as to achieve maximum profitability while using a minimum amount of energy and materials, which ultimately benefits all the company's stakeholders. To facilitate this process, WDP uses the ERP-system (Enterprise Resource Planning) SAP Real Estate, which provides the added benefit of making business processes more transparent.

Management Report

1. Introduction

Due to the economic situation and the impact this has had on the logistics property sector, WDP focussed its construction activities in 2010 primarily on the scheduled completion of a number of current projects initiated in 2009. However, we nevertheless managed to launch several important new initiatives as well. For one, we began construction on a building for the French-based dairy group Lactalis in Mollem, and further strengthened our close partnership with tenant DPD Belgium through the development of a new, 5,700 m² project in Flémalle. WDP also made an important step in the further development of its properties in Romania: WDP Development RO is building two semi-industrial complexes of 5,000 and 7,000 m² in Oarja, near Pitesti, Romania's automotive hub.

WDP has also made considerable strides in renewable energy and sustainable construction. The company followed up on its 2007 solar energy project, which was completed in 2009 with a total capacity of 10 megawatt peak (MWp). During the initial stage, in 2010, additional solar panels with a total capacity of 4 MWp were installed on the roofs of existing sites in Belgium. WDP was compelled to suspend its plans to generate an additional 4 MWp on the sites in northern France, following the French government's decision to put all photovoltaic projects on hold pending a review of the government's subsidy policies. WDP will continue to monitor developments closely, and once permission is granted it will begin building the installations in France. In the second stage, WDP intends to generate another 16 MWp, bringing the total capacity of renewable energy to some 30 MWp by the end of 2012, to the extent possible.

The purpose of these investments is to make the property portfolio carbon neutral. WDP is determined to build on its leading role in sustainable logistics property, having already been awarded BREEAM sustainability certificates for its Dutch sites in Tilburg and Nijmegen in 2010 (for more information about BREEAM, please see Section 9: 'Sustainable warehouses in compliance with the BREEAM standard' on page 76).

The overall occupancy rate for the portfolio remained solid throughout 2010. Driven by the renewal of the existing contracts, combined with several new leases, the occupancy rate increased from 92.4% at the end of December 2009 to 95.7% one year later. The occupancy rate is calculated based on the rental value of the number of square metres leased compared to the rental value of the leasable number of square metres. The calculation does not include projects under development and/or undergoing renovation.

2. Projects completed in 2010

The completed projects listed below have a combined investment value of EUR 68 million per 31-12-2010.

Belgium

- **Genk – Brikkenovenstraat (phase II):** this 60,000 m² site in the Hermes logistics park, located on the former Winterslag mining site, was extended by 17,000 m² during the second phase. WDP has signed a lease with Terumo Europe for a 17,000 m² warehouse, including offices. The new distribution centre became operational on 1 May 2010. Solar panels with a capacity of 0.9 MWp were installed on the roof of the site.

- **Vilvoorde – Havendoklaan 19:** for the lease of 11,000 m² to logistics services provider KDL Trans, a number of renovations were made to the offices and four additional landing quays and car parks were added.

France

- **Lille (Libercourt) – Zone Industrielle – Le Parc à Stock (phase I):** this is a 60,000 m² new construction project, the first phase of which comprises 36,000 m². A total of 24,000 m² was already transferred to ID Logistics in 2009. An additional 6,000 m² was added on 1 April 2010, also for ID Logistics, which means that only 6,000 m² is still being developed (see also: Section 3, 'Property investments under development at WDP's expense, designated for lease' on page 72).

The Netherlands

- **Nijmegen – Industrieterrein Bijsterhuizen (Bijsterhuizen Business Park):** WDP constructed a 13,000 m² property on this 25,000 m² site. The project was developed especially for the Ter Beke Group, which operates the cutting and packaging business on this site formerly owned by Langeveld/Sleegers, which Ter Beke acquired in 2005. The site is also used for the storage and distribution for all the Group's Dutch operations, including both cold cuts and prepared meals. The Ter Beke Group signed a 15-year lease on the site in October 2010. In June, the site – following the Tilburg – Industrieterrein Loven – received the second BREEAM sustainability certificate for WDP. It was the first-ever 'Very Good' rating awarded to a logistics site in Western Europe (for more information about BREEAM, please see Section 9, 'Sustainable warehouses in compliance with the BREEAM standard' on page 76).

- **Tilburg – Industrieterrein Loven:** after demolishing an old building and decontaminating the site, WDP constructed an all-new 17,000 m² logistics building for Kuehne & Nagel, which was completed on 1 April 2010. For this site, WDP was awarded the first-ever BREEAM sustainability certificate for the sustainable construction of a logistics site in the Netherlands (for more information about BREEAM, please see Section 9, 'Sustainable warehouses in compliance with the BREEAM standard' on page 76).

3. Property investments under development at WDP's expense, designated for lease

Belgium

- **Liège (Flémalle) – rue de l'Arbre Saint-Michel**: the construction of a 5,700 m² cross-docking centre for DPD, which is being leased for a period of 15 years.
  The centre is scheduled to be completed on 1 September 2011. This is the second project WDP is developing in conjunction with DPD (the first was the distribution centre in Courcelles – rue de Liège), a testament to the successful partnership between the two companies. No expenses were incurred in 2010. The deed for the land was executed in February 2011.

- **Merchtem – Wolvertemsesteenweg 1, Bleukenweg 5:** this is an industrial urban site located on the outskirts of Merchtem, which will be converted into a retail park. An agreement in principle has been signed with the future tenants, and completion is scheduled for mid-2011.

- **Puurs – Lichterstraat:** the available space will be renovated based on the future tenant's requirements. Currently, a total of 7,300 of the 14,000 m² have been temporarily leased to Distri-Log.

- **Ternat – Industrielaan 24:** preparations for the renovation of this site got underway in early 2010, in order to make it readily marketable. The renovation will begin as soon as a tenant has been found; in the meantime, half of the site is being leased on a temporary and flexible basis to Soditra Logistique.

France

- **Lille (Libercourt) – Zone Industrielle – Le Parc à Stock (phase I):** the remaining 6,000 m² of phase I has yet to be completed – this will be done as soon as a tenant has been found (see also Section 2, 'Projects completed in 2010' on page 71).

Netherlands

- **Ridderkerk – Handelsweg:** the construction of a multi-storey car park on a plot of land acquired at the end of 2008 as part of the Univeg transaction completed in 2007. Completion is scheduled for mid-2011. The multi-storey car park serves the new building that was completed in 2009.

- **Venlo – Edisonstraat (phase II):** a second phase comprising 15,000 m² will be completed as soon as we have found a tenant.

Romania

- **Oarja I:** on behalf of the German-based Röchling-Automotive, WDP Development RO is building a 5,000 m² semi-industrial complex. The site is proximate to Pitesti, Romania's automobile capital. Röchling-Automotive will be leasing the building for a period of 10 years, starting in the third quarter of 2011. The contract also provides for a potential 50% extension of the building to 7,500 m². Röchling will be using the building as its Romanian base, coordinating supplies to the new Ford plant in Craiova, as well as other customers.

- **Oarja II:** WDP entered into a second lease for the same site, with Pelzer-Pimsa, a manufacturer of sound insulation and ceiling covers for the automotive industry. This project comprises the construction of a 7,000 m² semi-industrial complex. Once the building is completed in late 2011, it will be leased for a period of 10 years.

- **Oarja III:** an option contract was entered into for a third project based on this site.

4. Further potential

In addition, WDP has a number of projects in the pipeline for which the necessary permits are pending. Development can get underway as soon as economic conditions permit this and/or the individual sites have been pre-let.

Belgium

- **Courcelles – rue de Liège (phase II):** This site can still accommodate a second phase, involving the construction of 10,000 m² of additional warehouses.

- **Nivelles – rue Buisson aux Loups:** a 51,000 m² site that has since been demolished and that WDP will eventually redevelop.

- **Sint-Niklaas – Europark Zuid II:** a project covering 28,000 m² on a 5-hectare site, in a prime location on the E17 motorway.

- **Trilogiport:** WDP owns the concession, which can be used to develop 50,000 m² starting in 2011.

France

- **Lille (Libercourt) – Zone Industrielle – Le Parc à Stock (phase II):** the construction of 24,000 m² of additional warehouses, bringing the total size of the project to 60,000 m² (See also: Section 3, 'Property investments under development at WDP's expense, designated for lease' on page 72).

Romania

Between autumn 2008 and the end of June 2009, WDP obtained the required PUZ permits ('zoning urbanisation plan') for the various Romanian sites in a series of stages. This means there remains significant potential, in addition to the various projects launched in Oarja (See also: Section 3, 'Property investments under development at WDP's expense, designated for lease' on page 72). In the future, WDP will continue to focus on the construction of pre-let buildings, facilitated by WDP Development RO, as part of a 51-49 joint venture with entrepreneur and Romania expert Jeroen Biermans.

Czech Republic

- **Mladá Boleslav – Nepřevázka:** this site can accommodate one more 10,000 m² building, for which planning permission has been granted.

5. New acquisitions

There were no new acquisitions in 2010.

6. Properties let in 2010

At the end of December 2010, the portfolio had an occupancy rate of 95.7%, versus 92.4% at 31 December 2009.

This increase is partly the result of several properties let during the first six months of the year. On Havendoklaan 19 in **Vilvoorde**, WDP leased 11,000 m² of space to logistics services provider KDL Trans for a period of 9 years (see also Section 2, 'Projects completed in 2010' on page 71). On Industrieweg 16 in **Boortmeerbeek**, we signed two flexible leases for a period of three months and eight months, respectively. Both leases are renewable.

The site has a total area of 7,000 m². Another transaction that helped increase the occupancy rate was the sale of a vacant logistics property in **Lille – Fretin – Sainghin-en-Mélanois**, Northern France (see also Section 7, 'Sales', below).

In the second half of 2010, a maximum of 2% of the portfolio could be released, not taking into account possible liquidations of tenants. The leases for half of the properties were already renewed in early August, while for the remaining 1% the temporary leases were renewed as well. Furthermore, additional flexible leases were signed in **Ternat** – Industrielaan 24 (Soditra Logistique), **Courcelles** – rue de Liège (NYK/Mondia Logistics) and **Boom** – Langelei-Industrieweg (Distri-Log). At the end of the year, a long-term lease was signed for **Boortmeerbeek** – Industrieweg 16 (Kamtra).

7. Sales

In both Belgium and France, properties were sold at the market value, amounting to a total of EUR 20 million.

Belgium

- **Sint-Jans-Molenbeek – Delaunoystraat 35-36:** the final deed of sale was executed in January 2010 (see also Section 10, 'Events after the balance sheet date' in the Management Report on page 76 of the Annual Financial Report. Sale value: EUR 0.75 million – Expert valuation: EUR 0.749 million.

- **Sint-Niklaas – Europark Zuid II:** the sale of 100,000 m² of the site to Sint-Niklaas Logistics (SNL) – comprising two-thirds of the total area – was completed. In 2009, an agreement in principle was signed subject to a number of conditions, such as the grant of planning permission. Sale value: EUR 12.788 million – Expert valuation: EUR 12.756 million.

France

- **Lille – Fretin – Sainghin-en-Mélanois, rue des Hauts de Sainghin:** the sale of a vacant, 17,000 m² property to a distribution company in Lille. The site needed upgrading as it no longer complied with WDP's current leasing standards. Sale value: EUR 6.100 million – Expert valuation: EUR 6.218 million.

8. Renewable energy projects

The solar energy project that WDP launched in 2007 and that reached its target in 2009 – a capacity of 10 megawatt peak (MWp), the equivalent of the annual energy consumption of 2,500 families – was followed by a second project in 2010. At its General Meeting on 28 April, WDP announced its plan for a carbon-neutral property portfolio, in such a way as to remain cost-effective for the company. This is part of the company's objective to further strengthen its leading role in sustainable construction in the logistics property sector.

The company decided that, during an **initial phase**, additional solar panels with a capacity of 7.3 MWp would be installed on top of existing buildings. On the roofs of ten Belgian sites in the portfolio, installations were built with a total capacity of 4 MWp. The installation of an additional 4 MWp in 2010-2011 on the sites in northern France has been put on hold following a decision by the French government regarding government support for the installation of solar panels.

During a **second phase**, WDP aims to install another 16 MWp, bringing the total target capacity to some 30 MWp and making the property portfolio carbon neutral. WDP has been exploring options to develop this second phase, considering wind and other renewable energy sources as possible alternatives in addition to solar energy.

9. Sustainable warehouses in compliance with the BREEAM standard

WDP regards the installation of the solar panels as merely the first step in a comprehensive sustainable business project. The company intends to continue the development on the sites of new projects that are both cost-effective and sustainable in terms of electric power, heating, lighting, water consumption, insulation, etc. The environmentally friendly 'sustainable warehouse' policy is aimed at reducing the carbon emissions of the warehouses in the portfolio while at the same time cutting tenants' energy bills significantly.

However, WDP's goals extend well beyond the mere energy and environmental performance of its buildings. The company is the first property developer in the Netherlands to have received global BREEAM sustainability certificates, for its Nijmegen and Tilburg projects.

BREEAM (Building Research Establishment Environmental Assessment Method) is a sustainability certificate for the performance of buildings throughout their lifecycle. BREEAM is the leading and most widely used environmental assessment method for buildings in Europe. Unlike other standards, BREEAM is based on a multi-criteria analysis. The certification process includes a review of a building's energy consumption, as well as land use, ecology, the construction process, water consumption, waste, contamination, transport, equipment and materials, health, and comfort. Buildings are subsequently assigned an overall rating of 'Pass', 'Good', 'Very Good', 'Excellent' or 'Outstanding'.

The WDP site in Tilburg was awarded a 'Good' rating in April 2010, followed by the Nijmegen site in June, which received a rating of 'Very Good'. It was the first-ever time that a logistics building in Western Europe received this certification from BREEAM.

10. Events after the balance sheet date

In February 2011, WDP and Lactalis Northern Europe SA signed a contract for the construction of a 3,200 m^2 air-conditioned warehouse, which will be operational from the beginning of 2012. WDP will start construction on the warehouse in early 2011, on its own land in Mollem (Asse) – Assesteenweg. Lactalis is a major French multinational dairy group, whose customers include Belgian supermarket chain Delhaize.

In early March 2011, WDP signed a letter of intent with Wereldhave NL for the acquisition of a logistics portfolio of Wereldhave NL in the Netherlands, subject to a number of conditions, including a due diligence investigation. The transaction is valued at EUR 42 million (including the transaction fee) and the transfer is scheduled for 1 May 2011. As a result of the transfer, WDP's Dutch portfolio will increase by more than 25%, to EUR 200 million.

The acquisition comprises 6 leased logistics sites, situated in prime locations in the Randstad conurbation. Five of these sites (located in Alkmaar, Amsterdam, Amersfoort, Utrecht and Roosendaal) have been leased to DHL Express. The tenant will be able to renew the lease after an average of 3 years. A sixth site, located in Alphen aan den Rijn, has been leased to Iron Mountain for 9.5 years. As of 31 December 2010, the total annual rental income from this portfolio was EUR 4.022 million.

The acquisition, which is in line with the new growth plan WDP launched in mid-February, will increase the Dutch portfolio significantly (see also 'Warehouses De Pauw – Warehouses with Brains' on page 9). This transaction brings the company's gearing, after all current investments until the end of 2011 have been made and not taking into account a potential positive impact of the introduction of the optional dividend, to 57%. This represents an increase of less than 2% from the gearing at 31 December 2010 (55.2%) and leaves WDP with sufficient margin for continued growth through its own developments.


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Outlook

The outlook described below includes expectations for the 2011 financial year, with regard to WDP Comm. VA's consolidated net current result and consolidated balance sheet. Since the estimates were made at the level of the net current result, they do not include the impact of IAS 39 nor the impact of fair value movements on the property portfolio.

This outlook was prepared based on information available on 31 December 2010 and does not take into account events after the reporting date.

1. Assumptions

1.1. Assumptions relating to factors that WDP cannot influence directly

- The rental income factors in the effects of annual indexation at a rate of 2%. The 2011 growth rate of the 'health index', as estimated by the Federal Planning Bureau, is +2.2%.
- On the variable portion of the debt position (i.e. the portion not hedged by Interest Rate Swaps), an estimate of the 3-month Euribor interest rate was applied for the full year. This rate was 1.16%, plus the average bank margin applicable to WDP, 0.6%. The portion of the liabilities that are hedged by interest rate swaps are subject to an average interest rate (for additional information, please see the section entitled 'Interest charges' elsewhere in this section on page 81).
- The financial result does not include the effect of any currency fluctuations in the Czech Republic (CZK) and Romania (RON). No hedges were arranged for this purpose, as activities in these countries are limited at present.
- The financial instruments (mainly IRS) are carried at fair value in accordance with IFRS (IAS 39) in the accounts at group level. Given the current uncertainties in the financial markets, no account was taken of movements in these fair values.

1.2. Assumptions relating to factors that WDP can influence directly

Net rental result

- This result was estimated on the basis of the present contracts and signed contracts for current investment projects. The assumptions relating to rental renewals were made in accordance with market practices. Rents relating to current projects and new lease contracts to be signed in 2011 were estimated in line with current market practice.
- Renewals of lease contracts due to expire in the course of 2010 were verified on an individual basis. For the contracts that have not yet been renewed, the assumption is that 37.5% of rents will be realised.

Other operating income/expenses

This portion includes mainly income related to the production of solar energy (EUR 6 million) and the management fee for the property that WDP charges to tenants (EUR 540,000).

Income from solar energy derives from green electricity certificates and the income from the energy supplied. The estimate was made on the basis of statistical information on the number of hours of sunshine, which led to an estimated gross yield of 12.5% on the investment value of the solar panels installed.

Outlook

The property management fee allocation was estimated on the basis of the current number of lease contracts and relevant fees applicable within those contracts.

Property charges and other general expenses

Property charges

These charges consist mainly of the net costs of maintenance and repairs, utilities, taxes, insurance contracts and commission. For 2011, these costs are estimated based on the current portfolio and changes in the figures for previous financial years.

Overhead costs

These charges were estimated on an individual basis for the 2011 financial year, partly on the basis of figures for previous financial years and currently known events that might have an impact on these figures. The main charges in this section include:

- Fees for the business manager
  As a business manager of WDP, De Pauw NV receives an annual fee that was approved by the remuneration committee (EUR 850,000 in 2010).

- Remuneration of administrative staff
  These costs relate to administrative staff members working for the company. The current remuneration levels were projected for the full financial year 2011.

- Accommodation costs
  These costs include the contractual rent payable for WDP's offices in Wolvertem.

- Fees for services
  This category comprises mainly the estimated fees payable to outside advisers or experts including property surveyors, lawyers, tax specialists, accounting fees and auditor's fees for audit and consulting services.

- Communication expenses
  This category comprises the budget of the company relating to financial and business communications.

- Costs related to WDP's stock market listing and status
  This category comprises the annual tax on undertakings for collective investment, fees payable to the financial agent and the liquidity provider, and fees for the Euronext listing.

- Depreciation and amortisation
  Depreciation and amortisation were estimated on the basis of the assets currently owned by WDP (except investment property and solar panels).

Interest charges

In order to estimate these costs, the estimated liabilities were calculated based on the outstanding debt at 31 December 2010, and an estimate of the additional debts related to the funding in 2011 of the investment programme currently in effect.

Outlook

Since WDP hedges the interest rate risk on its variable interest-bearing loans through interest rate swaps, this was taken into account on the basis of the current swap contracts. On the hedged portion of the outstanding debt (78%), a weighted average interest rate was charged of 4.62%, including an average bank margin based on current loans.

Despite the low interest rates, WDP cannot fully benefit from these rates on account of the previously contracted interest hedges as of 31 December 2010.

Total financial costs were further reduced by an estimated amount in capitalised interest. This estimate factors in current property developments and the option to capitalise interest (interim interest based on an average rate of 4.5%).

Taxes

These include the annual corporate income tax.

WDP's tax base in Belgium, France and the Netherlands is virtually zero (except for the effect on disallowed expenses and unusual benefits).

An estimate was drawn up on the basis of the estimated local results for the other companies forming part of the WDP group.

Investments

The outlook takes into account the following investments for 2011: property investments in developments at WDP's expense for the purpose of leasing in Merchtem (retail), Ridderkerk (construction of a multi-storey car park), Willebroek, Puurs (renovation) and Liège (new construction).

In addition, there are projects in the course of construction in Ternat, Venlo (phase II) and Libercourt. These projects will possibly be completed in line with the degree to which they are let. This was not taken into account in the balance sheet forecasts.

These investments will be financed with additional debt.

With the proposed acquisition of a logistics portfolio of Wereldhave NL, for which WDP signed a letter of intent with Wereldhave NL in early March 2011 (this is currently subject to a number of conditions, including a due diligence investigation – see also Section 10, 'Events after the reporting date' on page 76 and the WDP press release dated 3 March 2011), are not accounted for in this outlook.

Outlook

2. Budgeted net current result 2011 versus actuals 2010

Based on the current outlook and the assumptions above, WDP expects net current result to increase to at least EUR 41 million in 2011 (under the current circumstances).

	2010 ACTUAL	2011 BUDGET
Net current result (analytical)		
Net rental result	56,458	59,036
Other operating income/expenses	6,016	6,709
Property result	**62,474**	**65,745**
Property charges	-1,399	-1,650
General expenses of the company	-3,526	-4,370
Net property result	**57,549**	**59,725**
Financial result excl. IAS 39 result	-18,485	-18,565
Taxes on net current result	-864	-150
Deferred taxation on net current result	823	0
Net current result	**39,023**	**41,010**

3. Dividend

WDP expects net current result to increase to at least EUR 41 million in 2011 (under the current circumstances), thus allowing the distribution rate to decline again to 90%, without loss of the dividend of EUR 2.94 per share.

4. Budgeted balance sheet 2011 versus actuals 2010

	2010 ACTUAL	2011 BUDGET
Investment property	821,511	835,061
Other tangible fixed assets (including solar panels)	69,233	70,233
Other fixed assets	15,754	15,754
Fixed assets	**906,498**	**921,048**
Current assets	**15,883**	**15,883**
TOTAL ASSETS	**922,381**	**936,931**
Shareholders' equity	**371,286**	**375,436**
Financial, trade and tax liabilities	508,651	519,051
Other liabilities	42,444	42,444
Commitments	**551,095**	**561,495**
TOTAL LIABILITIES	**922,381**	**936,931**
Gearing	55.1%	55.4%

The projected balance sheet for 2011 was prepared, taking into account factors that could reasonably be forecast. Therefore this estimate includes neither the impact of IAS 39 nor the impact of market fluctuations on the portfolio.

- Investment property
  This category comprises the consolidated investment property portfolio, valued using the policies set out in IAS 40. The movements as presented in the balance sheet

forecast relate solely to property investments in developments at WDP's expense for the purpose of leasing in Merchtem (retail), Ridderkerk (construction of a multi-storey car park), Willebroek, Puurs (renovation) and Flémalle (new construction), for which approximately EUR 14 million in construction costs can be expected in 2011.

This projected balance sheet does not take into account the impact of possible variations in fair values in 2011.

- Other fixed assets (including solar panels)
  The other fixed assets consist mainly of the market value of solar panels (EUR 70 million) and other fixed assets for own use – including vehicles, furniture and equipment in accordance with the recognition and measurement criteria defined in IAS 16.

  However, the projected balance sheet does not take into account the effect of any fluctuations in the market value of these solar panels.

- Other fixed assets
  This category mainly comprises the long-term funding provided to the joint venture WDP Development RO, as well as deferred taxation, the positive market value of financial derivatives, and all WDP's other fixed assets.

- Current assets
  WDP's current assets mainly consist of the outstanding trade receivables, cash and bank, assets designated for sale, and all WDP's other current assets.

- Shareholders' equity
  WDP's shareholders' equity takes account of the forecast result for 2011 and the distribution in 2011 of the dividend for the 2010 financial year.

- Debt position (financial, trade and tax liabilities)
  This category consists of the outstanding debt position (as used to calculate WDP's gearing). Accordingly, it relates mainly to financial debts (except the market value of financial derivatives) and trade and tax debts.

- Other liabilities
  The other liabilities of WDP comprise mainly provisions, deferred taxation, accruals and deferred income and the negative market values of derivative financial instruments.

  The derivative financial instruments of the company are carried at market value, in accordance with IAS 39. In view of the current uncertainties in the financial markets, no assumptions were made for movements in fair values. The value as presented in the balance sheet forecast is equal to the market values as determined on 31 December 2010.

The forecasts with regard to the consolidated balance sheet and the net current result are forecasts whose actual realisation depends specifically on developments in the financial markets and property markets. They are not binding on the company and are unaudited. The auditors, Deloitte Bedrijfsrevisoren BV in the form of a CVBA, represented by Rik Neckebroeck, have confirmed that the outlook is adequately prepared on the stated basis and that the accounting basis applied for this outlook is consistent with the accounting policies applied by WDP, as part of preparing its consolidated financial statements in line with IFRS as adopted by the European Union.

Outlook

GROWTH PLAN 2011 – 2013

WDP is launching a new growth plan in order to further develop its property portfolio and create shareholder value. For the next three financial years – particularly the period 2011 to 2013 – WDP is planning an **increase in net current result per share of 20%**. This growth must be achieved through the current capital base and based on an acceptable degree of gearing. By implementing this plan, WDP aims to ensure future dividend growth as well.

After making an exception during the past two financial years, WDP aims to first reduce the rate of distribution in 2011 to 90%, the standard rate for the company. For 2011, dividend will remain fixed at EUR 2.94 gross per share, after which the expected increase in net current result per share can create future dividend growth.

This growth will be achieved in the three target areas listed below.

1. Leasing

A total of 4.3% of WDP's current portfolio is being leased, representing a rental value of EUR 2.7 million. The further tenant occupancy of these buildings is an initial pillar of growth. Other than these projects, WDP currently has a total of 45,000 m² of projects on hold. The company shelved these projects at the start of the economic crisis in late 2008. With a small cash investment, these projects, which are located in Puurs, Libercourt and Venlo, can be completed and leased. Finally, there is significant potential for the construction of pre-leased projects on the company's own land of more than 200,000 m² and on the land reserves in Romania.

2. The CO_2 investment plan

After the implementation in 2010 of phase I of the plan to make the property portfolio carbon-neutral, WDP currently maintains 14 megawatt peaks (MWp) of the targeted 30 MWp of alternative energy. WDP is exploring the various options – including the planned installations in France – of solar panels, wind energy and other alternative energy sources.

3. Acquisitions

In addition to developing the existing potential within the portfolio and the CO_2 investment plan, WDP intends to achieve further growth through the acquisition of land, buildings or existing portfolios in its core regions, as well as by developing its own projects on new land.

For more information on the new projects WDP launched in early 2011 as part of this growth plan, in addition to the current redevelopment in Merchtem – particularly in Liège (Flémalle), Mollem (Asse) and Oarja (Romania) – we refer to Section 3, 'Property investments in developments at WDP's expense for leasing purposes', and Section 10, 'Events after the reporting date' in the Management Report on page 76.

Comments on the industrial and logistics real estate markets in Belgium, the Netherlands, France, Czech Republic, and Romania

1. Belgium

Overview

Political uncertainty still holds the country under pressure, as ongoing negotiations around the extension of regional competencies seem unlikely to open on a common agreement in the near future, even in the hypothesis new elections are run. This instability is weighing on interest levels (10 year at approximately 3.9%). Yet, in spite of its frozen political situation preventing the settlement of a new government, Belgium is still performing quite well, on the back of recovering EU countries driving the increase of export volumes, and a resilient construction sector. GDP growth in Belgium remains above the average of the EU-zone. Although still in recovery as well, yet supported by improving business confidence indicators, industrial production growth is describing an upward curve, helping rental values to achieve stability. After a notable peak in Q3, the consumers' confidence indicator dropped a bit, reflected by a slowdown in retail sales during a discouragingly frosty Christmas period. The labour market is still to recover, and despite its sane fundamentals, the country has also a strong, ambitious fiscal consolidation ahead of itself, which if reached is expected to outmatch the EU targets. The investment market remained quiet in H2 2010, the most important deals having been closed in H1. Hence the current stability of yields.

Demand

H2 2010 was characterized by a fair amount of transactions in the warehousing and manufacturing segments (essentially closed with owner occupiers), and a limited amount of deals in the logistics segment. Demand, which mainly focused on the Brussels-Antwerp region, remained reasonably strong, although concordant with smaller properties, at the very exception of two major letting operations: DistriLog (45,000 m^2 in Willebroek, July 2010), and Dow Corning (32,000 m^2 in Feluy, October 2010). Prime logistics rents remain stable, at 46€/m^2/year in Brussels and 42€/m^2/year in Antwerp. Prime manufacturing rents remain stable as well, at 52€/m^2/year in Brussels, and 42€/m^2/year in Antwerp.

Offer

Subdued as it is, the development activity only covers a very limited amount of properties, keeping vacancy rates at low levels in the Brussels-Antwerp region. As in other sectors, many projects are currently on hold at proposal stage, as prudent developers wait for a full tenancy schedule before moving to the next steps, in order to mitigate costs.

Investment

As prime, well-let products are hardly found on the market currently, one observed a slowdown in the industrial investment market in H2 2010, the volume reaching about 60 million € on the back of a few transactions, two of them being worth reminding, namely the purchase of BPA's Vanden Borre headquarters by Royal Properties (27,600 m^2 in Sint-Pieters-Leeuw, July 2010) and the purchase of TDG Mond by ING (53,000 m^2 in Welkenraedt, August 2010). This slowdown is also attributable to investors looking for additional incentives and landlords refusing to lower their prices, resulting in a frozen market. Prime yields remain stable, at 7.75% in Brussels, and 50 basis point higher in other regional cities.

Outlook

The Belgian industrial market is intimately connected to the performances in the other surrounding countries. As the general economic forecasts for 2011 are better than the ones of 2010 one year ago, one can expect this market to pick up further in terms of take-up. The other characteristics (supply in standby, rental and capital values), to remain stable

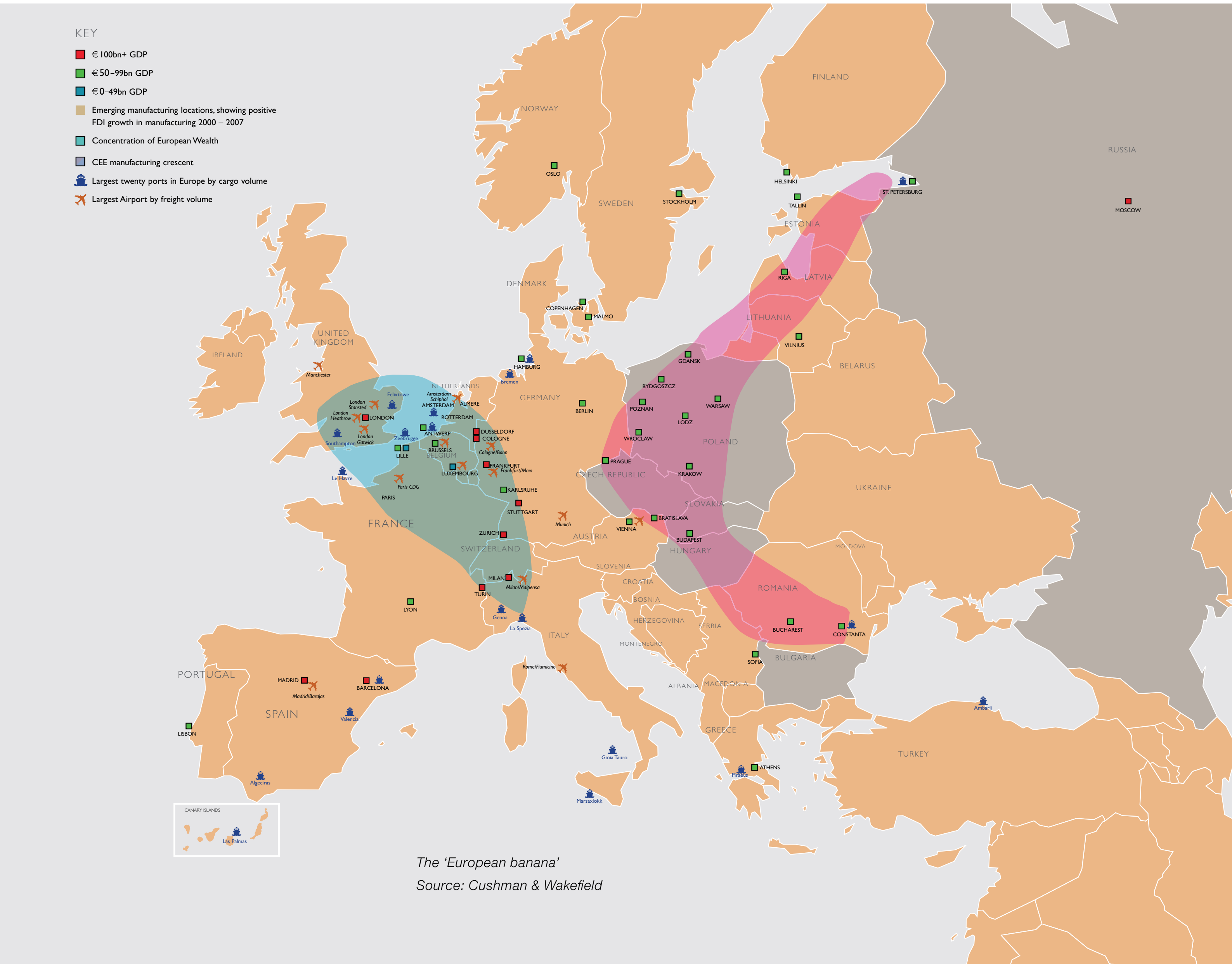
Comments on the industrial and logistics real estate markets in Belgium, the Netherlands, France, Czech Republic, and Romania

in the coming quarters. Nevertheless, one should definitely keep an alert eye on the investors' reactivity towards the political uncertainties, as they might wait until the negotiations finally come to an end before taking their next initiatives.

2. Netherlands

Overview

In September, the liberal VVD party and the Christian Democrats CDA party reached an agreement to form a minority government with the backing of the Freedom Party PVV, ending more than three months of political deadlock. Still recovering, the Dutch economy has seen the rebound of its industrial activity drop slightly in H2, after a pretty strong H1. Consumption remains weak, as reflected in lower performances in the retail sector; further on, the mood among Dutch consumers deteriorated in December, with a consumer confidence index dropping by 7 points, a decline counterbalancing previous improvements



The 'European banana'

Source: Cushman & Wakefield

Comments on the industrial and logistics real estate markets in Belgium, the Netherlands, France, Czech Republic, and Romania

in October and November. Confidence in the economic climate in general deteriorated most. Nevertheless, the overall fundamentals in the Dutch industrial sector offered a mixed picture in H2 2010. Despite a safe, positive growth, its pace has slowed down, reflecting a degradation in the sector's sentiment. Industrial occupiers have shown a continued caution in their moves, a majority of them freezing their expansion plans in expectation of better, and more secure, market conditions. The consequent low level of demand leads the short-term forecast for prime rents to exclude any increasing trend. In the current economic climate, one observes a notable amount of sale and leaseback operations, lease extensions, subletting operations concordant with spare space inconsiderately taken up prior to the crisis. This led to additional supply in most submarkets (an increase of 5 to 10% in logistics hotspots), well-located and modern properties remaining the focus of new tenants.

Demand

Despite a few large transactions closed in Q3, demand has suffered from the degradation in the market sentiment, achieving a modest take-up performance. With attractive incentive packages already being offered, prime property on logistics hotspots remains the focus of occupiers. Among the major letting operations in 2010, one should note the pre-letting of 50,500 m^2 in Westpoort, Amsterdam, by Fetim; the letting of 32,000 m^2 by Sligro, in the same area; and the letting of 24,000 m^2 in Waalwijk by Spar Holding. Prime rents remain stable, at 85€/m^2/year in Schiphol and 60€/m^2/year in Amsterdam and Rotterdam.

Offer

Speculative developments being on hold, the amount of available space stabilized over the last year. In the Rotterdam market the supply held firm and in Amsterdam only a marginal rise was recorded. Nonetheless, supply of second hand space on secondary locations is still increasing as occupiers continue to rationalise their accommodation needs.

Investment

Although describing some improvement in comparison with 2009 (4% growth), investment volumes in 2010 (601 million €) remain under the average of previous long-term period (2000-2008). Prime yields have hardened during the three months to September by 10 basis points in most logistic hotspots, with values at 7.70% in Schiphol, and 7.90% in other submarkets. Evidently, investors are still trying to get hold of modern, well-let logistics properties, yet they are facing a lack of adequate supply. The market is also being influenced by a mismatch between the occupier demand characteristics and investors criteria. Occupiers prefer shorter lease contracts due to the increasing popularity of back-to-back contracts. On the other hand investors are looking for long leased modern logistic properties located on a hotspot. A large number of logistic players dispose of unoccupied space which needs to be filled up before any relocation decision is made. Among the most significant transactions, one notes Deka Immobilien, with the purchase of logistics complex of 58,000 m^2 in Venray, reflecting an investment worth of 38.5 million €; and the purchase of another logistics complex in Zwolle, worth around 20 million €, by foreign investor (and newcomer to the market) Aspen Real Estate.

Outlook

The Dutch economy is not expected to see as strong a recovery as some of its neighbouring economies. As many members of the Eurozone, the Netherlands will increasingly have to look to domestic demand as a source of growth once the boost from exports growth begins to weaken. Logistic hotspots are expected to remain the prime product for occupiers and investors. Demand is expected to slightly go up in 2011, as supply will remain stable due to the limited amount of on-risk developments, causing the gap between prime and secondary properties to deepen. 2010 was a difficult year for the industrial investment market, we expect the industrial investment activity to pick up slightly in 2011. Prime rents are expected to remain stable, with a slight increase in prime properties located on logistic hotspots. The investment market will also remain fairly static with a slight hardening of prime yields (10 basis points) still expected.

3. France

Overview

In the context of a steady overall growth, industrial production described a fair rebound, supported by a rise in demand for manufactured goods, as well as helping legal compensation schemes in the automotive sector, which are nevertheless expected to phase out in 2011. France is among the few countries that have contributed to net demand into the global economy with surging imports and rising export. With the rest of the Eurozone in trouble and all the risks associated with potential currency wars, French exports could suffer further and are less likely to boost economic growth. A resilient French consumer sector has been a key factor for the economy during the crisis. Consumer spending still has not seen declines, helped by stable disposable incomes and social transfers. However, recent consumer data points at higher volatility and an altogether softening trend. Rising unemployment and tighter fiscal policy remain among the major risks on consumer demand. While France may struggle to sustain recent levels of performance, it is nevertheless forecast to expand at a pace in line with the Eurozone in 2011. The industrial market in France remained characterised by cost cutting and the rationalisation of space. This emphasised the geographical segmentation of the French market, where the Paris region accounts for the majority of the market. However, it appears that the worst of the crisis may now be over in terms of occupier demand and rental values.

Demand

2010 matched the performances of 2009 in terms of take-up. The French market remains fragile and mostly dependent on the performance of the Paris submarket, which accounted for 45% of total take-up in France. This performance is mostly due to the sustained demand of carriers in the retail distribution and industrial sectors and occupiers' need for turnkey products. Prime industrial rents remain stable, at 105€/m²/year in Paris, 60€/m²/year in Lyon, and 52€/m²/year in Marseille, as prime logistics rents, stabilized at 51€/m²/year in Paris, 47€/m²/year in Lyon, and 42€/m²/year in Marseille. Among the major transactions recorded, one notes Kuehne & Nagel (37,800 m² in Vert Saint-Denis, Paris), Big Ben Interactive (27,000 m² in Lauwin-Planque, Lille) and Transalliance (52,000 m², Saint-Georges d'Espéranche, Lyon).

Offer

The amount of supply stabilized due to the halt in speculative schemes experienced since 2009 and the appetite of occupiers for prime properties. However, second-hand properties that do not comply with occupiers' optimisation strategies and restrictive environmental permits (ICPE) are still vacated with a growing distinction between good quality second-hand assets and the obsolete stock. There is still a significant number of planned projects, notably in Ile-de-France with nearly 500,000 m².

Investment

The investment market saw activity remain dominated by the logistics sector. As a result, logistics yields hardened across all markets in 2010, whereas manufacturing yields held firm. Clearly, investor focus is at the top end of the market, and primarily within the logistics sector. Consequently, secondary yields remain higher and have barely seen a compression to date. Although the commercial real estate investment volume in France increased in comparison with last year, contrasting with the success of the retail sector, the industrial market is less favoured and accounted for just 7% of this total volume, versus 10% in 2009. 85% of the total volume invested in the industrial market (483 million €) are concordant with logistics transactions. It is therefore clear that the industrial sector remains heavily reliant on investors specialised in class A logistics platforms, let to large occupiers and located in the north-south axis. The French investor Argan provides a good example of this: having invested 80 million € in two logistics properties in Châtres (IDF East) and Saint-Quentin-Fallavier (Lyons) in the first half of the year, the investor acquired the 85,000 m^2 in Coudray-Montceaux (IDF South) let to ND Logistics in Q3. Investors' aversion to risk and their strong appetite for securely let assets located in the main, established markets have led to a 100 basis point fall in prime yields over the course of the last 12 months. Current prime yields in Ile-de-France stand at 7.25%, and are likely to remain stable at that level, given the extent of the yield compression to date.

Outlook

The industrial market has thus far held up fairly well, despite the prevailing economic difficulties. However, in taking advantage of the crisis in order to optimise their supply-chains, tenants will continue to implement cost-cutting strategies and modernise their property. This will help maintain demand for the latest hi-tech buildings, which are easily accessible and located in the main logistics hubs of France. However, the Paris region will continue to dominate the market, particularly within the logistics sector.

4. Czech Republic

Overview

Another recovering economy, the Czech Republic has been positively affected by stronger exports demand in Germany. Net exports have been a key contributor to GDP growth in recent months, and this has acted as a further support for the recovering manufacturing industry. Indeed, annual industrial production growth has reached double figures, and similarly strong growth in new orders suggests a sustained period of good performance. A further benefit of the strong industrial recovery has been the resulting gradual improvement in investment. Recent indications show that with capacity utilisation increasing, firms are starting to face the need for further investment in order to maintain growth. The Czech economy has seen a significant fall in unemployment in 2010. This appears to be having a stabilising effect on retail sales, although consumer confidence has come under pressure in recent months. Nevertheless, overall the outlook for the consumer sector appears to be improving. Despite a rise in inflation during the summer, price pressures remain modest, and the Czech central bank kept interest rates on hold at 0.75% during its September meeting. Although inflation is likely to build over in 2011, the pace of any monetary tightening is expected to be slow as economic growth takes priority. In 2010, the industrial market continued to show signs of increasing stability as occupier demand and domestic economic fundamentals improved. As a result, logistics rents rose slightly in Prague, and now stand at 44€/m^2/year.

Demand

Occupier demand continues to increase, particularly in the logistic sector and to a lesser extent, the production/manufacturing sector. Demand was recently driven by third party logistics service providers setting up regional hubs. Prague has nevertheless seen the logistic sector remain dominant and continued to account for a number of large scale deals. Among the major letting transactions recorded in H2 2010, one notes Hopi

(45,800 m² renegotiation, PointPark, Prague), Brembo (25,500 m² lease, CTPark Ostrava, North Moravia), and Trost (22,500 m² lease, Orange Park, South West). Current industrial prime rents reach 50€/m²/year in Brno, and 44€/m²/year in Prague.

Offer

Supply levels remain extremely low, particularly within the logistic sector, and with occupier demand improving, this resulted in rents moving up in Prague. In addition, other markets across the country have also seen their markets improve, such as Pilsen and Ostrava. The result of the shifted demand and supply situation is evident on the development of vacancy levels which have been declining. Forthcoming projects should help maintaining this trend in 2011.

Investment

Demand for well located good quality and long leased properties is clear, although the amount of actual transactions remained low. However, improving occupational market sentiment and deals in the pipeline have pushed yields downwards in Prague by 25 basis points to 8.50%. Yields in Brno remained stable, at 9.50%. Among the major investment transactions recorded in H2 2010, one notes the purchase by Hypo Real Invest, of the Avenue Office Park E in Prague (15 million €), and the purchase by CPI of the T Land Portfolio (Prague, Zlin, Kolin, 11.6 million €).

Outlook

The industrial market should continue to see further development, with the current lack of supply possibly causing logistics rents to rise further in the short term. Moreover, short term vacancy rates are expected to fall on the back of limited supply and growing demand. With economic conditions stabilising, this should help occupier demand rise, albeit slowly. Therefore, in term of the investment market, further pressure on prime yields will continue in the short term, as investors are currently presented with very few investment grade logistics products at the current time.

5. Romania

Overview

Despite a fragile economic recovery, production has seen steady annual growth with new orders particularly strong as companies restock their inventories. However, this will take some time to filter down to on the ground activity with landlords still offering attractive incentives to secure tenants in a market that is lacking sustained demand levels and has excess available space. One key area of weakness in the economy is likely to be within the consumer sector. Much of the government's ambitious fiscal cuts will have a direct impact on consumers, and measures such as the VAT hike are already impacting on confidence. While overall consumer spending actually improved in the course of the year, annual retail sales volumes have continued to contract. Nor has the inflationary backdrop done much to help consumers, with September seeing inflation hit 7.8%. Consequently, there has been renewed debate surrounding the path of monetary policy, yet for now the consensus is that the central bank will hold interest rates steady at 6.25% for some time to come. A recent cabinet reshuffle has not alleviated all political risks, and Prime Minister Emil Boc faces a number of challenges over the next few months – IMF negotiations are set to begin soon, there is still significant opposition to the recent VAT hike, and further spending cuts are likely to be necessary if the government is to reach its debt reduction targets. Yet the industrial sector did perform quite well, and still does, with a steady annual growth of production in 2010. Furthermore, new orders have been especially strong in recent months, suggesting significant further momentum for the sector.

Demand

A registered increase was recently seen in the light manufacturing sector with tenants gearing up to start increased production activity in the first quarter of 2011. Prime industrial rents in all submarkets (Bucharest, Brasov, Timisoara, Constanta) are stable, at 4€/m^2/year. Among notable letting transactions for H2 2010, one should list Geodis Calberson (20,000 m^2 expansion, West Bucharest), Silken (10,000 m^2 new lease, Timisoara), and Adevarul Holding (8,600 m^2, Bucharest).

Offer

Overall stock levels did not change and the significant reduction in speculative construction across Romania is driven, in the main, by a lack of demand and the difficulties in securing development financing. While in Q4, Plexus Corp. did secure, in Oradea Business Park, a 100,000 m^2 land plot and started the construction of a 22,000 m^2 production facility, other projects which have received planning permission have been put on hold until more stable fundamentals are visible and they are able to secure at least 50% pre-let before breaking ground. The developers and the owners are offering attractive incentives in order to occupy the available spaces, incentives such as longer rent-free periods, or upgrades of the contracted spaces. The suppliers of the industrial demand are the developers who have a real space to trade, not a nice layout on paper. The clients for industrial spaces are interested in fast delivery or relocation and they are not willing to risk a build-on-demand project.

Investment

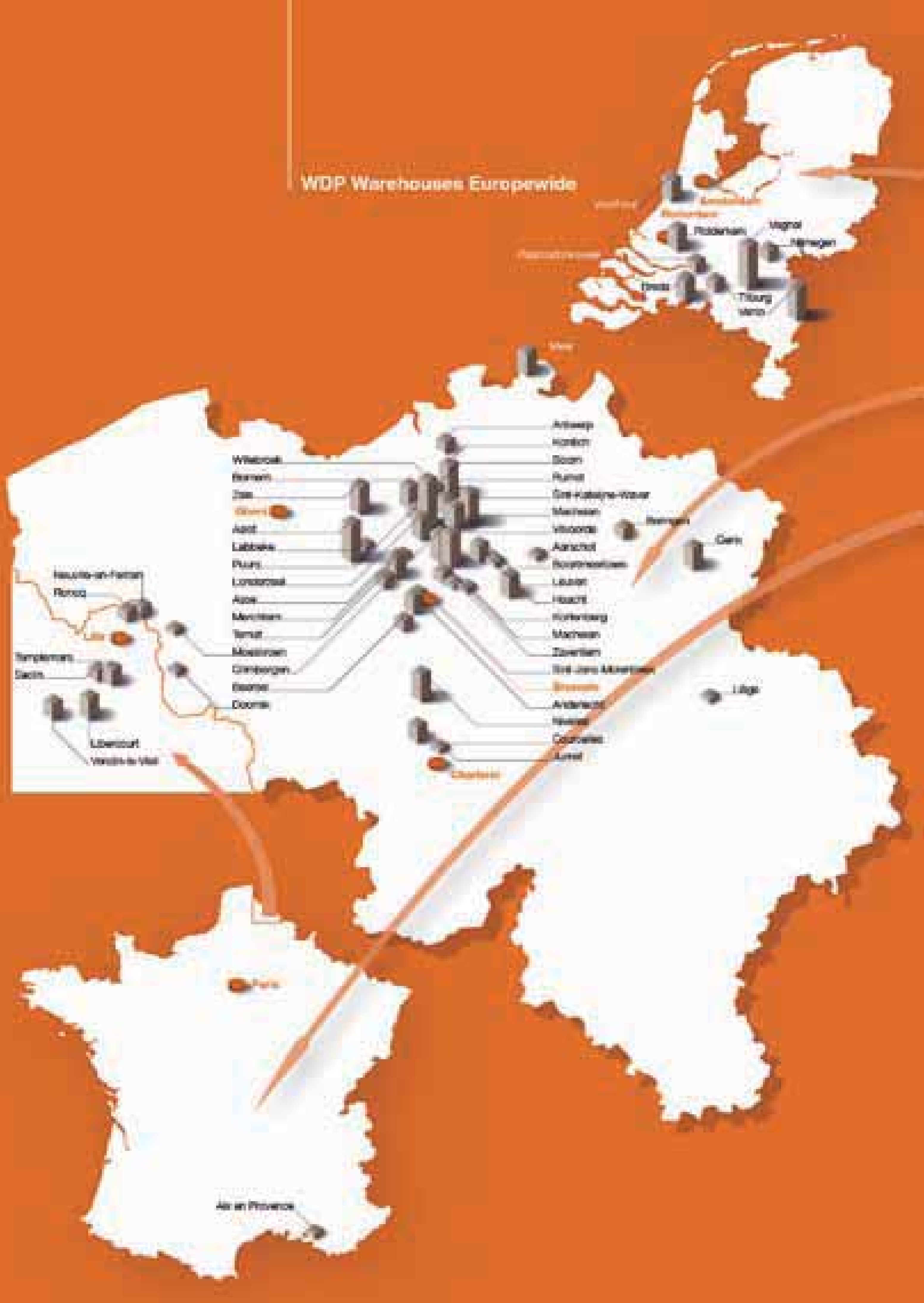
A lack of quality stock and a mismatch in pricing activity has deterred interest in the sector. Hence no major deals took place in the market in H2 2010. Prime yields remained theoretically stable, with no proper market evidence, at 9.50% in Bucharest, and 10.50% in other submarkets (Brasov, Timisoara, Constanta).

Comments on the industrial and logistics real estate markets in Belgium, the Netherlands, France, Czech Republic, and Romania

Outlook

The recent improvement in the important industrial sector demonstrates there is a basis for growth once fiscal constraints become less severe, hopefully in the course of 2011. Meanwhile, developers will continue to act with caution regarding speculative developments and this is likely to remain the case for some time, as availability is still high and will take time to decline considering the limited occupier activity. Given the weaker occupier market, activity in the investment market will continue to face some hurdles as investors increasingly seek secure income streams. Progress will be slow, although investors will continue to monitor the market as more distressed opportunities are expected to emerge. Prime rents and yields are expected to remain stable on the short term.

Author: Jef Van Doorslaer and Cushman & Wakefield's European Research Group


WDP Warehouses Europewide
Ridderkerk
Veghel
Nijmegen
Breda
Tilburg
Venlo
Antwerp
Kontich
Boom
Rumst
Sint-Katelijne-Waver
Mechelen
Vilvoorde
Aarschot
Boortmeerbeek
Leuven
Haacht
Kortenberg
Machelen
Zaventem
Sint-Jans-Molenbeek
Brussels
Anderlecht
Nivelles
Courcelles
Jumet
Charleroi
Willebroek
Bornem
Zele
Gent
Aalst
Lebbeke
Puurs
Londerzeel
Asse
Merchtem
Ternat
Moeskroen
Grimbergen
Beersel
Doornik
Genk
Liège
Neuville-en-Ferrain
Roncq
Lille
Templemars
Seclin
Libercourt
Vendin-le-Vieil
Paris
Aix en Provence


BUILDINGS
LAND
0 -
10,000 m²
0 -
50,000 m²
10,000 -
20,000 m²
50,000 -
100,000 m²
Mladá Boleslav
Průhonice
Hradec Králové
Codlea
Agigea

Review of the consolidated property portfolio

1. Description of the portfolio at 31 December 2010

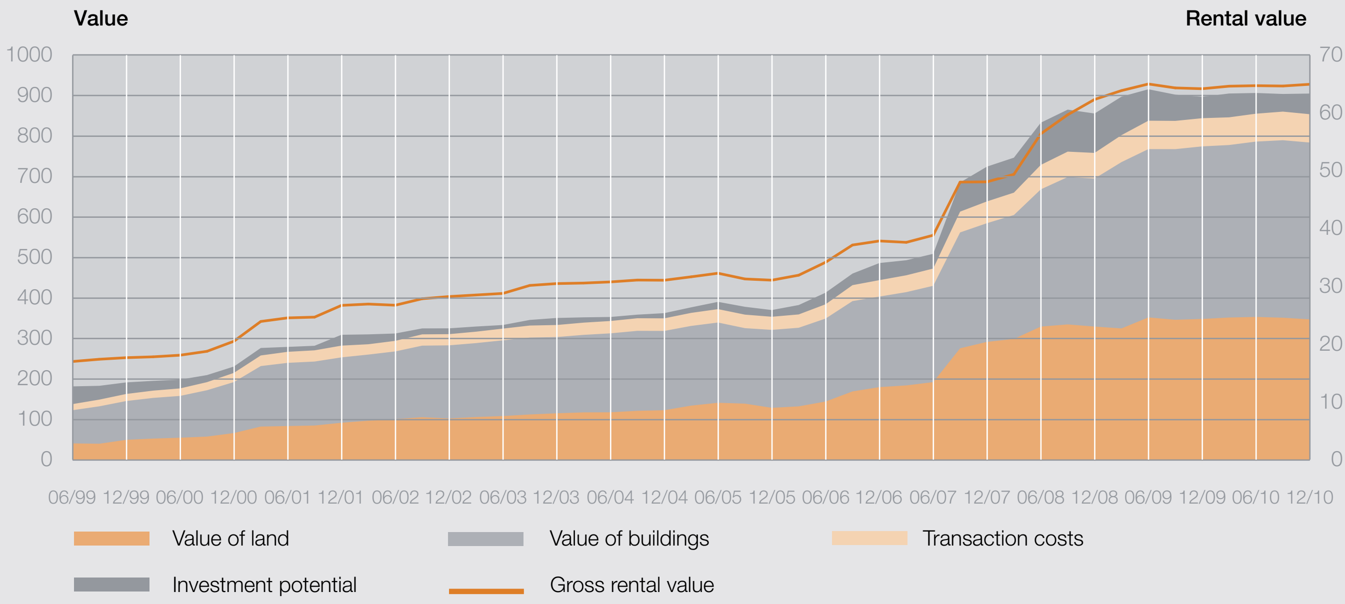
The independent surveyors Cushman & Wakefield and Stadim CVBA have estimated the fair value[1] of the WDP property portfolio (excluding solar panels) in accordance with IAS 40 at EUR 826.6 million as at 31 December 2010. This value was adjusted to EUR 821.5 million owing to the impairment recognised on a number of property assets under development funded by WDP, for leasing purposes. The comparative figure at year-end 2009 was EUR 815.4 million.

A breakdown of the portfolio is shown below.

Fair value (x EUR million)	Belgium	International	Total
Current properties	492,70	243,30	736,00
Property assets under development funded by WDP, for leasing purposes	35,49	13,94	49,43
Land	8,53	27,55	36,08
Total	**536,72**	**284,79**	**821,51**

1 *Fair value: under Belgian market practice, there is a ceiling of 2.5% of the transaction costs that can be deducted for property valued at more than EUR 2.5 million. On smaller properties and foreign property the full transaction costs can be deducted.*

Changes in WDP's portfolio (EUR million)



Review of the consolidated property portfolio

2. Value and composition of the rental portfolio

The total area in the portfolio is 396.9 hectares, including 22.0 hectares granted in concession. The remaining 374.9 hectares have an estimated sale value of EUR 299.8 million, equating to 36.3% of the total fair value. The average value of the land is EUR 79.9 per m², excluding transaction costs. This area includes the land bank (covering 86.1 hectares) for the development of the projects in Romania.

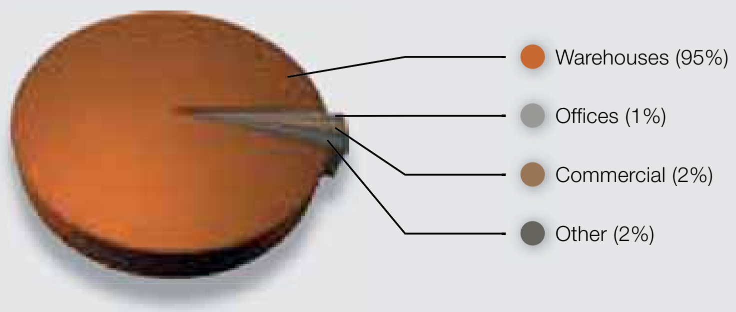
The total leasable area of the buildings is 1,356,407 m², with a total estimated rental value of EUR 58.5 million. Warehouses account for the bulk of the area (78.6%), covering 1,185,454 m² and having a total rental value of EUR 46.0 million, i.e. an average rental value of EUR 38.78 per m².

Office areas, either separate or adjacent to the warehouses, account for 121,903 m², equal to a rental value of EUR 10.2 million. The average rental value per m² is EUR 84.0. Commercial premises cover 22,375 m² and represent a rental value of EUR 1.4 million, with an average of EUR 63.1 per m². Finally, various other uses represent a further 26,675 m² (EUR 1.2 million), with an average rental value of EUR 46.9 per m². Charges payable for concessions totalled EUR 0.40 million.

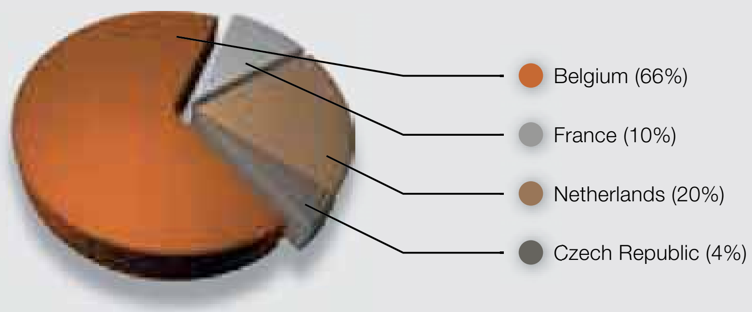
Use at 31-12-2010	Built area (m²)	Estimated rental value (EUR million)	Estimated average rental value per m² (EUR)	% of total rental value
Warehouses	1,185,454	45.97	38.78	78.1%
Offices adjoining warehouses	106,869	8.79	82.21	14.9%
Offices	15,035	1.46	97.24	2.5%
Commercial premises	22,376	1.41	63.07	2.4%
Other uses (mixed-use premises, car parks and archives)	26,675	1.25	46.86	2.1%
Total	**1,356,409**	**58.88**	**43.41**	**100.0%**
Charges payable for concessions		- 0.40		
Total		**58.48**		

Review of the consolidated property portfolio

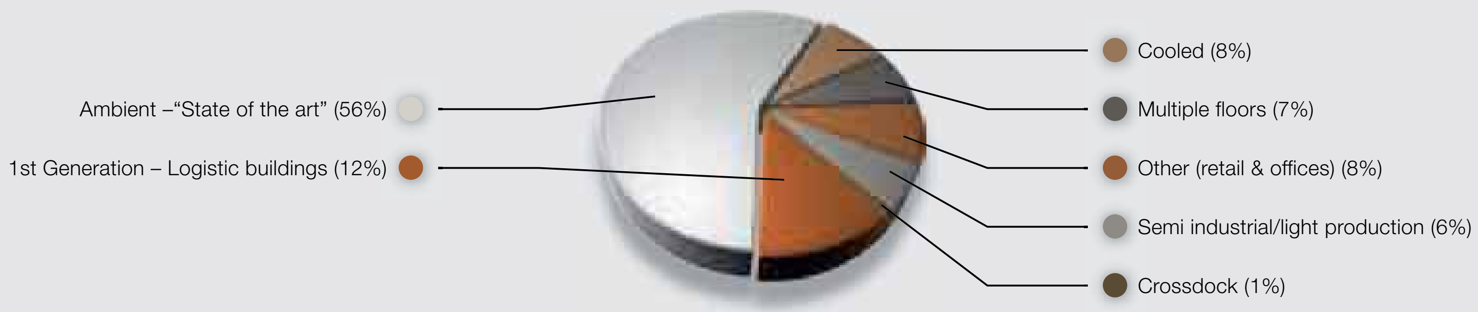
Distribution of leasable area by category



Distribution of rental value by country



Distribution of property portfolio by type of premise



Review of the consolidated property portfolio

3. Key data of properties (with a fair value exceeding EUR 2.5 million)

The sites listed in the table below were all inspected on-site during the fourth quarter of 2010 by independent property surveyors Stadim CVBA and Cushman & Wakefield.

BELGIUM	
Aalst, Denderstraat 54-56 – Tragel	A plot of 7,518 m² in an industrial estate close to the train station Aalst Noord. The building, containing an industrial hall of 1,932 m² (+ 1,032 m² of porches) and 576 m² of offices was renovated in 2006.
Aalst, Tragel 5 – Gheeraerdtstraat 15-16	A plot of 16.546 m² in an industrial estate. An older commercial complex with 12.534 m² of warehouses.
Aalst, Tragel 11-12 – Garenstraat	A plot of 44,163 m² in an industrial estate. A new construction built in 1998-1999 with 4,202 m² of offices, 1,222 m² of workshops and 16,718 m² of warehouses. Equipped with solar panels.
Aalst, Wijngaardveld 3-5 – Dijkstraat 7	A plot of 39,822 m² in the industrial estate of Wijngaardveld. Two warehouses with a total surface area of 17,319 m², built in 1992. A project with 4,583 m² of warehouses with office possibilities, built in 2005.
Aarschot, Nieuwlandlaan 19	A plot of 17,184 m² in the industrial estate Nieuwland. A new construction built in 2009 with 8,264 m² of warehouses divided over two units and 168 m² of built-in offices. Equipped with solar panels.
Anderlecht, Frans Van Kalkenlaan 9	A plot of 26,236 m², fully owned and another 2,240 m² plot, which is owned jointly. The two plots are in the industrial estate Anderlecht-Vorst. The first unit is a construction built in 1969, comprising 16,666 m² of warehouses and 3,679 m² of offices. On the second unit, WDP owns floors 3-8 of the Asar Tower (2,016 m² of warehouses and 359 m² archive space).
Antwerp, Lefebvredok – Grevendilf – Vrieskaai	A plot of 22,513 m² in concession from the Port Authority. Seven units comprising a total of 64 m² of offices and 18,786 m² of warehouses.
Asse (Mollem), Assesteenweg 25	A plot of about 47,800 m² in the SME park at Mollem. The existing buildings built in 1967, 1988 and 1996 have been fully renovated and enlarged, and comprise 15,508 m² of warehouses, 2,111 m² of offices and 905 m² workshops and business areas. A new, adjacent building with 7,175 m² of warehouses, 660 m² of offices and 330 m² of miscellaneous areas was built. Equipped with solar panels.
Asse (Mollem), Terheidenboslaan 10	A plot of 10,000 m² in the SME park at Mollem. An industrial complex built in the early eighties, which was fully renovated in 1989. It comprises 654 m² of offices, a 4,775 m² production hall and two smaller warehouses.
Beersel (Lot), Heideveld 3-4	A plot of 22,459 m² in the industrial estate Heideveld. A new construction built in 2001 with 456 m² of offices and business areas and 6,703 m² of warehouses. Equipped with solar panels.
Beersel, Stationstraat 230	A plot of 15,922 m² with an office building consisting of 673 m² of office space and 3,925 m² of warehousing. Beringen (Paal), Industrieweg 135 – Rijsselstraat A plot of 21,438 m² in the industrial estate between Beringen-Paal and Tessenderlo. Three recent buildings and two buildings renovated in 2008 with 9,056 m² of Rijsselstraat warehouses and 1,483 m² of offices.
Boom, Langelei 114-120 – Industrieweg	A plot of 71,412 m² alongside the A12 in the industrial estate Krekelenberg. A new construction built in 2000-2001 with 34,222 m² of warehouses and 2,982 m² of offices. Equipped with solar panels.

Review of the consolidated property portfolio

Boortmeerbeek, Industrieweg 16	Four plots with a total surface area of 40,151 m² in a small SME park. The complex built in the early nineties comprises 3,120 m² of offices, 14,335 m² of warehouses and 130 m² of built-in offices. Of the other three plots, one is being used as outside storage space, for the other two, building plans have already been made.
Bornem, Rijksweg 17	A plot of 31,100 m² with an excellent location and easy access alongside the N16. A complex built in 1996, with 1,616 m² of offices and 323 m² of archive area, and 9,973 m² of warehouses.
Bornem, Rijksweg 19	A plot of 38,000 m² with an excellent location and easy access alongside the N16. Partly renovated and converted buildings, and a partly new construction built in 2004. A total of 2,463 m² of offices, service areas and technical areas and 19.948 m² of warehouses and loading bays.
Courcelles, rue de Liège 25	A plot of 106,735 m² in the industrial estate Zoning Industriel. A business cluster developed in three phases between 2007 and 2009 with 29,382 m² of warehouses and 1,400 m² of offices.
Doornik (Marquain), rue de Terre à Briques 14	A plot of 30,938 m² in the industrial estate Tournai Ouest. An existing complex with 7,660 m² of warehouses and 1,002 m² of offices.
Genk, Brikkenovenstraat 48	A plot of 62,905 m² at the Hermes industrial estate. A logistics platform with 16,619 m² of warehouses constructed in 2008 and a second warehouse with 16,700 m² of adjacent offices constructed in 2010. Equipped with solar panels.
Grimbergen, Eppegemsesteenweg 31	A plot of 117,984 m² in concession from the Port of Brussels. WDP's concession covers half the land. 5,096 m² of offices and business areas built in 1978 and 48,017 m² of warehouses built in 1996.
Grimbergen, Industrieweg 16	A plot of industrial land of 27,724 m². A logistics building constructed in 2008 with a 14,760 m² surface area and 298 m² of office areas. Equipped with solar panels.
Jumet, Zoning Industriel – 2ième rue	A plot of 9,941 m² in an industrial estate. Two industrial buildings that were fully renovated and extended in 2005 into 5,648 m² of warehouses and 634 m² of offices.
Kontich, Satenrozen 11-13 – Elsbos	A plot of 160,743 m² in a SME park. Production buildings, partly consisting of high-rise blocks, and a large office building constructed in 1985. A smaller office building was built in 1996. A total of 51,561 m² of warehouses and 6,000 m² of offices. Equipped with solar panels.
Kortenberg, A. De Conincklaan 2-4	A plot of 10,663 m². An 820 m² office building and two storage halls of 2,344 m² each, with a total of 1,061 m² of mezzanines.
Leuven (Wilsele), Kolonel Begaultlaan 9, 17-21, corner Lefèvrelaan	A plot of 13,526 m² alongside the Leuven canal basin. A 20,758 m² former industrial complex which was converted and modernised in the mid-eighties.
Leuven, Vaart 25-35	A 3,170 m² plot, excellently positioned for advertising. The former 'Molens Hungaria' were renovated in 2000 into a 15,305 m² complex.
Londerzeel, Nijverheidstraat 13-15	A plot of 42,115 m² in an industrial estate alongside the A12. Two industrial buildings built in 1989-1991. Since their renovation in 2005 they comprise 1,698 m² of offices and social areas and 25,770 m² of warehouses.
Machelen, Rittwegerlaan 91-93 – Nieuwbrugstraat	A plot of 12,360 m² in the Haren-Buda district. An industrial complex of 14,300 m², which was thoroughly renovated and converted into an internet hotel. In 2006, at the request of the tenant, a 1,564 m² two-level warehouse was added.
Meer, Seoelstraat 1	A plot of 28,901 m² with a logistics complex dating from the end of the nineties encompassing 18,196 m² of warehousing and 810 m² of office space.

Review of the consolidated property portfolio

Mechelen, Zandvoortstraat 3	A plot of 42,012 m². A recent logistics complex consisting of 29,330 m² of warehousing and 3,247 m² of office space.
Merchtem, Wolvertemse Steenweg 1 – Bleukenweg 5	A plot of 13,241 m². A former industrial building that was renovated and converted into a 4,448 m² commercial space.
Nivelles, chaussée de Namur 66	A plot of 21,250 m². A renovated semi-industrial building with 10,000 m² of warehousing and 1,085 m² of office space.
Nivelles, rue de l'Industrie 30	A plot of 60,959 m² in the industrial estate Nivelles-Sud. A construction built in 1990 and a new construction built in 2004, with a total of 3,093 m² of offices and 23,906 m² of warehouses.
Nivelles, rue du Bosquet 12	A plot of 19,429 m² in the industrial estate Nivelles-Sud. An industrial building, built in 2007, to be divided into three units of 3,901 m², 3,551 m² and 2,096 m², respectively, and with 382 m², 364 m² and 363 m² of built-in offices.
Nivelles, rue Buisson aux Loups	A site with a surface area of 51,000 m², which WDP will demolish and redevelop in due course.
Puurs (Breendonk), Koning Leopoldlaan 9	A plot of 5,579 m². A recent industrial building with 1,282 m² of offices and 1,015 m² of warehouses.
Puurs, Lichterstraat 31	A plot of 24,134 m² in the industrial estate Rijksweg 2. A complex built in 1974 with 1,606 m² of offices and 14.101 m² of warehouses.
Rumst (Terhagen), Polder 3 – Kardinaal Cardijnstraat 65	A plot of 47,435 m² in the industrial estate Molleveld. A 21,189 m² complex, of which 426 m² are offices, 20,020 m² are warehouses and workshops and 743 m² of living area (3 units).
Sint-Katelijne-Waver, Drevendaal 1 – Strijbroek 4	Two plots with a total of 52,411 m², one of which is fully owned and the other is let on a long lease. A first industrial building constructed in 1991 with 15,405 m² of warehouses and 1,653 m² of offices. A second building constructed in 1991, renovated in 2007, with 4,785 m² of warehouses and 767 m² of offices.
Sint-Katelijne-Waver, Drevendaal 3	A plot of 46,941 m² in the industrial estate of Sint-Katelijne-Waver, 39,614 m² of which is let on a long lease and the remaining part fully owned. An industrial complex built in 1996 with extensions in 1997 and 1998, with 20,892 m² of warehouses and 1,683 m² of offices. Equipped with solar panels.
Sint-Katelijne-Waver, Fortsesteenweg 19-27	Two plots of industrial land in a SME park with a total surface area of 39,783 m². A 2,685 m² industrial building and 565 m² of offices.
Sint-Katelijne-Waver, Fortsesteenweg 44	A plot of 8,873 m² in a SME park. A 426 m² office building and 3,612 m² of refrigerated warehouses and workshops.
Sint-Katelijne-Waver, Strijbroek 10	A plot of 4,797 m² in the industrial estate of Sint-Katelijne-Waver, let in a long lease. A building constructed in 2007 with 2,103 m² of offices.
Sint-Niklaas, Prins Boudewijnlaan	An industrial site of 50,773 m². For development. Located in the regional Europark Zuid II businesspark.
Ternat, Industrielaan 24	A plot of 28,274 m² in a SME park. Offices and a warehouse built in 1977-1978 and 1985, which were renovated in 2000-2001, and a new construction built in 2000. A total of 3,125 m² of offices and service areas and 13,913 m² of warehouses.
Vilvoorde, Havendoklaan 12	A plot of 27,992 m² in the Cargovil businesspark. The buildings, built in 1994, were renovated and extended. In a first phase, with 1,003 m² of offices, 4,133 m² of warehouses and 42 m² of archive area. In a second phase, with 850 m² of offices and 7,875 m² of warehouses. Equipped with solar panels.
Vilvoorde, Havendoklaan 13	A plot of 18,066 m² in the Cargovil businesspark. An 845 m² office building renovated in 2006 and a 3,150 m² storage hall. Adjacent, a 1,774 m² new construction built in 2006.

Review of the consolidated property portfolio

Vilvoorde, Havendoklaan 19	A plot of 19,189 m² in the Cargovil businesspark. 10,677 m² of warehouses and two separate office buildings with a total of 879 m², built in 2002-2003. Equipped with solar panels.
Vilvoorde, Jan Frans Willemsstraat 95	A plot of 13,853 m² in an industrial estate. A total of 6,010 m² of warehouses and 371 m² of offices, in a new construction built in 2004 and in an older industrial complex that was partly renovated and adapted in 2007.
Vilvoorde, Willem Elsschotstraat 5	A plot of 47,203 m². A total of 1,990 m² of offices and 18,843 m² of warehouses in buildings that were fully renovated in 1996-1997, with an extension added in 2005. Equipped with solar panels.
Willebroek, Koningin Astridlaan 14	A plot of 58,207 m² alongside the A12 motorway. A total of 20,505 m² of offices, workshops and warehouses built at the end of the seventies and in 1999. The adjacent warehouses will be replaced in two phases by a new distribution hall. Equipped with solar panels.
Willebroek, Koningin Astridlaan 16	A 63,902 m² plot of industrial land. 23,600 m² of warehouses and 1,050 m² of built-in offices in a new construction built in 2008.
Willebroek, Victor Dumonlaan	A plot of 52,051 m² concession land with a storage complex consisting of 32,700 m² of warehousing and 896 m² of office space. Equipped with solar panels.
Zaventem, Fabriekstraat 13	A plot of 14,501 m². A 701 m² office building constructed in 1984. 6,811 m² of warehouses built in 1980, 1987 and partly 1993.
Zele, Lindestraat 7 – Baaikensstraat	A plot of 71,415 m² in an industrial estate. 1,812 m² of offices and 37,911 m² of warehouses and 1,533 m² of mezzanines, partly newly constructed in 2008 and partly renovated in 2003, 2005 and 2007. Equipped with solar panels.
FRANCE	
Aix en Provence, rue Gustave Eiffel 205	A 31,179 m² plot of land in the industrial estate Les Milles. A building constructed in 2000 with 8,259 m² of warehouses with additional space for outside storage and 1,012 m² of offices.
Lille – Libercourt – Zone Industrielle – Le Parc à stock	A plot of 138,003 m² for a new construction project for which 29,900 m² of warehousing and 438 m² of office space have already been completed and a further 30,250 m² of warehousing space is in the course of construction.
Lille – Roncq, avenue de l'Europe 17	A 27,948 m² plot north of Lille, in the activity park Centre International de Transport. A building constructed in 2003 that was extended in 2006, with 12,234 m² of warehouses and 858 m² offices.
Lille – Seclin, rue Marcel Dassault 16	A 28,157 m² plot in an industrial estate south of Lille. The building comprises 12,397 m² of warehouses and 709 m² of offices.
Lille – Templemars, route de l'Epinoy 16 b	A 11,718 m² plot with an office building consisting of 2,935 m² of warehouses and 1,412 m² of offices.
Lille – Templemars, route d'Ennetières 40	A 44,071 m² plot, situated at three kilometres from the Lille airport. A very well kept building constructed in 1989 that was extended in 2007, with 17,391 m² of warehouses and 1,790 m² of office.
Neuville-en-Ferrain, rue de Reckem 33	A 24,200 m² plot north of Lille, very near the Belgian border, in the industrial estate Tourcoing-Nord. A building constructed in 2007 with 13,065 m² of warehouses and 248 m² of offices.
Vendin-le-Vieil, rue Calmette / rue des Frères Lumière	A 82,200 m² plot in an industrial estate near Lens. A building constructed in 2004 with 26,788 m² of warehouses and 2,353 m² of offices. Moreover, the plot has extension possibilities for the future.

Review of the consolidated property portfolio

THE NETHERLANDS	
Breda – Hazeldonk 6462 and 6464	A 49,487 m² plot in the industrial estate Hazeldonk, near Breda and the Belgian border. The complex built in the nineties comprises 1,100 m² of offices and 35,977 m² of storage and logistics areas.
Nijmegen – Industrial estate Bijsterhuizen	A site of 25,137 m² with 13,000 m² of warehouses and 1,050 m² of offices. Completed in 2010.
Raamsdonksveer, Zalmweg 27	A 15,333 m² plot in the industrial estate Dombosch II. A building with 1,060 m² of offices and 3,975 m² of industrial areas, with an additional outside 1,950 m² of covered industrial areas. An expansion of 2,760 m² was completed in 2009.
Ridderkerk, Handelsweg 20	A site of 43,237 m² in a prime logistics location. Premises with 16,495 m² of storage and logistics space and 3,747 m² of office space. In the latter part of 2009 a new warehouse was completed with an additional 12,437 m² of storage and logistics space and 3,501 m² of office space. In addition there is an industrial site of 5,040 m² on which a car park deck is to be constructed.
Tilburg – Industrial estate Loven	A plot of 27,897 m². The old site has been redeveloped in view of a new construction project of 17,761 m².
Veghel, Marshallweg 1	A 148,279 m² plot between Den Bosch and Eindhoven. The complex comprises nine buildings, with a total of 75,955 m² of industrial areas and 2,208 m² of offices.
Venlo, Ampèrestraat 15-17	A site of 50,400 m² in the industrial zone Venlo Trade Port, very near the German border.
Venlo, Edisonstraat 9	A 70,000 m² plot in the industrial estate Venlo Trade Port, very near the German border. In 2009 a first distribution building with 14,680 m² of warehousing and 290 m² of office space was completed. A second distribution building that will comprise 17,260 m² of warehousing and 290 m² of office space has been completed in 2010. 'Sale and rent back' of buildings with a total surface area of 24,344 m² of warehouses and 4,849 m² of offices.
Voorhout, Loosterweg 33	A 63,159 m² plot at a location between Amsterdam and Den Haag The buildings complex built in 1988 comprises 25,429 m² of warehouses, 11,752 m² of greenhouses and 1,396 m² of offices.
CZECH REPUBLIC	
Mladá Boleslav – Nepřevázka	A plot of land of 103,433 m² north of the industrial town of Mladá Boleslav. A building constructed in 2004-2007 with 24,590 m² of warehouses, 3,936 m² of offices and 1,416 m² of other purposes. In addition the property also comprises a development zone of 24,000 m².
Průhonice-Praha – Uhřiněveská 734	A plot of land of 13,189 m² in a commercial zone just out of Prague. The complex comprises 4,609 m² of commercial areas.

ROMANIA

All of WDP's properties in Romania are plots of land. WDP owns 51% of each of the plots of land below.

Location	Surface (m²)
Agigea	95,000
Aricestii Rahtivani	250,000
Codlea	227,500
Corbii Mari	222,207
Fundulea 1	175,695
Fundulea 2	110,399
Mihail Kogalniceanu	90,200
Oarja	224,225
Paulesti	195,410
Sarulesti	98,464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Fresh Food Group
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Review of the consolidated property portfolio

4. Rental situation of vacant buildings

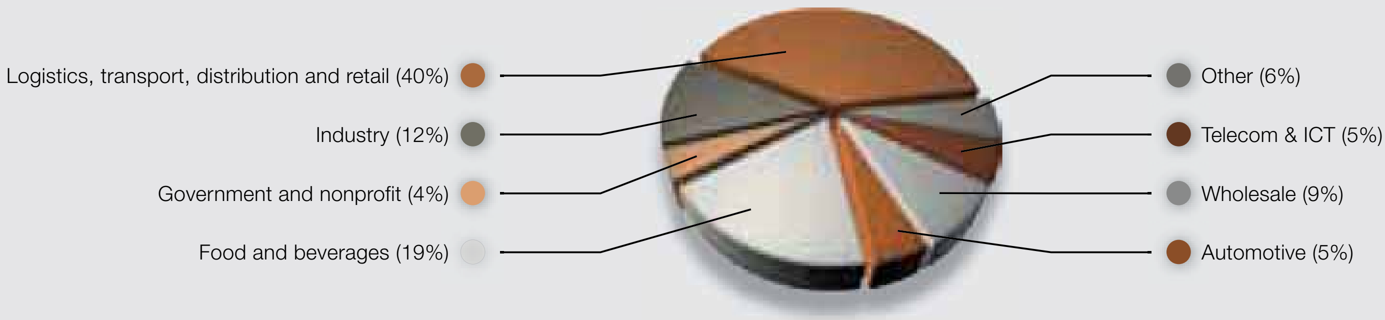
In 2010 the leased buildings generated income of EUR 57.6 million, up 5.1% from 2009. This rental income is the sum generated by all leases, plus the charges for management or specific work, less the withholding tax on income from movable property and/or charges payable by the owner for concessions. In total, it is equivalent to 98% of the rental value for the existing properties of EUR 58.5 million, based on market prices.

The main tenants are: Univeg group with a share of 16.8% of the rental income, DHL (7.8%), Kuehne & Nagel (6.0%), Philips Lighting (5.7%), Lidl (3.2%), Distri-Log (2.9%), Belgacom (2.7%), Descamps (2.5%), Renault (2.1%) and ID Logistics (2.1%). The ten principal tenants collectively account for 51.8%. The 'Top 20' account for 64.5%, while the 'Top 50' represent 85.8%.

Top tenants (% rental income)

1	Univeg Group	16.8%
2	DHL	7.8%
3	Kuehne & Nagel	6.0%
4	Philips Lighting	5.7%
5	Lidl	3.2%
6	Distri-Log	2.9%
7	Belgacom	2.7%
8	Descamps	2.5%
9	Renault	2.1%
10	ID Logistics	2.1%
Top 10 =		**51.8%**

2010 rental income by lessee sector



Review of the consolidated property portfolio

The average remaining term of the leases until the expiry date is 7.3 years. Taking into account first break, the average remaining term is 5.3 years.

If we also take into account the income from the solar panels, the average remaining term until the expiry date is 8.8 years. Taking into account first break, the average remaining term is 6.7 years.

Review of the consolidated property portfolio

5. Rents from available buildings

		Rental income 2010	Occupancy rate 2010	Rental value 2010
BELGIUM		**37,008,118.50**	**95.78%**	**38,415,481.63**
Aalst	Tragel 11-12 – Garenstraat	947,547.83	100.00%	943,116.00
Aalst	Wijngaardveld 3/5, Dijkstraat 7	647,160.33	100.00%	669,780.00
Aalst	Tragel 5 – Gheeraerdtstraat 15-16	254,755.30	100.00%	294,947.00
Aalst	Denderstraat 54-56 – Tragel	209,430.72	100.00%	199,036.00
Aalst	Dendermondsesteenweg 75	178,899.71	100.00%	177,307.50
Aarschot	Nieuwlandlaan 19	362,945.76	100.00%	372,139.70
Anderlecht	Frans Van Kalkenlaan 9	935,489.61	100.00%	942,070.50
Antwerpen	Lefebvredok – Grevendilf – Vrieskaai	487,868.14	96.52%	479,081.10
Asse (Mollem)	Assesteenweg 25	1,317,734.46	100.00%	1,198,070.40
Asse (Mollem)	Terheidenboslaan 10	244,308.88	100.00%	230,728.50
Asse (Mollem)	Assesteenweg grond naast nummer 25	2,875.00	100.00%	0.00
Beersel	Stationstraat 230	203,170.20	100.00%	199,723.00
Beersel (Lot)	Heideveld 3-4	375,918.64	100.00%	367,025.50
Beringen (Paal)	Industrieweg 135 – Rijsselstraat	439,384.44	100.00%	406,081.50
Boom	Langelei 114-116 – Industrieweg	1,305,014.46	96.77%	1,755,996.00
Boom	Groene Hofstraat 13	111,444.72	94.72%	123,010.00
Boortmeerbeek	Industrieweg 16	118,621.07	40.43%	609,175.00
Boortmeerbeek	Leuvensesteenweg 238	185,658.11	100.00%	177,741.00
Bornem	Rijksweg 19	903,987.77	89.14%	1,038,976.00
Bornem	Rijksweg 17	642,497.27	100.00%	578,699.50
Courcelles	rue de Liège 25	826,398.38	88.09%	1,230,534.00
Doornik (Marquain)	rue de Terre à Briques 14	346,509.90	100.00%	332,940.00
Genk	Brikkenovenstraat 48	1,058,760.08	100.00%	1,232,803.00
Grimbergen	Eppegemsesteenweg 31	1,016,866.32	100.00%	1,150,449.96
Grimbergen	Industrieweg 16	656,715.16	100.00%	691,020.00
Haacht (Wespelaar)	Dijkstraat 44	204,333.89	100.00%	204,704.85
Jumet	Zoning Industriel – 2ième rue	268,229.88	100.00%	226,256.00
Kontich	Satenrozen 11-13 – Elsbos	2,492,852.08	100.00%	2,421,399.24
Kortenberg	A. De Conincklaan 2-4	401,495.28	100.00%	321,885.00
Lebbeke (Wieze)	Kapittelstraat 31	77,710.60	100.00%	0.00
Leuven	Vaart 25-35	1,186,843.81	88.80%	1,268,065.00
Leuven (Wilsele)	Kolonel Begaultlaan 9, 17-21, hoek Lefèvrelaan	670,263.46	100.00%	656,478.00
Londerzeel	Nijverheidstraat 13-15	1,107,237.94	100.00%	1,039,206.00
Machelen	Rittwegerlaan 91-93 – Nieuwbrugstraat	1,549,000.16	100.00%	987,225.00
Mechelen	Zandvoortstraat 3	1,077,577.20	100.00%	1,249,776.00
Meer	Seoelstraat 1	470,926.35	100.00%	526,104.50
Merchtem	Wolvertemse Steenweg 1 – Bleukenweg 5	229,195.84	100.00%	323,380.00
Moeskroen (Estaimpuis)	rue du Pont Blue 21	123,948.61	100.00%	83,338.00
Nijvel	rue de l'Industrie 30	1,353,618.81	100.00%	1,256,926.00
Nijvel	rue de Bosquet 12	486,288.65	100.00%	496,066.00
Nijvel	chaussée de Namur	0.00	0.00%	539,044.00
Puurs	Lichterstraat 31	8,984.98	100.00%	0.00
Puurs (Breendonk)	Koning Leopoldlaan 9	202,405.92	100.00%	158,517.50
Rumst (Terhagen)	Polder 3 – Kardinaal Cardijnstraat 65	516,210.12	85.84%	611,130.00
Sint-Jans-Molenbeek	Delaunoystraat 35-36 + 58-60	1,000.00	100.00%	0.00

Review of the consolidated property portfolio

		Rental income 2010	Occupancy rate 2010	Rental value 2010
Sint-Katelijne-Waver	Drevendaal 3	1,312,339.75	100.00%	1,146,800.18
Sint-Katelijne-Waver	Drevendaal 1 – Strijbroek 4	867,248.03	100.00%	740,083.20
Sint-Katelijne-Waver	Fortsesteenweg 19-27	280,322.54	100.00%	280,232.72
Sint-Katelijne-Waver	Strijbroek 10	313,679.96	100.00%	273,458.43
Sint-Katelijne-Waver	Fortsesteenweg 44	143,567.97	100.00%	146,469.00
Ternat	Industrielaan 24	299,679.26	100.00%	390,233.00
Vilvoorde	Willem Elsschotstraat 5	872,661.17	100.00%	896,797.00
Vilvoorde	Havendoklaan 12	892,879.82	100.00%	741,280.00
Vilvoorde	Havendoklaan 19	9,750.00	100.00%	592,406.45
Vilvoorde	Havendoklaan 13	428,871.72	100.00%	382,697.13
Vilvoorde	Jan Frans Willemsstraat 95	370,719.27	100.00%	311,524.50
Willebroek	Koningin Astridlaan 16	1,179,472.50	100.00%	1,141,061.00
Willebroek	Victor Dumonlaan 4	1,163,033.67	100.00%	1,130,011.23
Willebroek	Koningin Astridlaan 14	832,730.15	100.00%	514,422.98
Willebroek	Breendonkstraat	4,561.24	100.00%	0.00
Zaventem	Fabriekstraat 13	372,869.34	100.00%	367,833.56
Zele	Lindestraat 7 – Baaikensstraat	1,424,955.19	100.00%	1,590,219.00
Other		30,691.08		
FRANCE		**6,061,925.00**	**96.19%**	**5,992,187.50**
Aix en Provence	rue Gustave Eiffel 205	754,175.00	100.00%	646,735.00
Lille – Libercourt	Zone Industrielle – Le Parc à Stock	1,183,123.00	100.00%	1,229,613.50
Lille – Roncq	avenue de l'Europe 17	515,333.00	92.31%	570,234.00
Lille – Seclin	rue Marcel Dassault	453,348.00	68.27%	565,901.00
Lille – Templemars	route de l'Epinoy 16b	319,512.00	100.00%	259,155.00
Lille – Templemars	route d'Ennetière 40	759,509.00	100.00%	838,840.00
Neuville-en-Ferrain	rue de Reckem 33	650,210.00	100.00%	610,184.00
Vendin-le-Vieil	rue Calmette / rue des Frères Lumière	1,426,715.00	100.00%	1,271,525.00
CZECH REPUBLIC		**2,512,044.00**	**100.00%**	**2,111,754.00**
Hradec Králové	Pilráčkova 410	198,602.00	100.00%	201,852.00
Jablonec	Janovská 4633/3	56,507.00	100.00%	48,362.00
Mladá Boleslav	Jičinská 1329/3	128,137.00	100.00%	117,777.00
Mladá Boleslav	Nepřevázka	1,692,095.00	100.00%	1,330,230.00
Průhonice	Uhřiněveska 734	436,703.00	100.00%	413,533.00
THE NETHERLANDS		**11,978,108.34**	**94.05%**	**11,959,262.38**
Breda	Hazeldonk 6462 en 6464	1,061,691.00	100.00%	1,297,695.00
Nijmegen	Bijsterhuizen	296,004.00	100.00%	977,500.00
Raamsdonksveer	Zalmweg 27	422,062.00	100.00%	376,525.00
Ridderkerk	Handelsweg 20	5,042,581.00	100.00%	3,017,173.00
Tilburg	Pegasusweg 1	816,749.87	100.00%	1,022,144.00
Veghel	Marshallweg 1	2,657,272.00	100.00%	2,976,130.00
Venlo	Ampèrestraat	0.00	0.00%	651,114.50
Venlo	Edisonstraat	541,815.47	100.00%	541,815.88
Voorhout	Loosterweg 33	1,139,933.00	100.00%	1,099,165.00
TOTAL		**57,560,195.84**	**95.70%**	**58,478,685.51**

Review of the consolidated property portfolio

6. General economic factors

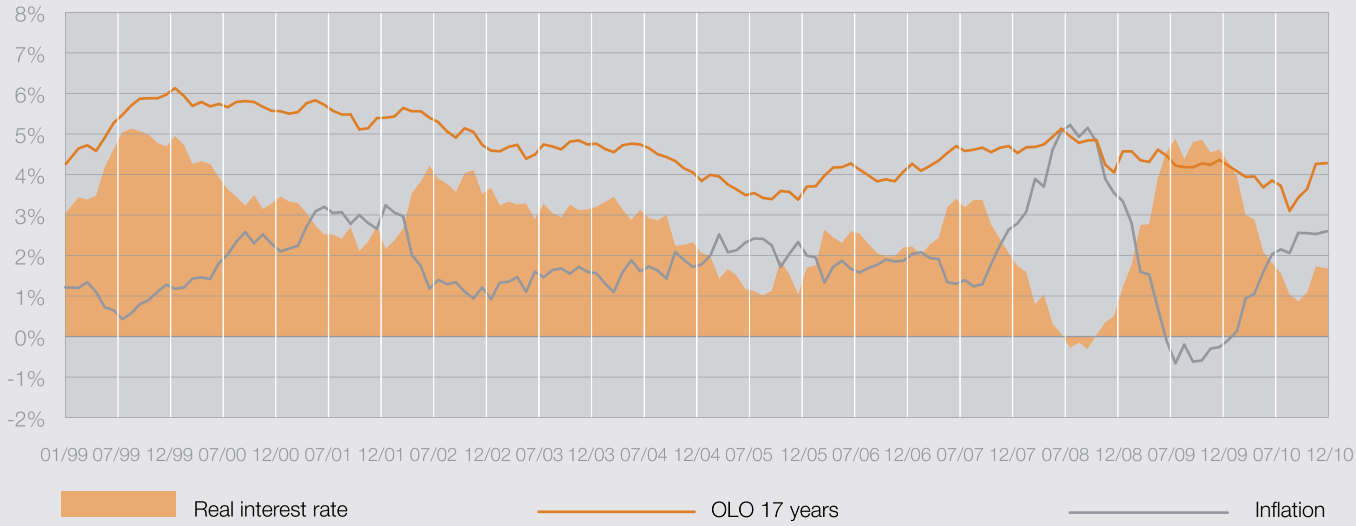
The long-term interest rate, for which 15- to 20-year linear bonds serve as reference for investment property, declined in the course of 2010 from 4.36% at the end of December 2009 to 3.10% in August 2010, only to climb back to 4.28% at year-end 2010.

At the same time, the inflation rate bounced back from -0.26% in 2009 to +2.60% in 2010. This means that the real interest rate, i.e. the difference between the long-term interest rate and inflation, declined sharply from 4.62 to 1.68%.

As part of the portfolio valuation, taking into account current interest rates, future inflation is expected to be 1.85%, which brings the real rate of interest to 2.43%. Additionally, we apply an average risk margin of 3.21%. This reflects both long-term investors' doubts about maintaining the current financial parameters and the risk and illiquidity of the specific property.

The real rate of interest, which is decisive in the financial analysis, accordingly declined from 5.85% at the end of 2009 to 5.64% (4.28% - 1.85% + 3.21%) at the end of 2010.

Changes in real interest rate



Conclusions of the independent surveyors

Dear,

We are pleased to present to you our estimate of the value of the property portfolio of WDP Comm. VA at 31 December 2010.

WDP has appointed us as independent surveyors to determine the investment value and fair value of its property portfolio. The estimates made take into account both the observations and definitions stated in the reports and the *International Valuation Standards* issued by IVSC.

Fair value is defined in IAS 40 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. IVSC considers these conditions to have been met if the definition of market value set out above is complied with. In addition, market value must reflect current rental agreements, the current gross margin of self-financing (or cash flow), the reasonable assumptions in respect of potential rental income and expected costs.

The administration costs must be adjusted in this context to the actual situation in the market. Following analysis of a large number of transactions the independent surveyors acting on the request of listed property companies concluded in a working party that, since fiscal engineering takes place on a large scale in various forms (completely within the law), the impact of the transaction costs on large investment property in the Belgian market with a value of more than EUR 2.5 million is limited to 2.5%. The value with additional costs borne by the seller therefore corresponds to the fair value plus 2.5% administration costs. Fair value is consequently calculated by dividing the value with additional costs borne by the seller by 1.025. Properties below the threshold of EUR 2.5 million and foreign properties are subject to the usual registration regime and their fair value therefore equals the 'value with costs borne by the buyer'.

As independent surveyors we have a relevant and recognised professional qualification as well as recent experience with properties of a similar category and location to the properties being valued in the property portfolio of WDP.

The estimates of the properties take account of both current rental agreements and all rights and obligations arising from those agreements. Each property was estimated separately. The estimates do not take account of potential additional value that could be realised by offering the portfolio as a whole in the market. Our estimates also do not take account of marketing costs specific to a transaction, such as estate agents' fees or advertising costs. Our estimates are based on an annual inspection of the properties concerned and also take account of the information provided by WDP regarding the rental situation, surface areas, drafts or plans, rental costs and taxes relating to the property concerned, conformity and environmental pollution. The information supplied was considered to be accurate and complete. Our estimates assume that information not provided to us would not affect the value of the asset.

On the basis of the statements in the preceding paragraphs, we can confirm that the investment value of WDP's real estate property (excluding solar panels) at 31 December 2010 is EUR 854,119,400 (eight hundred fifty-four million one hundred nineteen thousand four hundred euros).

The fair value was determined at EUR 826,573,600 (eight hundred twenty six million five hundred seventy three thousand six hundred euros) at 31 December 2010.

Conclusions of the independent surveyors

The contractual rental income amounts to EUR 59,218,000, which corresponds to an initial rental yield of 7.87% compared to the fair value of the completed properties. After addition of the estimated market rental value for non-let sections to the contractual rental income, this amounts to EUR 62,432,100, which corresponds to an initial rental yield of 8.30%.

Yours faithfully,

Koen Nevens
CEO Cushman & Wakefield

Philippe Janssens
Managing Director
Stadim

WDP shares

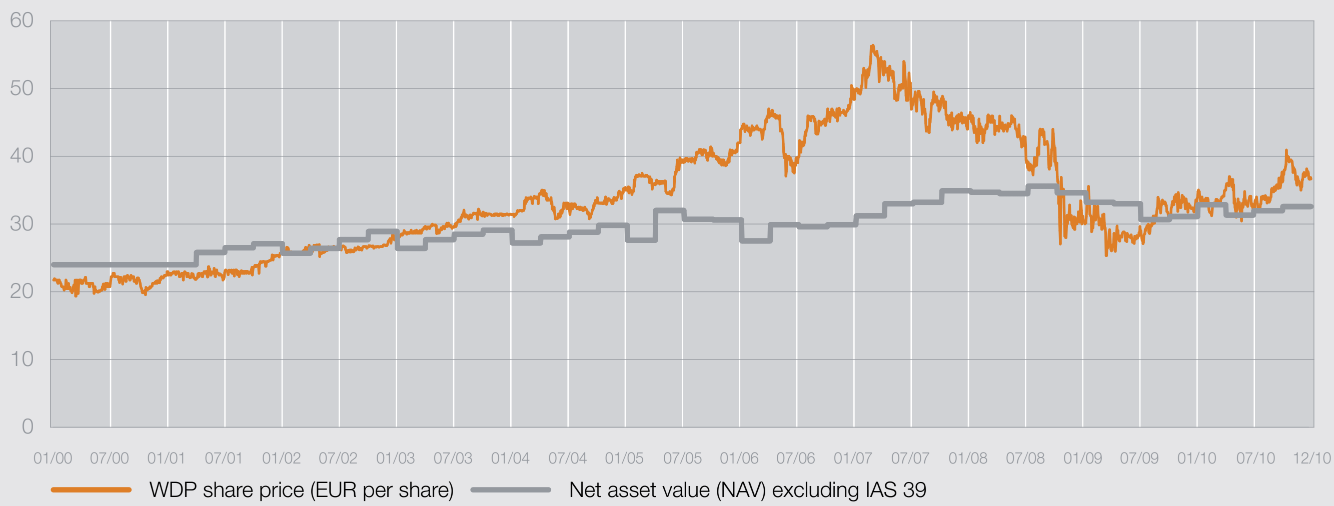
Share price

After a difficult period that began in late 2009, WDP shares continued their recovery on the Euronext exchange in Brussels in 2010. During the first few months of 2010, shares gradually increased from EUR 34.80 on 31 December 2009 to a pinnacle of EUR 37.20 in April – the month *before* the date on which the dividends are paid, in which shares traditionally peak due to the distribution of dividend. Once the dividend had been distributed, the share price stabilised at around EUR 32, slightly below the net asset value of EUR 32.58 (excluding IAS 39).

After hovering between EUR 32 and EUR 35 during the summer months, WDP shares increased spectacularly in September and October, even briefly exceeding the EUR 40 mark. This sudden increase could be attributed to the extremely low long-term interest rates at that time. WDP shares declined slightly towards the end of the year, and on 31 December 2010 they closed at EUR 36.65, still significantly higher than the net asset value (excluding IAS 39 result).

These share-price movements show that WDP continued to be able to limit the impact of the crisis in 2010, which can be credited to the same factors that ensured that the investors have maintained their confidence in the company throughout. The first of these factors is the importance that potential investors and shareholders attach to the added value offered by WDP. This includes our position as the Belgian market leader in semi-industrial property, and the favourable tax environment in which we operate in Belgium, France and – since recently – the Netherlands. There is also the fact that WDP is a self-managed fund, where the management is conducted within the company and is completely at the service of the shareholders. Additionally, the property portfolio provides investors with the scale they need in specific regions, and the company offers a stable dividend.

Comparison between share price and net asset value (NAV)



WDP shares

Velocity and liquidity

Investors' continued confidence is also evident from the consistently high liquidity of the shares. In 2010, an average of 12,801 WDP shares were traded on a daily basis, increasing velocity – i.e. the number of shares traded per year divided by the total number of shares at year end – to 26.35%.

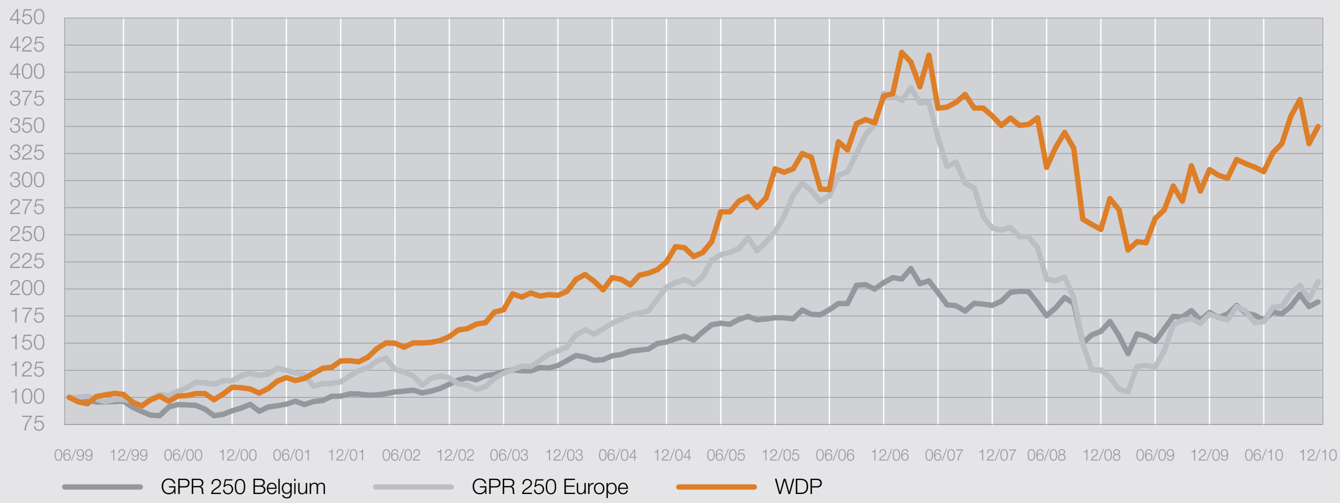
Return[1]

As of 31 December 2010, WDP's return was 12.82%. Global Property Research's GPR 250 EUROPE index showed the average return for European exchange-listed property at the end of December to be 16.95%. WDP's return on equity is significantly higher than the average return for Belgian property shares, which, at the end of December, the GPR 250 BELGIUM index showed to be 5.48% on an annual basis. On 31 December, gross return of the Bel20 index was 2.67%. For additional information, please refer to the monthly update on **www.wdp.be**.

Data provided by Global Property Research also shows that, in the past eleven years, WDP – since going public at the end of June 1999 – still scores significantly higher with its return of 11.86% than do European property (6.49%), Belgian property (5.53%) and the Bel20 index (-1.67%).

1 The return on a share during a specific period is equal to gross return, which includes the following components:
- the difference between the share price at the end of the period and the beginning of the period;
- gross dividend (i.e. dividend before deduction of withholding tax);
- gross return of the dividend received if this is reinvested in the same share.

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



WDP shares

In other words, WDP continued to offer a strong return in 2010, despite the fact that the semi-industrial property sector is experiencing the impact of the economic downturn with some delay, which means it is generally still affected by the crisis. Nevertheless, WDP is performing well compared to the Belgian property sector as a whole and the Bel20 index. Although return has not reached the 2009 level of 27.39%, it is important to note that this record result could be attributed to the capital increase with pre-emptive rights. This enabled existing shareholders to subscribe at an attractive price or sell their rights.

WDP remains committed to generating strong cash flow as a basis for a high dividend, despite the current economic climate. The company also firmly believes that the quality of the property portfolio and the tenants, along with the consistently high dividend, translate into a positive outlook for the future.

Figures per share (in EUR)	31-12-2010	31-12-2009	31-12-2008
Number of shares in circulation on closing date	12,533,938	12,533,938	8,592,721
Free float	69%	69%	69%
Market capitalisation	459,368,828	425,267,516	259,070,538
Traded volume in shares per year	3,302,753	3,054,119	3,030,374
Average daily volume in EUR	445,031	368,087	472,582
Velocity*	26.35%	24.37%	35.27%
Stock exchange price			
- highest	40.92	36.04	46.11
- lowest	30.10	24.89	27.05
- closing	36.65	33.93	30.15
Net asset value after profit distribution**	29.62	29.27	30.41
Net asset value after profit distribution** (IAS 39 result excl.)	32.58	32.05	33.20
Dividend payout ratio	95%	95%	88%
Net result / share	3.11	3.14***	3.34
Gross dividend / share	2.94	2.94	2.94
Net dividend / share	2.50	2.50	2.50

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

** *Net asset value = equity before profit distribution of the current financial year.*

*** *Earnings per share are calculated on a pro-rata-temporis basis for the number of shares entitled to dividend for 2009 (first six months 9,400,454, from 01-07-2009 12,533,938).*

Euronext Brussels
IPO: 28-06-1999
trading: continuous
ISIN-code: BE0003763779
liquidity provider: Petercam

Financial report

Financial agenda

General Meeting – Wednesday 27 April 2011

Announcement of the 1st quarter results for 2010 – Tuesday 17 May 2011

Announcement of half-yearly results 2011 – Wednesday 24 August 2011

Announcement of the third quarter results for 2011 – Tuesday 15 November 2011

Announcement of the annual results 2011 – week 8–9 2012

(The financial agenda regarding the passing for dividend payment for 2010 was incomplete as of the date of publication of this annual financial report, as the terms of distribution had not yet been determined. We would therefore like to refer you to an update of these details on our website, www.wdp.be.)

2010 Annual consolidated financial statements

Profit and loss account

EUR (x 1,000)	Note	31-12-2010	31-12-2009
I. Rental Income	XXV	**58,137**	**54,895**
Rents		57,560	54,780
Indemnification for early termination of lease		577	115
III. Costs associated with rentals		**-152**	**-768**
Rent to be paid for leased premises		-323	-241
Reductions in value on trade receivables		-54	-667
Reversals and reductions in value on trade receivables		225	140
NET RENTAL RESULT		**57,985**	**54,127**
V. Recovery of rental charges normally paid by the tenant on let properties		**5,275**	**5,025**
Re-invoicing of rental charges normally paid by the owner		2,129	2,145
Re-invoicing of advance property levy and taxes on let property		3,146	2,880
VII. Rental charges and taxes normally paid by the tenant on let properties		**-6,085**	**-5,629**
Rental charges normally paid by the owner		-2,203	-2,335
Advance property levy and taxes on let property		-3,882	-3,294
VIII. Other income and charges related to leases		**5,490**	**4,250**
Property management fees		461	546
Income from solar energy		5,029	3,704
PROPERTY RESULT		**62,665**	**57,773**
IX. Technical costs		**-963**	**-997**
Recurrent technical costs		-935	-955
- Repairs		-663	-663
- Insurance premiums		-272	-292
Non-recurring technical costs		-28	-42
- Major repairs (building contractors, architects, engineering firm, etc.)		1	1
- Accidents		-207	-78
- Claims paid by insurers		178	35
X. Commercial costs		**-399**	**-387**
Agency commissions		-103	-102
Publicity		-60	-81
Lawyers fees and legal charges		-236	-204
XII. Property management costs		**77**	**301**
Fees paid to external managers		-42	-104
(Internal) property management costs		119	405
PROPERTY CHARGES		**-1,285**	**-1,083**
PROPERTY OPERATING RESULTS		**61,380**	**56,690**
XIV. General company expenses		**-3,831**	**-3,325**
OPERATING RESULTS FOR THE RESULT ON PORTFOLIO		**57,549**	**53,365**

2010 Annual consolidated financial statements
Profit and loss account

EUR (x 1,000)	Note	31-12-2010	31-12-2009
XVI. Result on disposals of investment property	XIX	**-69**	**11**
Net property sales (selling price – transaction costs)		20,380	3,007
Book value of the property sold		-20,449	-2,996
XVIII. Variations in the fair value of investment property	XX	**-5,538**	**-26,791**
Positive variations in the fair value of investment property*		14,851	7,985
Negative variations in the fair value of investment property		-19,710	-37,662
Impairment of assets under construction (recognised and reversed)		-679	2,886
OPERATING RESULT		51,942	26,585
XIX. Financial income		**7,792**	**4,248**
Interest and dividends received		1,009	1,208
Remuneration of finance leases and related products		18	23
Income from financial instruments used for hedging purposes	VII	6,266	2,948
Other financial income		499	69
XX. Interest charges		**-19,914**	**-19,102**
Nominal interest on loans		-21,569	-22,468
Interest capitalised during construction		1,702	3,380
Other interest charges		-47	-14
XXI. Other financial charges		**-8,619**	**-14,155**
Bank charges and other commissions		-33	-41
Costs of financial instruments used for hedging purposes	VII	-8,522	-13,871
Other financial charges		-64	-243
FINANCIAL RESULT	XXI	-20,741	-29,009
PRE-TAX RESULT		31,201	-2,424
XXII. Corporate tax		**2,482**	**2,861**
Corporate tax		-865	-221
Deferred taxes on market fluctuations		-1,735	-568
Positive deferred taxes on market fluctuations		3,269	5,337
Deferred tax on reversal of amortisation		990	-664
Deferred tax on major maintenance provisions		328	-52
Future tax benefits resulting from recoverable losses		-78	0
Other deferred taxes		573	-971
XXIII. Exit tax		**-1,081**	**0**
TAXES	XXII	1,401	2,861
NET RESULT		32,602	437
Attributable to:			
- Shareholders of the parent company		32,602	437
- Minority interests		0	0
NUMBER OF SHARES		12,533,938	12,533,938
NET EARNINGS PER SHARE (EUR)		2.60	-0.21

* *This relates only to positive variances of investment property. Positive variations in the fair value of solar panels are taken directly to equity, under 'Reserves – Revaluation reserve' in accordance with IAS 16.*

Other components of comprehensive income

EUR (x 1,000)	Note	31-12-2010	31-12-2009
NET PROFIT		32,602	437
Positive variations in the fair value of solar panels		3,892	12,779
Currency exchange differences		4	-574
OTHER COMPONENTS OF COMPREHENSIVE INCOME		3,896	12,205
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		36,498	12,642
Attributable to:			
- Shareholders of the parent company		36,498	12,642
- Minority interests		0	0

2010 Annual consolidated financial statements
Balance sheet

EUR (x 1,000)	Note	31-12-2010	31-12-2009
FIXED ASSETS		906,498	883,846
B. Intangible assets	III	**422**	**286**
C. Investment property	IV, V	**821,511**	**815,392**
E. Other tangible assets	VI	**65,773**	**55,232**
- Tangible assets for own use		65,773	55,232
F. Financial fixed assets	VII	**12,535**	**11,737**
- Assets held until maturity		1,107	593
Hedging instruments		1,107	593
- Loans and liabilities		11,428	11,144
Other		11,428	11,144
G. Financial lease receivables	VIII	**107**	**195**
I. Trade receivables and other non-current assets	IX	**6,150**	**168**
J. Deferred taxes – assets		**0**	**836**
CURRENT ASSETS		15,883	32,230
A. Assets held for sale	X	**2,850**	**14,199**
- Investment property		2,850	14,199
C. Financial lease receivables	VIII	**88**	**83**
D. Trade debtors	XI	**7,812**	**9,678**
E. Trade benefits and other current assets	XII	**1,824**	**3,108**
- Taxes		507	2,000
- Other		1,317	1,108
F. Cash and cash equivalents		**1,209**	**2,204**
G. Accruals and deferred income		**2,100**	**2,958**
TOTAL ASSETS		922,381	916,076

2010 Annual consolidated financial statements
Balance sheet

EUR (x 1,000)	Note	31-12-2010	31-12-2009
EQUITY		371,286	366,843
I. Equity attributable to the parent company's shareholders		**371,286**	**366,843**
A. Capital	XIII	97,853	97,853
- Subscribed capital		100,522	100,522
- Costs capital increase		-2,669	-2,669
B. Premiums on issue		63,960	63,960
D. Reserves (including profit / loss)		236,070	231,129
F. Impact on the fair value of costs and transfer taxes estimated at the time of the notional transfer of the investment property and of the valuation of development projects at cost		-27,626	-27,124
H. Exchange rate differences		1,029	1,025
LIABILITIES		551,095	549,233
I. Long term commitments		**411,691**	**413,651**
A. Provisions	XIV	1,115	1,188
- Other		1,115	1,188
B. Long term financial debts	XV	373,415	373,726
- Credit institutions		337,913	336,877
- Financial leasing		27,434	29,174
- Other		8,068	7,675
C. Other long term financial commitments		35,315	32,509
- Hedging instruments		35,315	32,509
F. Deferred taxes – Liabilities		1,846	6,228
- Other		1,846	6,228
II. Short term commitments		**139,404**	**135,582**
B. Short term financial debts	XV	127,501	121,777
- Credit institutions		123,633	116,446
- Financial leasing		3,368	4,795
- Other		500	536
D. Trade payables and other current debts		8,235	10,631
- Exit tax		1,081	0
- Other		7,154	10,631
Suppliers		5,555	9,436
Taxes, remunerations and social security contributions		1,599	1,195
E. Other short term commitments	XVI	454	546
- Other		454	546
F. Accruals and deferred income		3,214	2,628
TOTAL LIABILITIES		922,381	916,076

2010 Annual consolidated financial statements
Cash flow statement

EUR (x 1,000)	31-12-2010	31-12-2009
CASH AND CASH EQUIVALENTS, OPENING BALANCE	2,204	1,273
NET CASH FROM OPERATING ACTIVITIES	56,301	46,998
1. Cash flows concerning operations	**56,557**	**46,655**
Profit / loss from company activities	54,506	22,047
Profit for the year	32,602	437
Interest charges	21,648	21,953
Interest received	-609	-564
Income tax	865	221
Adjustments to non-monetary items	4,712	35,325
Write-downs	440	262
Depreciations	-171	527
Increase (+) / decrease (-) in provisions	-73	-85
Variations in the fair value of investment property	5,538	26,791
Increase (+) / decrease (-) in deferred taxes	-3,347	-3,082
Variations in fair value of financial derivatives	2,256	10,923
Increase in sales	69	-11
Increase (+) / decrease (-) in working capital	-2,661	-10,717
Increase (+) / decrease (-) in assets	-2,095	-3,094
Increase (+) / decrease (-) in liabilities	-570	-7,053
Other	4	-570
2. Cash flows concerning other operating activities	**-256**	**343**
Interest received classified by operating activities	609	564
Income tax paid / received	-865	-221
NET CASH FLOWS CONCERNING INVESTMENT ACTIVITIES	-8,556	-91,478
1. Purchases	**-28,936**	**-94,485**
Acquisition payments for property investments	-21,711	-84,042
Acquisitions of other tangible and intangible fixed assets	-7,225	-10,443
2. Disposals	**20,380**	**3,007**
Receipts from sale of investment property	20,380	3,007
NET CASH FLOWS CONCERNING FINANCING ACTIVITIES	-48,740	45,411
1. Loan acquisition	**125,073**	**83,005**
2. Loan repayment	**-119,625**	**-72,645**
3. Financing granted to WDP Development RO joint venture	**-284**	**-822**
4. Interest paid	**-21,648**	**-21,953**
5. Dividends paid	**-32,256**	**-13,142**
6. Capital increase	**0**	**70,968**
NET INCREASE IN CASH AND CASH EQUIVALENTS	-995	931
CASH AND CASH EQUIVALENTS, CLOSING BALANCE	1,209	2,204

2010 Annual consolidated financial statements

Consolidated statement of changes of the equity capital 2010

EUR (x 1,000)	Capital Placed capital	Costs capital increase	Premium on issue	Reserves	Impact*	Exchange rate differences	Total equity
EQUITY AT START OF THE YEAR 2010	**100,522**	**-2,669**	**63,960**	**231,129**	**-27,124**	**1,025**	**366,843**
Profit for the year				32,602			**32,602**
Other components of comprehensive income				3,892		4	**3,896**
Impact on the real value of estimated transfer taxes and charges for the hypothetical disposal of property				502	-502		**0**
Dividends distributed (dividend for the previous financial year)				-32,256			**-32,256**
Other				201			**201**
EQUITY AT END OF THE YEAR 2010	**100,522**	**-2,669**	**63,960**	**236,070**	**-27,626**	**1,029**	**371,286**

* *Impact on the real value of estimated transfer taxes and charges for hypothetical disposal of investment properties (-): these are the transaction charges that must be paid for the hypothetical disposal of the investment properties. These amount to 2.6% on average for Belgian investment properties (2.5% for properties with a value exceeding the amount of EUR 2.5 million; for lower amounts, the full transaction fee applies), 6.4% on average for Dutch investment properties, an average of 3.1% for French investment properties, an average of 2.0% for Czech investment properties and an average of 3.0% for Romanian investment properties. The fair value against which the investment properties are assessed consists of the investment value reduced by the transaction charges.*

2010 Annual consolidated financial statements

Consolidated statement of changes of the equity capital 2009

EUR (x 1,000)	Capital		Premium on issue	Reserves	Impact*	Exchange rate differences	Total equity
	Placed capital	Costs capital increase					
EQUITY AT START OF THE YEAR 2009	**68,913**	**0**	**0**	**212,901**	**-22,106**	**1,599**	**261,307**
Profit for the year				437			**437**
Other components of comprehensive income				12,779		-574	**12,205**
Impact on the real value of estimated transfer taxes and charges for the hypothetical disposal of property				5,018	-5,018		**0**
Capital increases	31,609	-2,669	63,960	-10			**92,890**
Other				4			**4**
EQUITY AT END OF THE YEAR 2009	**100,522**	**-2,669**	**63,960**	**231,129**	**-27,124**	**1,025**	**366,843**

* *Impact on the real value of estimated transfer taxes and charges for hypothetical disposal of investment properties (-): these are the transaction charges that must be paid for the hypothetical disposal of the investment properties. These amount to 2.5% on average for Belgian investment properties, 6.3% on average for Dutch investment properties, an average of 3.2% for French investment properties, an average of 2.0% for Czech investment properties and an average of 3.0% for Romanian investment properties. The fair value against which the investment properties are assessed consists of the investment value reduced by the transaction charges.*

2010 Annual consolidated financial statements
Notes

GENERAL INFORMATION ABOUT THE COMPANY

WDP (Warehouses De Pauw) is a closed-end real estate investment company and takes the form of a limited company with share capital under Belgian law. Its registered offices are at Blakebergen 15, 1861 Wolvertem (Belgium).
The telephone number is +32 (0)52 338 400.

The company's annual consolidated financial statements as of 31st December 2010 include the company and its subsidiaries. The financial statements have been drawn up and their publication authorised by the meeting of the Board of Directors of 31 March 2011.

WDP is listed on Euronext Brussels.

BASIS OF PRESENTATION

The consolidated financial statements are drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and administrative regulations applicable in Belgium. These standards include all new and revised standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), insofar as they apply to the group's activities and are effective for the financial years starting on or after 1 January 2010.

The consolidated financial statements are presented in EUR thousands, rounded to the nearest thousand. The 2009 and 2010 financial years are presented in this report. We refer to the 2008 and 2009 annual reports for historical financial information on the 2008 financial year.

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

Standards and interpretations effective for the financial year beginning on 1 January 2010

- IFRS 3 *Business Combinations* (effective for business combinations for which the acquisition date is on or after the beginning of the first financial year, on or after 1 July 2009). This standard replaces IFRS 3, *Business Combinations*, as issued in 2004.
- Improvements to IFRS (2008-2009) (effective for financial years beginning on or after 1 January 2010).
- Amendments to IFRS 1 First-time Adoption of IFRS – *Additional Exemptions* (effective for financial years beginning on or after 1 January 2010).
- Amendments to IFRS 2 *Share-based Payment* (amendments effective for financial years beginning on or after 1 January 2010).
- Amendments to IAS 27 *Consolidated and Separate Financial Statements* (amendments effective for financial years beginning on or after 1 July 2009). This standard is an amendment to IAS 27 *Consolidated and Separate Financial Statements* (revised in 2003).
- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* (effective for financial years beginning on or after 1 July 2009).
- IFRIC 12 *Service Concession Arrangements* (effective for financial years beginning on or after 1 April 2009).
- IFRIC 15 *Agreements for the Construction of Real Estate* (effective for financial years beginning on or after 1 January 2010).
- IFRIC 16 *Hedges of a Net Investment in Foreign Operations* (effective for financial years beginning on or after 1 July 2009).
- IFRIC 17 *Distribution of Non-cash Assets to Owners* (effective for financial years beginning on or after 1 November 2009).

- IFRIC 18 *Transfers of Assets from Customers* (effective for financial years beginning on or after 1 November 2009).

New or revised standards and interpretations that are not yet effective

Several new standards, revised versions of existing standards and interpretations have not yet entered into force in 2010 but can be adopted in advance of their effective dates. Warehouses De Pauw has not yet adopted these, unless stated otherwise. The impact of their adoption – insofar as these new standards, revised versions or existing standards and interpretations are relevant to Warehouses De Pauw – on the consolidated financial statements for 2010 and the following years is presented below

- IFRS 9 *Financial Instruments* (effective for financial years beginning on or after 1 January 2013).
- Improvements to IFRS (2009-2010) (normally effective for financial years beginning on or after 1 January 2011).
- Amendments to IFRS 1 *First-time Adoption of IFRS – Exemptions from IFRS 7* (effective for financial years beginning on or after 1 July 2010).
- Amendments to IFRS 1 *First-time Adoption of IFRS – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (effective for financial years beginning on or after 1 July 2011).
- Amendments to IFRS 7 *Financial Instruments: Disclosures – Off-Balance Sheet Items* (effective for financial years beginning on or after 1 July 2011).
- Amendments to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* (effective for financial years beginning on or after 1 January 2012).
- Amendments to IAS 24 *Related Party Disclosures* (effective for financial years beginning on or after 1 January 2011). This standard replaces IAS 24 *Related Party Disclosures as issued in 2003*.
- Amendments to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* (effective for financial years beginning on or after 1 February 2010).
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* (effective for financial years beginning on or after 1 July 2010).
- Amendments to IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement* (effective for financial years beginning on or after 1 January 2011).

ACCOUNTING RULES

1. Consolidation principles

Subsidiaries
Subsidiaries are entities over which the company exercises control. Control exists when the company has the power, directly or indirectly, to guide the financial and operational management of an entity for the purpose of gaining advantage out of its activities. The annual accounts of the subsidiaries are taken up into the consolidation from the date of acquisition up to the end of the control.

The minority interests are the interests in the subsidiaries that are not held directly or indirectly by the Group.

Joint Ventures
Joint ventures are the companies over which the Group has joint authority, specified by contractual agreement. Such joint authority is applicable when the strategic financial and operational decisions with respect to the activities require unanimous agreement from the parties that share the authority (the shareholders in the joint venture). The consolidation of a joint venture proceeds

according to the proportional method. This is applicable from the date on which the joint control is exercised up to the date on which it finishes.

Transactions eliminated from consolidation

All transactions between the group companies, balances and unrealized profits and losses on transactions between companies of the group are eliminated in the making up of the consolidated annual accounts.

2. Business combinations and goodwill

When WDP acquires the control over an integrated set of activities and assets, as defined in IFRS 3 *Business Combinations*, the identifiable assets, obligations and conditional obligations of the acquired company will be booked to their fair value on the purchase date.

The goodwill represents the positive difference between the acquisition cost and the part of the Group in the fair value of the acquired net assets. If this difference is negative ('negative goodwill' it is immediately booked in the result after a re-evaluation of the values.

After the initial take-up the goodwill is not written down, but subject to an 'impairment' test which is carried out each year with the cash flow generating units to which the goodwill is allocated. If the book value of a cash flow generating unit exceeds the operating value, the loss of value following from this will be booked in the result and in the first instance included in the reduction of the possible goodwill and then subsequently to the other assets of the unit, in proportion to their book value. A write down on the goodwill is not retaken in a later financial year.

3. Foreign currency

The individual financial statements of each group member are presented in the currency unit of the primary economic environment in which the entity is active (its functional currency). For drafting the consolidated annual accounts, the results and the financial position of each entity are expressed in euro, specifically the functional currency of the parent company and the currency for presenting the consolidated annual accounts.

Transactions in foreign currency

Transactions in foreign currency are immediately booked at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are converted at the end rate.

Realised and unrealised currency exchange rate differences are included in the profit and loss account subject to those in relation to intra-group loans which fulfil the definition of a net investment in a foreign activity, in that case the currency exchange differences are included in a separate component of the equity capital and are integrated in the profit and loss account after disposal of a net investment.

Foreign activities

Assets and liabilities are converted at the end rate, except the property, which is converted at the historic rate. The profit and loss account is converted at the average rate over the financial year.

The conversion differences resulting from this are included in a separate component of the equity capital. These conversion differences are included in the profit and loss account when the foreign entity is disposed of, sold or liquidated.

4. Investment property

Lands and buildings, held to acquire rental income in the long term, are included as investment property. Investment property is valued on first recording at the purchase price, including the transaction costs and direct attributable costs.

Lands held with the intention of starting project developments on them with a view to the later lease and long term increase in value but for which no concrete construction plans or project developments (as stated in the definition of project developments) have started (land bank), are also considered investment property.

The financing costs that are directly imputed to the acquisition of an investment property are capitalised as well. If specific funds were borrowed for a specific asset, the actual financing costs of that loan capitalised during the period are reduced with any investment income from the temporary investment of that loan.

After initial take-up the valuation of the investment property is realised in accordance with IAS 40 at its fair value. From the standpoint of the seller the valuation must be included subject to the deduction of the registration charges. Independent surveyors conducting regular valuations of cepic properties consider that for transactions involving buildings with an overall value of less than EUR 2.5 million in Belgium, registration fees of between 10 and 12.5% should be included, according to the region in which the property is situated.

For transactions concerning properties with an overall value of more than EUR 2.5 million, property experts have established the weighted-average cost at 2.5%, owing to the range of property transfer methods available in Belgium. This percentage will be revised each year as necessary by increments of 0.5%. The surveyors will confirm the agreed percentage to be deducted in their regular reports to shareholders. The independent surveyors take account of the theoretical local registration fees for property situated outside Belgium. Profits or losses resulting from the change in the fair value of investment property (including profits or losses resulting from the difference between the purchase price and the first valuation at the fair value) are included in the result and are imputed to the reserves at the profit appropriation. Then the difference between the investment value (i.e. the price a third party investor would be prepared to pay in order to acquire each of the buildings or the portfolio, with the intention of benefiting from the rental income subject to assuming the related costs without deduction of the transaction charges) and the fair value (after deduction of the registration fees), is reclassified from the reserves within the equity capital to the separate section F. 'Impact on the fair value of estimated transaction fees and charges on notional disposal of investment property'. At the sale of the property the capital gains realised consist of the difference between the net sale value and the last book value. The section F. must be counter booked in relation to the unavailable reserve.

Property being constructed or developed for future use as investment property (project developments) is also included in the category 'Investment property' at fair value.

Following initial recognition, projects are valued at fair value. This fair value also reflects significant development risks, for which purposes all of the following criteria must have been met: there is a clear understanding of the project costs to be incurred, all permits required to implement the project development have been obtained and a substantial part of the project development has been pre-let (definitive signed lease contract). This fair value measurement is based on the valuation by the property surveyor (applying the customary methods and assumptions) and takes account of costs still to be incurred for the full completion of the project.

All costs that are directly related to the purchase or construction of property and all further investment costs are included in the cost of the development project. Financing costs which can be directly imputed to the construction of investment property are also capitalised.

The capitalisation of financing costs as part of the cost price of an eligible property must begin at the moment that:

- disbursements are made for the property;
- financing costs are incurred;
- activities are in progress to prepare the property for its intended use.

The activities required to prepare the asset for its intended use, comprise more than the physical construction of the property. They also include the technical and administrative work before the commencement of the actual construction, such as activities in connection with the acquisition of permits.

However such activities do not include holding a property if no production or development is taking place which changes the condition of the property:

- financing costs that are for instance incurred while land is made ready, are capitalised during the period in which the activities are realised in connection with this;
- on the other hand financing costs incurred in the period that the land is held for construction purposes without any development activity taking place, are not eligible for capitalisation.

The capitalisation of financing costs is suspended for long periods in which the active development is suspended. The capitalisation is not suspended during a period in which extensive technical and administrative activities are carried out. Nor is the capitalisation suspended if a temporary delay constitutes an essential part of the process to prepare a property for its intended use or sale.

At the end of each quarter these development projects are subject to a test for special decrease in value (see '7 Special amortisation').

5. Other tangible fixed assets

General

Other tangible assets are valued at their cost price minus the accumulated amortisation and write-downs. The cost price includes all direct imputable costs and the relevant part of the indirect costs incurred to make the asset ready for use.

Future disbursements for repairs are immediately recorded in the result unless they increase the future financial profits of the asset.

The straight-line amortisation method is applied over the estimated lifetime of the assets. The lifetime and the amortisation method are revised at least annually at the end of each financial year. The tangible assets are amortised according to the following percentages:

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

Solar panels

These are valued on the basis of the revaluation mode in accordance with IAS – 16 *Tangible assets*. After the initial inclusion the asset for which the fair value may be reliably established must be booked at the revalued value, being the fair value at the time of the revaluation, minus any amortizations accumulated subsequently and special amortisation losses accumulated later. The fair value is defined on the basis of the discount method of future returns.

The lifetime of solar panels is estimated at 30 years.

The added value at the start-up of a new site is included in a separate component of the equity capital. Write-downs are also included in this component, unless they are realised or unless the fair value falls below the original cost. In the latter case they are included in the result.

6. Leasing

WDP as lessee

A lease contract is classed as a financial lease if it transfers almost all the risks and benefits connected to the property to the lessee. All other forms of lease are considered operational leases.

Financial leases are recorded as assets and liabilities in the balance sheet at the fair value of the leased asset at the start of the period of the lease, or if lower, at the cash value of the minimal lease payments. The minimal lease payments are recorded partly as settlement of the outstanding debt in a way that this results in a constant periodic interest over the remaining balance or obligation. The financial charges are directly made payable by the result. Conditional lease payments are included as charges in the periods in which they are carried out.

Lease payments on the basis of operational leases are recorded on a basis proportionate to the time during the period of the lease, unless a different systematic imputable method is more representative for the time pattern of the benefits enjoyed by the user. Benefits (to be) received as a stimulus to conclude an operational lease contract are also spread across the period of the lease on a time proportionate basis.

WDP as lessor

If a lease contract complies with the conditions of a financial lease (according to IAS 17), WDP will, as lessor, recognise the lease contract at its start in the balance sheet as a receivable for an amount equal to the net investment in the lease contract. The difference between the latter amount and the book value of the leased property (excluding the value of the residual right held by WDP) at the start of the lease contract will be recognised in the profit and loss account for that period. Each periodic payment made by the lessee will be partly recognised by WDP as a repayment of the capital and partly as financial income based on a constant periodic return for WDP.

The residual right held by WDP will be recognised at its fair value on each balance sheet date. This value will increase each year and will correspond to the market value of the full right of ownership at the end of the lease. These increases will be recognised under the section 'Variations in fair value of investment property' in the profit and loss account.

7. Special amortisation

On the balance sheet date is verified whether there is an indication that the book value of an asset is higher than the realisable value, for tangible and intangible assets in the group.

If such indications are present, the realisable value of the asset must be estimated. Goodwill is annually subject to a test for special amortisation, regardless of whether there is an indication.

A special amortisation is booked if the book value of an asset or the cash flow generating unit to which the asset belongs is higher than the realisable value.

The realisable value is the highest of the operating value and the real value minus the sales charges. The 'operating value' is the capitalised value of the expected future cash flows for the continued use of the asset and its disposal at the end of its period of use on the basis of a discount rate that takes account of the current market evaluations for the time value of the cash and the risks inherent to its assets. The 'fair value minus sales charges' is the amount that may be realised from the sale of an asset in a commercial, objective transaction between well-informed independent parties between whom there is a consensus ad idem, after deduction of the disposal costs.

For an asset that does not generate significant cash income itself the realisable value is established for the cash flow generating unit to which the asset belongs.

For development projects the realisable value is established each quarter by the property experts.

If the book value of an asset or a cash flow generating unit is higher than the realisable value, the surplus is recorded immediately as a special amortisation in the profit and loss account.

Special amortisations recorded in previous financial years are reversed if a later increase of the realisable value can be connected on an objective basis with a circumstance or event that took place after the special amortisation was booked. Special amortisation on goodwill is not reversed.

8. Financial instruments

Receivables

Amounts receivable are initially booked at the face value and are then valued at the amortised cost price on the basis of the actual interest method. Suitable special amortisation losses are recorded in the profit and loss account at estimated unrealisable amounts if there are objective indications that special amortisation loss has occurred. The amount of the loss is established as the difference between the book value of the asset and the cash value of the future, estimate cash flows, made cash at original actual interest rate with the first inclusion.

Cash and cash equivalents

Cash consists of cash and the deposits immediately payable. Cash equivalents are current, extremely liquid investments that can immediately be covered into a known amount in cash funds and that have a duration of three months or less and do not incur any material risk of changes in value.

Financial debts and equity capital instruments

Financial debts and equity capital instruments issued by the Group are classed on the basis of the economic reality of the contractual agreements and the definitions of a financial obligation and an equity capital instrument. An equity capital instrument is each contract that includes the remaining interest in the assets of the Group, after deduction of all debts. The principles for financial reporting in connection with specific financial debts and equity capital instruments are described below.

Bank loans

Interest-bearing bank loans and overdrafts are initially valued at their face value and are subsequently according to the amortised cost price calculated on the basis of the actual interest method. Each difference between the receipts (after transaction costs) and the settlement or payment of a loan are included over the term of the loan and this in accordance with the principles for financial reporting in relation to financing costs, applied by the Group (see above).

Commercial debts

Commercial debts are initially valued at the face value and are subsequently valued according to the amortised cost price calculated on the basis of the effective interest method.

Equity capital instruments

Equity capital instruments issued by the company are included for the amount of the amounts received (after deduction of the imputable issue costs).

Derivatives

The Group uses derivatives in order to limit the risks in relation to unfavourable interest rates resulting from the operational, financial and investment activities. The Group does not use these instruments for speculative purposes, does not hold any derivatives and does not issue derivatives for commercial purposes (trading).

Derivatives are valued at the fair value in conformity with IAS 39. The derivatives that are currently used by WDP do not qualify as hedges. As a consequence the changes in the fair values are immediately recorded in the result.

9. Assets held for sale

Disposed fixed assets and groups of assets are classified as ‘held for sale’ if their book value will mainly be realised in a sale transaction and not by their continued use. This condition is solely fulfilled if the sale is highly likely and the asset (or group of assets disposed) will be immediately available for sale in its current state.

A fixed asset (or group of assets disposed) that is classed as held for sale is recorded at the lowest value of its book value and its fair value minus the sale costs.

An investment property intended for sale is valued in the same way as other investment properties (at fair value). These investment properties are presented separately in the balance sheet.

10. Provisions

A provision is included when:

- The group has an existing – legally enforceable or de facto – obligation resulting from a prior event;
- it is probable that financial resources will have to be spent to accomplish this commitment; and
- the amount of the commitment can be reliably estimated.

The amount included as a provision is the best estimate at the balance sheet date of the expenses needed to fulfil the existing obligation, if necessary discounted if the time value of the money is relevant.

11. Staff remunerations

The company has a number of promised contribution arrangements.

A promised contribution arrangement is a pension plan in which the company disposes fixed amounts to a separate company. The company does not have any obligation, either legally or de facto, to pay further contributions if the fund should not have sufficient assets to pay the pensions of all the staff in connection with the services they provided in current or previous employment periods.

Contributions are recorded as charges when they are owed and are then recorded in the personnel costs.

For personnel with permanent employment the remunerations, supplementary rewards, redundancy compensation, the dismissal and rupture indemnities are recorded in the profit and loss account in the period to which they are related.

12. Income

The rental income includes rents, income from operational lease contracts and income that is directly related to this, such as compensation for leases terminated in advance.

Income is valued at the fair value of the indemnity received or to which a right is acquired. Income is only included if it is likely that the financial benefits will accrue to the entity and may be established with sufficient certainty.

The rental income, the operational lease payments received and the other income and costs are recorded in the profit and loss account in the periods to which they relate.

The indemnities are spread over time for lease contracts terminated in advance over the number of months of rent that the tenant pays as compensation, insofar as the property involved is not let for that period. If the property concerned is let again, the compensations for rupture of the rental contract are included in the result for the period in which it occurred or if this re-let is not fully spread over time in a later period, for the remaining part at the time of re-letting.

13. Costs

The rental costs relate to write-downs and disposals on commercial debts that are included in the result if the book value is higher than the estimate realisation value and the rent to be paid on the let assets (like concession fees).

The rental costs and taxes on let buildings and the recovery of these charges relate to the costs that are payable by the tenant or lessee according to the law or customs. The owner may or may not re-invoice these costs to the tenant in accordance with the contractual agreements.

The other rental income and costs consist of re-invoicing management fees to tenants as well as other income, that do not fall under rental income (including income from solar energy).

General expenses are expenses related to the management and general operation of the closed-end property investment company. This includes general administrative costs, personnel costs for administration, and depreciation of assets used for administration. Costs related to work performed inside the buildings are entered in several different ways, depending on the type of work involved:

- *Maintenance and repair:* costs for maintenance and repair are entered as operating expenses for the accounting period as property charges, since these do not increase the expected future economic benefits of the building and do not provide any added use or improve the building's comfort level;
- *Improvement and renovation work:* this represents work performed on an occasional basis for the purpose of adding features to the building and increasing the expected future economic benefits of the building significantly. The costs related to this work (e.g. materials and equipment, compensation for contractors, technical studies, internal costs, architects' fees and interest accrued during the construction period) are capitalised. Examples include the installation of a new air-conditioning system, the installation of a new roof, and extensive renovation of all or part of the building. The sites for which costs are capitalised are identified beforehand in accordance with the criteria listed above.

14. Tax on profits

The status of the cepic provides in a beneficial tax status as it is only subject to taxes on specific components from the result such as disposed of costs and abnormal benefits. No corporate tax is paid on the profit resulting from letting and capital gains realised.

Tax on profits from the financial year includes the taxes owed and deductible over the period of the report and previous reporting periods, the deferred taxes as well as the exit tax due. The tax burden is recorded in the profit and loss account unless it relates to elements which may be included directly in the equity capital. In the latter case the tax is also charged against the equity capital.

The tax rates in force at the balance sheet date are used to calculate the tax on the fiscal profit over the year.

The exit tax, capital gains tax as a result of a merger of a cepic with a company that is not a cepic, is deducted from the revaluation capital gain established at the merger and are recorded as a debt.

In general deferred tax obligations (tax debts) are included for all taxable (deductible) temporary differences. Such debts and obligations are not recorded if the temporary differences result from the first inclusion of goodwill or from the first inclusion (other than in an operating combination) of other assets or obligations. Deferred tax assets are recognised insofar as it is likely that a taxable profit will be generated in which the deductible temporary difference can be deducted. Deferred tax assets are reversed when it becomes unlikely that it will be possible to make use of the fiscal benefit related to it.

FURTHER DETAILS ON CHANGES IN THE COMPANY'S GEARING

Under Article 54 of the new Royal Decree on Cepics dated 7 December 2010, public closed-ended property investment companies are required to prepare a financial plan containing an implementation schedule that details the measures the company intends to implement in order to prevent its gearing from exceeding 65% of the consolidated assets if the consolidated gearing exceeds 50% of these consolidated assets. The statutory auditor reviews this financial plan and subsequently prepares a special report confirming that it has verified the method of preparation of the plan, particularly with regard to its economic basis, and that the figures contained in the plan match the cepic's accounts. The interim and annual financial reports must account for how the financial plan was implemented during the relevant period and how the cepic intends to implement the plan in the future.

1. Changes in the company's gearing

Historically, WDP's gearing has exceeded 50% since the end of 2007. With the exception of a one-time peak of 63% at the end of 2008, WDP's average gearing during that period remained steady at around 55%. Since the company's establishment, its gearing has never exceeded 65%, not even during the most recent financial crisis, which manifested itself over the course of 2008 and 2009.

During the same period, WDP's property portfolio increased from EUR 614.1 million to EUR 821.5 million, representing a rise of EUR 207.4 million, i.e. an average increase of 10.49%. In 2011, investment properties are projected to increase by EUR 13.6 million; however, this does not take into account WDP's planned acquisition of the Wereldhave NL property portfolio, as discussed in the section 'Outlook' (see page 80).

Based on the current gearing of 55.19% at 31 December 2010, WDP has an additional investment potential of approximately EUR 260 million, without exceeding the maximum gearing of 65%. The company's investment potential is EUR 110 million, without exceeding a gearing of 60%.

In addition, the valuations of the property portfolio also have an impact on gearing. Based on the current capital base, the maximum gearing of 65% would be exceeded only in the event of a decline of approximately EUR 140 million in the fair value of the investment properties. By way of comparison, due to the recent financial crisis, the fair value of the investment properties contained in the WDP portfolio declined by EUR 50 million over the period 2008-2010. As before, WDP believes the current gearing is at an acceptable level and provides sufficient margin to absorb any further depreciation of the property. However, with the recent economic outlook being fairly positive, the company does not think it likely that there will be any more substantial depreciation.

2. Expected changes in gearing for 2011

Over the course of 2011, WDP's gearing is expected to increase from 55.19% at 31 December 2010 to 55.35% at year-end 2011, based on the following factors:

- Implementation of the current investment programme;
- Retained earnings, based on expected profits for 2011 of EUR 41 million and a dividend distribution of the 2010 profit of EUR 36.9 million.

3. Conclusion

WDP therefore believes that the gearing will not exceed 65% and that currently, based on the planned changes in the structure of the investment properties and the expected movements in the shareholders' equity, no additional measures will be necessary.

The objective is to maintain the gearing between 55% and 60%, where WDP will be able to achieve the targets set based on its current capital structure, not taking into account the boost in capital resulting from the optional dividend. This is justifiable, since the type of property in which WDP invests consistently yields a return of around 8%.

If specific events were to necessitate an amendment of WDP's policies, this will be accomplished immediately and the company will notify the shareholders accordingly through its periodic report.

SIGNIFICANT ACCOUNTING ESTIMATES AND KEY UNCERTAINTIES AFFECTING ESTIMATES

Assumptions used to measure the fair value of solar panels

WDP has made a significant investment in solar energy. Following initial recognition, the solar panels (PV) installed on roofs are valued using the revaluation model of IAS 16 and recorded as fixed assets in 'Other tangible fixed assets'. This revaluation is taken directly to equity as revaluation surplus.

After a web investigation, no best practice was found to exist for valuing this asset category. WDP proceeds as follows:

The fair value of the PV installations is calculated by discounting future revenues and costs.

The main assumptions used for the discounted cash flow model to value the solar panels are:

1. In 2008, the calculation was based on an implicit number of hours of sunshine of 960. In 2009, this number was 1,020. On the basis of data for 2010 and with a number of sites in the park that increased to 15 at year-end, we base the valuation at year-end 2010 on 950 hours of sunshine for installations during the first year of operation.

2. The Green Electricity Certificates (GECs) at a rate of EUR 450 per MWh are awarded for 20 years. They were adjusted on a pro rata basis and in accordance with the legislative changes implemented by the competent authorities.

3. The energy price increases in real terms by 1.5% per year. This increase is applied on the Endex basis. As a starting point, the average Endex price (see www.apxendex.com) (BE-power) Cal t + 1, 2, 3 is selected. Our valuation at the end of 2010 is based on the Cal 11, 12 and 13 published on 31 December 2009.

4. The required return applied in recent years was the interest rate for 30 years (OLO 30 years) increased by 125 bp. However, due to the specific situation of the OLO market during the latter part of 2010, the IRS swap rate for 30 years is used as a criterion, as this better reflects the liabilities.

5. The PV installation has a fall in return of 0.6% per annum and is decommissioned after 30 years. No account is taken of any residual value of the installation, nor of the costs for dismantling the installation.

6. Account is taken of various minor cost items and 10-year maintenance costs. No account is taken of theoretical rental expenses for the roofs.

7. No allowance of 2.5% is deducted to establish fair value, in order to take account of the registration charges a future buyer may have to pay for the premises including solar panels, if these are considered as real property in terms of their use.

This procedure is carried out each year for the sites in production and the aforementioned assumptions are adjusted if necessary. The added value on the start-up of a new site for the installed electrical capacity is recorded as an addition to shareholders' equity, as revaluation surplus in a separate line item. Downward valuation adjustments are also recorded in this category, unless realised or unless fair value falls below cost, in which case they are taken through profit or loss.

The impact of the change in the number of sunshine hours (from 1,020 to 950 hours) and the change in the required return (from OLO 30 years to a 30-year IRS swap rate), in turn, adversely affect the valuation of the solar panels at EUR 547,000.

Valuation of Lefebvredok based on the assumption of extending the lease period

The property located on Lefebvredok, Antwerp is built on land leased from Antwerp Port Authority. The extension of the lease is assumed in the fair value assessment, as is usually the case.

WDP more specifically assumes in the valuation at fair value (EUR 3.0 million as of 31 December 2010) that it will have obtained a 20-year extension of the lease.

WDP has already obtained an official extension of 5 years as of 1 January 2008, after which the site would have to be transferred to Wijngaardnatie, without specification of the sale value.

WDP has accepted this proposal from the Antwerp Port Authority under reserve of any prejudicial acknowledgement and under reserve of all its rights, with the intention that if unable to reach an agreement with Wijngaardnatie in relation to the transfer of the site within 5 years, WDP may approach the Council of State to appeal this decision

Sensitivity analysis

In the case of a hypothetical negative revision of the return (yield or capitalisation rate) used by the property experts in the valuation of the portfolio by 0.5%, the fair value of the property would decrease by EUR 49.4 million or 6%. The gearing of WDP would thereby rise by 3.13% to 58.32%. Note: in this case, the acquisition of the property portfolio of Wereldhave NL (see Section 10, 'Events after the reporting date' on page 76 of the Management Report) would increase the gearing to 60.23%.

In the case of a hypothetical positive revision of the return (yield or capitalisation rate) used by the property experts in the valuation of the portfolio by 0.5%, the fair value of the property would increase by EUR 56.1 million or 7%. The gearing of WDP would thereby fall by 3.17% to 52.02%.

As at 31 December 2010, the interest charges actually received or paid totalled EUR 21.35 million. These charges are the sum of the interest from hedging instruments and the nominal interest charges on loans (not including capitalised borrowing costs). If the interest rate were to increase by 1%, the interest charges would rise by 2.8% to EUR 21.95 million. If the interest rate were to decline by 1%, the interest charges would drop by 2% to EUR 20.926 million.

SEGMENT INFORMATION

ANALYTICAL PRESENTATION BY GEOGRAPHIC SEGMENT

EUR (x 1,000)	Year 31-12-2010 Western Europe	Year 31-12-2010 Central and Eastern Europe	Year 31-12-2010 Total	Year 31-12-2009 Western Europe	Year 31-12-2009 Central and Eastern Europe	Year 31-12-2009 Total
Operating income	**59,982**	**2,492**	**62,474**	**56,019**	**2,506**	**58,525**
Net rental income	53,966	2,492	**56,458**	51,544	2,506	**54,050**
Other operating income	6,016	0	**6,016**	4,475	0	**4,475**
Operating charges	**-4,601**	**-324**	**-4,925**	**-4,885**	**-276**	**-5,161**
Property management costs	-1,267	-131	**-1,398**	-1,216	-65	**-1,281**
General incidental expenses	-3,334	-193	**-3,527**	-3,669	-211	**-3,880**
Operating result	**55,381**	**2,168**	**57,549**	**51,134**	**2,230**	**53,364**
Financial income	6,713	53	**6,766**	3,136	28	**3,164**
Financial charges	-26,689	-817	**-27,506**	-31,085	-1,088	**-32,173**
Pre-tax operating result	**35,405**	**1,404**	**36,809**	**23,185**	**1,170**	**24,355**
Taxes	2,080	-680	**1,400**	1,383	1,479	**2,862**
Operating result	**37,485**	**724**	**38,209**	**24,568**	**2,649**	**27,217**
Result on portfolio	**-4,549**	**-1,058**	**-5,607**	**-15,302**	**-11,478**	**-26,780**
Realised capital gains and losses	-69	0	**-69**	11	0	**11**
Unrealised capital gains	14,375	476	**14,851**	7,985	0	**7,985**
Unrealised capital losses	-18,176	-1,534	**-19,710**	-26,184	-11,478	**-37,662**
Impairment (recognised)	-824	0	**-824**	-1,152	0	**-1,152**
Impairment (reversed)	145	0	**145**	4,038	0	**4,038**
TOTAL RESULT	32,936	-334	32,602	9,266	-8,829	437

The basic segmentation for segment reporting within WDP is by geographical region. This basic segmentation reflects the two geographical markets in Europe in which WDP operates. WDP's activities are accordingly subdivided into the following two regions:
1. Western Europe (Belgium, the Netherlands, France)
2. Central and Eastern Europe (Czech Republic and Romania)

This segmentation is important for WDP as the nature of the activities and the customers have similar economic characteristics within those segments. Business decisions are taken at that level and various key performance indicators (including rental income and occupancy level) are followed up in this way.

A second basis of segmentation is not deemed relevant by WDP as the activity focuses primarily on letting semi-industrial buildings (warehouses and buildings serving a logistics purpose).

Operating income in Belgium, the Netherlands and France was respectively EUR 42.2 million (68% of total operating income), EUR 11.7 million (19% of total operating income) and EUR 6.1 million (10% of total operating income).

ASSETS AND LIABILITIES BY GEOGRAPHIC SEGMENT

EUR (x 1,000)	Year 31-12-2010 Western Europe	Year 31-12-2010 Central and Eastern Europe	Year 31-12-2010 Total	Year 31-12-2009 Western Europe	Year 31-12-2009 Central and Eastern Europe	Year 31-12-2009 Total
Assets						
Intangible assets	422	0	**422**	286	0	**286**
Investment property	774,325	47,186	**821,511**	768,174	47,218	**815,392**
Other tangible assets	65,469	304	**65,773**	54,910	322	**55,232**
Financial fixed assets	12,535	0	**12,535**	11,737	0	**11,737**
Financial lease receivables	107	0	**107**	195	0	**195**
Receivables on more than 1 year	6,150	0	**6,150**	168	0	**168**
Assets tax deferrals	0	0	**0**	836	0	**836**
Assets held for sale	2,850	0	**2,850**	14,199	0	**14,199**
Financial lease receivables	88	0	**88**	83	0	**83**
Trade debtors	7,586	226	**7,812**	9,601	77	**9,678**
Other debtors	1,625	199	**1,824**	2,957	151	**3,108**
Cash investments and liquid assets	810	399	**1,209**	1,426	778	**2,204**
Accruals and deferred income active	1,907	193	**2,100**	2,820	138	**2,958**
TOTAL ASSETS	873,874	48,507	922,381	867,392	48,684	916,076
Equity						
Capital	97,853	0	**97,853**	97,853	0	**97,853**
Premiums on issue	63,960	0	**63,960**	63,960	0	**63,960**
Reserves (including profit / loss)	234,600	1,470	**236,070**	229,523	1,606	**231,129**
Impact on the fair value of estimated transfer taxes and charges for hypothetical disposal of investment properties (-)	-26,452	-1,174	**-27,626**	-25,946*	-1,178*	**-27,124**
Exchange rate differences	-342	1,371	**1,029**	-342	1,367	**1,025**
Minority interest	0	0	**0**	0	0	**0**
TOTAL EQUITY	369,619	1,667	371,286	363,871	2,972	366,843
Liabilities						
Provisions	1,115	0	**1,115**	1,188	0	**1,188**
Deferred taxes	0	1,846	**1,846**	4,707	1,521	**6,228**
Long term financial liabilities	400,662	8,068	**408,730**	398,560	7,675	**406,235**
Short term financial liabilities	121,849	5,652	**127,501**	113,971	7,806	**121,777**
Short term trade liabilities	5,458	97	**5,555**	9,402	34	**9,436**
Social security and tax debt	2,486	194	**2,680**	1,046	149	**1,195**
Other short term liabilities	408	46	**454**	496	50	**546**
Accruals and deferred income passive	2,842	372	**3,214**	2,231	397	**2,628****
TOTAL LIABILITIES	534,820	16,275	551,095	511,421	37,812	549,233

* *These figures have been adjusted from the 2009 annual report. The amounts listed in this annual report were EUR -27,123,000 and EUR -1,000.*

** *These figures have been adjusted from the 2009 annual report. The amounts listed in this annual report were EUR -17,949,000 EUR for Western Europe and EUR 20,577,000 for Central and Eastern Europe.*

Investment property in Belgium, the Netherlands and France is respectively EUR 536.7 million (65% of total investment property), EUR 157.2 million (19% of total investment property) and EUR 80.4 million (10% of total investment property).
Investment property in the Czech Republic and Romania accounts for less than 10% of the 'Investment property' total.

I. CRITERIA OF THE CONSOLIDATION METHOD USED

CRITERIA FOR THE INTEGRAL CONSOLIDATION

The companies in which the group owns a direct or indirect stake of more than 50% or in which it has the power to determine the financial and operational policy in order to benefit from its activities are entirely included in the group's annual consolidated financial statements.

This means that the group's assets, liabilities and results are fully reflected. Inter-group transactions and profits are entirely eliminated.

CRITERIA FOR THE PROPORTIONAL CONSOLIDATION

The companies in which the group exercises joint control based on a contractual agreement (joint ventures) are recognised using the proportionate consolidation method.

All of the assets, liabilities and results are therefore included in the consolidation on a pro rata basis, according to the group's stake in these companies. Inter-group transactions and profits are eliminated on a pro rata basis in accordance with the stake owned.

II. INFORMATION ON SUBSIDIARIES

	31-12-2010 Part of the capital	31-12-2009 Part of the capital
Fully consolidated companies		
NAME and full address of the REGISTERED OFFICES		
WDP CZ s.r.o. – Hvězdova 1716/2b – 140 78 Prague – Czech Republic	100%	100%
WDP France s.a.r.l. – Rue Cantrelle 28 – 36000 Châteauroux – France	100%	100%
WDP Nederland nv – Herenkantoor B Princenhagelaan 1-A2 – 4813 DA Breda – The Netherlands	100%**	100%
Royvelden Vastgoed bv – P.O. Box 78 – 2740 AB Waddinxveen – The Netherlands		100%*
Royvelden Holding bv – P.O. Box 78 – 2740 AB Waddinxveen – The Netherlands		*
- with participation in Royvelden Beheer bv – P.O. Box 78 – 2740 AB Waddinxveen – The Netherlands		*
- with participation in Royvelden Vastgoed bv – P.O. Box 78 – 2740 AB Waddinxveen – The Netherlands		*
Proportionately consolidated companies		
WDP Development RO srl – Baia de Arama Street 1, 1st floor division C3, office no 5, 2nd district – Bucharest – Romania	51%	51%

* *Royvelden Holding merged with Royvelden Beheer with effect from 1 January 2009 and Royvelden Beheer ceased to exist. Thereafter, Royvelden Holding merged with Royvelden Vastgoed and Royvelden Holding ceased to exist.*

** *Following the merger between Royvelden Vastgoed BV and WDP Nederland BV on 28 October 2010, Royvelden Vastgoed ceased to exist. In addition, the legal form* BV met gewone structuur *('ordinary-structure public limited company') was changed to the legal form* naamloze vennootschap met gewone structuur *('ordinary-structure public limited company') on 29 October 2010.*

III. STATUS OF THE INTANGIBLE FIXED ASSETS

EUR (x 1,000)	31-12-2010	31-12-2009
ACQUISITION VALUE		
At the end of the preceding year	470	309
Changes during the year		
- Acquisitions, including produced fixed assets	247	161
- Sales and retirements	-44	0
AT THE END OF THE YEAR	673	470
DEPRECIATION AND AMOUNTS WRITTEN DOWN		
At the end of the preceding year	184	126
Changes during the year		
- Recognised or reversed in the income statement	111	58
- Sales and retirements	-44	0
AT THE END OF THE YEAR	251	184
NET BOOK VALUE AT THE END OF THE YEAR	422	286

IV. INVESTMENT PROPERTY – STATEMENT OF CHANGES*

	Year 31-12-2010			Year 1-12-2009		
EUR (x 1,000)	Western Europe	Central and Eastern Europe	Total	Western Europe	Central and Eastern Europe	Total
AT THE END OF THE PRECEDING YEAR	768,174	47,218	815,392	685,139	56,990	742,129
Capital expenditure (external suppliers)	17,897	211	**18,108**	65,210	740	**65,950**
Capitalisation of own personnel costs	810	55	**865**	974	51	**1,025**
Interest during construction	898	760	**1,658**	571	915	**1,486**
New acquisitions	0	0	**0**	14,365	0	**14,365**
Acquisition of investment properties by means of share-based payment transactions	0	0	**0**	29,747	0	**29,747**
Transfers to fixed assets held for sale	-2,850	0	**-2,850**	-12,407	0	**-12,407**
Disposals	-6,124	0	**-6,124**	-112	0	**-112**
Variations in the fair value	-4,480	-1,058	**-5,538**	-15,313	-11,478	**-26,791**
AT THE END OF THE YEAR	774,325	47,186	821,511	768,174	47,218	815,392

* *Including property developments in compliance with the revised IAS 40 standard.*

Capital expenditure relates to the investments undertaken for own project developments and investments within the existing portfolio (for further details, see Management Report, page 71 of the strategic section).

In order to calculate the interim interest, a capitalisation rate of 4.5% was used in both 2009 and 2010.

No new properties were purchased or acquired in 2010.

In the course of 2010, the company sold two properties: Lille Fretin – Sainghin-en-Mélanois (F), which was not leased, and the property in Sint-Jans-Molenbeek (B). The buyer of the property in Sint-Jans-Molenbeek has had rent-free access to the property since 1 September 2007, which was provided for in the contract. A part of the land in Sint-Niklaas was sold as well.

For the section titled 'Transfers to fixed assets designated for sale' (EUR -2.85 million), please refer to note 'X. Assets designated for sale'. The section 'Sales' includes the property located in Lille – Fretin – Sainghin-en-Mélanois (EUR 6.1 million), the deed for which was executed in the second quarter of 2010.

The change in the valuation of the property investments is due to the modification of the yields. As at 31 December 2010, average gross rental yield amounted to 7.84%. Gross rental yield after addition of the estimated market rental value for the non-leased sections totalled 8.28%, versus 8.34% at year-end 2009. For the calculation of the valuation in fair value, the theoretical local registration rights are deducted from the investment value. The average rights per country are as follows: Belgium: 2.6%, the Netherlands: 6.4%, France: 3.1%, Czech Republic: 2% and Romania: 3%. If the composition of the portfolio remains the same, the variation in fair value would be EUR -6.3 million, or the portfolio would decrease by 0.84%.

V. PROPERTY INVESTMENTS – BREAKDOWN OF BUILDINGS, PROPERTY INVESTMENTS UNDER DEVELOPMENT AND LAND RESERVES

EUR (x 1,000)	Year 31-12-2010	Year 31-12-2009
Existing properties	732,886	713,046
Property investments under development, funded by WDP, for the purpose of leasing	53,093	63,274
Ground reserve	35,532	39,072
TOTAL INVESTMENT PROPERTIES	**821,511**	**815,392**

VI. STATEMENT OF OTHER TANGIBLE FIXED ASSETS

EUR (x 1,000)	31-12-2010 Solar panels	Other*	Total	31-12-2009 Solar panels	Other*	Total
a) ACQUISITION VALUE						
At the end of the previous financial year	36,639	2,389	**39,028**	25,896	2,312	**28,208**
Movements during the financial year:						
Capital expenditure (external suppliers)	6,740	88	**6,828**	10,522	97	**10,619**
Capitalisation of own personnel costs	103	0	**103**	41	0	**41**
Interest during construction**	44	0	**44**	180	0	**180**
- Transfers and decommissionings	0	-488	**-488**	0	-20	**-20**
AT THE END OF THE YEAR	43,526	1,989	45,515	36,639	2,389	39,028
b) PROFITS FROM SALE						
At the end of the previous financial year	17,435	0	**17,435**	5,179	0	**5,179**
Movements during the financial year:						
- Recorded***	3,896	0	**3,896**	12,256	0	**12,256**
AT THE END OF THE YEAR	21,331	0	21,331	17,435	0	17,435
c) DEPRECIATION AND AMOUNTS WRITTEN DOWN						
At the end of the previous financial year	0	1,231	**1,231**	0	1,027	**1,027**
Movements during the financial year:						
- Taken to or reversed through profit and loss account	0	316	**316**	0	218	**218**
- Written off	0	-474	**-474**	0	-14	**-14**
AT THE END OF THE YEAR	0	1,073	1,073	0	1,231	1,231
d) NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	**64,857**	**916**	**65,773**	**54,074**	**1,158**	**55,232**

* *'Other' is understood as 'Plants machinery and equipment', 'Furniture and rolling stock', and 'Other tangible fixed assets'.*

** *In order to calculate the interim interest, a capitalisation rate of 4.5% was used in both 2009 and 2010.*

*** *Solar panels are revalued in accordance with IAS 16. The added values are booked directly in a separate section of the equity capital.*

VII. FINANCIAL FIXED ASSETS AND OTHER LONG TERM AND SHORT TERM FINANCIAL COMMITMENTS

The table below summarises the financial assets and liabilities as at 31 December 2010:

EUR (x 1,000)	Total	Assets or liabilities at fair value through profit or loss	Loans and receivables
Assets			
Financial fixed assets			
F. Financial fixed assets	**12,535***	1,107	11,428
G. Financial lease receivables	**107**		107
I. Trade receivables and other fixed assets	**6,150**		6,150
Current financial assets			
C. Financial lease receivables	**88**		88
D. Trade receivables	**7,812**		7,812
E. Tax receivables and other current assets	**1,824**		1,824
F. Cash and cash equivalents	**1,209**		1,209
TOTAL FINANCIAL FIXED ASSETS	29,725	1,107	28,618
Liabilities			
Non-current financial liabilities			
B. Long-term financial debts	**373,415**		373,415
C. Other long-term financial liabilities	**35,315**	35,315	
Current financial liabilities			
B. Short-term financial debts	**127,501**	500	127,001
D. Trade payables and other current debts	**8,235**		8,235
E. Other short-term liabilities	**454**		454
TOTAL FINANCIAL LIABILITIES	544,920	35,815	509,105

* *The company's total non-current financial assets amount to EUR 12,535,000. Of this amount, a total of EUR 1,107,000 represents receivables from hedging instruments for more than one year. The remaining balance of EUR 11,428,000 is a long-term receivable related to the joint venture WDP Development RO.*

Loans and receivables are carried at face value in the IFRS accounts of WDP.

As the long-term receivables and the financial debts have predominantly variable interest rates and the trade receivables and trade payables are short-term, the fair value approximates the face value of the financial assets and liabilities concerned.

WDP has hedged interest rate risks on its financial liabilities mainly by means of Interest Rate Swaps. These hedges permit swapping floating interest rates for fixed interest rates.

On 31-12-2010 WDP covered its current and future financial commitments for EUR 420 million, primarily by concluding Interest Rate Swaps (IRS) contracts. Only taking account of the contracts that had already become effective as of 31-12-2010, this means approximately 88% of the financial debts are covered at a fixed interest rate of 4.11% and an average term of 4.9 years.

Type	Notional amount EUR (x 1,000)	Interest rate	Duration
Forward Interest Rate Swap	10,000	3.690%	2011
Forward Interest Rate Swap / Swopt	10,000	4.450%	2011
Forward Interest Rate Swap	10,000	3.770%	2012
Forward Interest Rate Swap	10,000	4.005%	2012
Forward Interest Rate Swap	15,000	3.350%	2012
Forward Interest Rate Swap	15,000	4.170%	2013
Forward Interest Rate Swap	15,000	4.650%	2013
Forward Interest Rate Swap	5,000	3.390%	2013
Forward Interest Rate Swap	10,000	3.390%	2013
Forward Interest Rate Swap / Swopt	20,000	3.750%	2014
Forward Interest Rate Swap	10,000	4.470%	2014
Forward Interest Rate Swap	15,000	4.550%	2014
Forward Interest Rate Swap	5,000	4.110%	2014
Forward Interest Rate Swap	5,000	4.050%	2014
Forward Interest Rate Swap	20,000	4.525%	2015
Forward Interest Rate Swap	20,000	3.190%	2015
Forward Interest Rate Swap	10,000	4.480%	2016
Forward Interest Rate Swap	10,000	3.883%	2016
Forward Interest Rate Swap	10,000	4.535%	2016
Forward Interest Rate Swap	20,000	3.370%	2017
Forward Interest Rate Swap / Swopt	10,000	3.600%	2017
Forward Interest Rate Swap	10,000	4.500%	2017
Forward Interest Rate Swap	20,000	4.560%	2017
Forward Interest Rate Swap / Swopt	15,000	4.160%	2017
Forward Interest Rate Swap / Swopt	10,000	3.450%	2018
Forward Interest Rate Swap / Swopt	10,500	3.750%	2018
Forward Interest Rate Swap / Swopt	10,500	3.440%	2018
Forward Interest Rate Swap	20,000	4.570%	2018
Forward Interest Rate Swap	10,000	4.250%	2018
Forward Interest Rate Swap / Swopt	10,000	2.800%	2018
Forward Interest Rate Swap	5,000	4.260%	2018
Forward Interest Rate Swap	5,000	4.175%	2018
Floor KI / Cap KO	10,000	4.500%	2018
Forward Interest Rate Swap	10,000	4.640%	2019
Forward Interest Rate Swap	7,232	3.475%	2020
Forward Interest Rate Swap	4,822	3.475%	2020
Forward Interest Rate Swap	7,232	3.475%	2020

These contracts are valued at fair value on the balance sheet date. This information is received from the various financial institutions and verified by us by discounting future contractual cash flows on the basis of the corresponding interest rate curves.

Fair value is measured by reference to observable inputs and therefore the IRS contracts belong to level 2 of the fair value hierarchy set out in IFRS 7.

The variation of the fair value of the hedging instruments:

EUR (x 1,000)	31-12-2010	31-12-2009
Fair value on the balance sheet date	**-34,708**	**-32,452**
Impact of the change of the fair value in the result	**-2,256**	**-10,923**
Returns	6,266	2,948
Costs	-8,522	-13,871

Loans and receivables are carried at face value in the IFRS accounts of WDP.

As the long-term receivables and the financial debts have predominantly variable interest rates and the trade receivables and trade payables are short-term, the fair value approximates the face value of the financial assets and liabilities concerned.

SENSITIVITY OF THE FAIR VALUE MEASUREMENT OF THE HEDGING INSTRUMENTS

A 1% interest during the term of the IRS would result in an increase of EUR 20 million in the fair value of the IRS. A 1% interest rate decrease would lead to a fall of EUR 21 million in the value of the IRS.

VIII. FINANCIAL LEASE DEBTS

Warehouses De Pauw Comm. VA has two finance lease contracts in relation to Hall I and Hall J of the plot situated in Willebroek, Koningin Astridlaan. Both contracts have a term of fifteen years. The annual interest rate is 7% in relation to Hall I and 6% for the lease in relation to Hall J.

EUR (x 1,000)	31-12-2010	31-12-2009
Less than one year	100	100
More than one year but less than five years	117	218
Minimum payments pursuant to lease	**217**	**318**
Financial returns not acquired	-22	-40
Current value of the minimum payments pursuant to lease	**195**	**278**
Long term finance lease debts	107	195
More than one year but less than five years	107	195
Short term finance lease debts	88	83

IX. TRADE RECEIVABLES AND OTHER FIXED ASSETS (in thousands of EUR)

EUR (x 1,000)	Financial year 31-12-2010	Financial year 31-12-2009
Receivables from tenants	6,132	0
Receivables from buyers	0	150
Other	18	18
TOTAL	6,150	168

X. ASSETS HELD FOR SALE

EUR (x 1,000)	31-12-2010	31-12-2009
Belgium		
Dijkstraat 44 in Wespelaar	1,975	0
Kapelstraat 46 in Boom	550	0
Frans Van Kalkenlaan 9 in Anderlecht (one floor)	325	0
Europark Zuid 2 in Sint-Niklaas	0	13,449
Delaunoystraat 35-36 in Sint-Jans-Molenbeek	0	750
TOTAL	2,850	14,199

The properties in Wespelaar and Anderlecht and the land in Boom were valued at the sale price. Also see 'XXIV. Off-balance-sheet rights and commitments' page 161.

SALES

The following properties were sold in whole or in part over the course of 2010:

- **Held for sale at year-end 2009; sold in 2010**

Sint-Jans-Molenbeek – Delaunoystraat 35-36*
The deed was executed in January 2010. Up to that date, it was included in the section 'Fixed assets designated for sale'. This marked the sale of WDP's last remaining site in Sint-Jans-Molenbeek.

Sint-Niklaas – Europark Zuid II
The deed was executed in 2010. Up to that date, the property was included in the section 'Fixed assets designated for sale'. The profit made from the sale was EUR 32,000.

Neder-Over-Heembeek – Steenweg op Vilvoorde 146*
Besides the property sold in 2009, another remaining plot of land was sold at a price of EUR 15,000.

Aalst – Tragel 11-12*
In February 2010, the deed was executed for the sale of 210 m² of land, which is earmarked for the construction of a gas reduction processor. The Aalst site at Tragel 11-12 has a total area of 44,107 m².

- **Actual sales in 2010**

Lille – Fretin – Sainghin-en-Mélanois*
In the town of Lesquin in northern France, WDP sold a 17,000 m² vacant logistics property to a distribution company located in Lille, at a price of EUR 6.1 million. The site was due for renovation prior to being offered for lease in accordance with the current standard for the WDP portfolio. The deed was executed in the second quarter of 2010. The loss from the sale was EUR 118,000.

* *The sale prices were in line with the appraised values.*

Assets held for sale at the end of December 2010

Boom – Kapelstraat 46*
WDP signed a contract with the municipal authorities in Boom for the sale of the land at Kapelstraat 46. The plot, which has a total area of 4,292 m², was included in the section 'Fixed assets designated for sale' at year-end 2010.

Anderlecht – Frans Van Kalkenlaan 9 (Asar-toren)*
WDP is the owner of floors 3-8 of this eight-level tower (comprising 2,016 m² of offices and 359 m² of storage space). In November 2010, the company signed a contract for the sale of the 8th floor (336 m²) – this floor was included in the section 'Fixed assets designated for sale'.

Wespelaar – Dijkstraat 44*
The property located at Dijkstraat 44 was divided into two sections (one comprising retail space and one comprising warehouses and offices). The deed of sale for the retail space was executed in the second quarter of 2009. The warehouses were included in the section 'Fixed assets designated for sale'.

The following properties were sold in whole or in part over the course of 2009:

Held for sale at year-end 2008; sold in 2009

Neder-Over-Heembeek – Steenweg op Vilvoorde 146*
The property was sold for EUR 2.045 million, at a profit of EUR 16,000. The profit was recorded in 2009, when the deed was executed.

Wespelaar – Dijkstraat 44*
The property located at Dijkstraat 44 was divided into two sections (one comprising retail space and one comprising warehouses and offices). The deed of sale for the retail space was executed in the second quarter of 2009. The warehouses are included under 'Property investments at fair value'.

Assets held for sale at the end of December 2009

Sint-Jans-Molenbeek – Delaunoystraat 35-36*
As the deed had not yet been executed at year-end 2009, the property was included in the section 'Fixed assets designated for sale'. The deed was executed in January 2010.

Sint-Niklaas – Europark Zuid II
WDP is selling 111,000 m² of the site in Sint-Niklaas to Sint-Niklaas Logistics (SNL), subject to a number of conditions precedent, including the grant of planning permission. The sale, which comprises two-thirds of the surface area of the WDP site in Sint-Niklaas, was included in the section 'Fixed assets designated for sale'.

* *The sale prices were in line with the appraised values.*

XI. TRADE RECEIVABLES AND DOUBTFUL DEBTS

EUR (x 1,000)	31-12-2010	31-12-2009
Customers	6,567	8,823
Write-downs booked on doubtful debtors	-1,321	-1,482
Invoices to be prepared/credit notes receivable	888	1,133
Other receivables	1,678	1,204
TRADE RECEIVABLES	7,812	9,678

Trade receivables due within less than one year declined from EUR 8.8 million at the end of 2009, to EUR 6.6 million at year-end 2010. This decline is due primarily to the fact that the EUR 3.3 million loan provided to Kuehne & Nagel as part of the Tilburg project was converted into a long-term loan with a redemption period of 15 years. In addition, trade receivables have increased due to increased activity, specifically the increased revenues from solar panels (i.e. Green Certificates and power costs charged to third parties).

Trade receivables are mostly payable in cash. The table below shows the ageing balance of the trade receivables.

EUR (x 1,000)	31-12-2010	31-12-2009
Not past due and < than 30 days past due	3,525	6,185
30-60 days past due	919	636
60-90 days past due	39	107
> 90 days past due	2,084	1,895
	6,567	8,823

EUR (x 1,000)	31-12-2010	31-12-2009
Due > 90 days	2,084	1,895
Value reduction of dubious debtors	-1,321	-1,481
Due > 90 days but that do not form any problem of non-payment	763	414

DOUBTFUL DEBTS – STATEMENT OF CHANGES

EUR (x 1,000)	31-12-2010	31-12-2009
AT THE END OF THE PREVIOUS FINANCIAL YEAR	1,482	955
Additions	54	667
Reversals	-215	-140
AT THE END OF THE YEAR	1,321	1,482

Compared to the previous financial year, the bad-debt provision declined from EUR 1.5 million to EUR 1.3 million.

No unequivocal directive has been established to define the amount of the provision to be established for this purpose. An estimate is made on a quarterly basis by the management of debts which will probably no longer be collected. In addition a write down for the outstanding amount was booked at the end of 2010 for all invoices that had been payable for over 6 months. The outstanding customer balances are reported internally to all commercial and technical personnel on a monthly basis. They can ensure adequate supervision of the rental arrears via their direct contacts with the customer.

Credit risk is more generally also limited because WDP ensures an adequate spread among its tenants. In addition to the legal limit of 20%, the internal limit applied stipulates that a maximum of 10% of rental income may be derived from a single customer. Currently only WDP's largest tenant, Univeg group, exceeds this internal limit (16.8% of rental income). Univeg group accounted for 14.9% in 2009. The second-largest tenant is DHL with 7.8%. Except Kuehne & Nagel (6.0%) and Massive PLI – Philips Lighting (5.7%), the remaining Top 10 tenants account for less than 5% of the total rental income. For a list of the principal tenants, please refer to the section 'Strategy' on page 106.

XII. TAX BENEFITS AND OTHER CURRENT ASSETS

EUR (x 1,000)	Year 31-12-2010	Year 31-12-2009
Tax	507	2,000
Advance on property purchased	489	489
Loans to buyers	310	0
Other	518	619
TOTAL	1,824	3,108

XIII. CAPITAL

	EUR (x 1,000)	Evolution of capital 31-12-2010	Number of shares
	Creation of Rederij De Pauw	50	
	Capital increase through incorporation of reserves	12	
	Capital increase by public issue (incl. premium on share issue)	69,558	
	Capital increase through merger and demerger transactions	53	
	Capital increase through incorporation of reserves with a view to rounding up in EUR	327	
	Capital increase to defray losses	-20,575	
1999	**Capital and number of shares at the time the company was listed on the stock market (June 1999)**	**49,425**	**6,640,000**
2001	Capital increase resulting from the takeover of Caresta	2,429	259,593
2001	Capital increase through incorporation of reserves with a view to rounding up in EUR	46	0
2003	Capital increase by public issue (incl. premium on share issue)	27,598	985,656
2006	Increase in capital on the occasion of the partial split of Partners in Lighting International	29,415	707,472
2006	Reduction in capital upon the creation of available reserves	-40,000	0
2009	Capital increase for DHL transaction	5,753	807,733
2009	Capital increase	23,187	3,133,484
TOTAL		97,853	12,533,938

	Year 31-12-2010	Year 31-12-2009
Number of shares at the beginning of the financial year	12,533,938	8,592,721
Capital increase for DHL transaction	0	807,733
Capital increase	0	3,133,484
Number of shares at the end of the financial year	0	12,533,938
Number of shares entitled to dividend	0	12,533,938
Net result of the financial year (in thousands EUR)	32,602	437
Net result per share (EUR)	2.60	-0.21

WDP only has one category of shares, namely ordinary shares. Holders have a right to receive the declared dividend and are entitled to one vote per share at the General Meeting of the Shareholders.

All shares are paid up in full and are bearer, registered or dematerialised shares. Since 1 January 2008 no new bearer shares may be issued and existing bearer shares booked on stock funds may no longer be physically issued. They must remain on the account from then on, unless converted into registered shares. Listed bearer shares that are on a fund account, were lawfully converted into dematerialised shares from 1 January. Bearer shares that were not registered on a share account, are lawfully converted into dematerialised shares on 1 January 2014.

The management is authorised to increase the authorised capital on one or several occasions, on the dates and under the conditions which it will determine, by EUR 68,913,368. This authorisation is valid for five years as from the publication of the minutes of the General Meeting of 31 March 2009. This authorisation can be renewed.

XIV. PROVISIONS

Nature of the liabilities EUR (x 1,000)	31-12-2010 France Tax (exit tax)	Belgium Environmental remediation	Total
OPENING BALANCE	**23**	**1,165**	**1,188**
Amounts used		-50	-50
Unused amounts reversed	-23		-23
CLOSING BALANCE	**0**	**1,115**	**1,115**
Expected payment date for use of provisions	< 5 years	< 5 years	

During the course of the 2010 financial year the current studies, monitoring activities and remediation were continued, thereby to comply with all local legislation regarding soil remediation. The ‘Provisions’ item outstanding at the end of 2010 was still EUR 1.115 million.

Those provisions were primarily accrued for the possible remediation of the plots in Anderlecht – Frans Van Kalkenlaan, Beersel – Stationstraat and Sint-Jans-Molenbeek Delaunoystraat.

The EUR 23,000 provision for exit tax in France was cross-entered, as it was not used.

Nature of the liabilities EUR (x 1,000)	31-12-2009 France Tax (exit tax)	Belgium Environmental remediation	Total
OPENING BALANCE	23	1,250	1,273
Amounts used		-85	-85
CLOSING BALANCE	23	1,165	1,188
Expected payment date for use of provisions	< 5 years	< 5 years	

XV. STATUS OF LIABILITIES

	Included as of		< 1 year		1-5 years		> 5 years	
EUR (x 1,000)	31-12-2010	31-12-2009	31-12-2010	31-12-2009	31-12-2010	31-12-2009	31-12-2010	31-12-2009
Commercial paper	**112,000**	**105,250**	112,000	105,250				
Straight loans	**9,650**	**8,850**	9,650	8,850				
Roll-over credit	**1,964**	**1,888**	1,964	1,888				
Leasing liabilities	**3,368**	**4,796**	3,368	4,796				
Other	**519**	**993**	519	993				
Short-term financial debts	**127,501**	**121,777**	**127,501**	**121,777**	**0**	**0**	**0**	**0**
Roll over loans	**337,913**	**336,877**			226,384	198,353	111,529	138,524
Lease debts	**27,434**	**29,174**			14,336	13,423	13,098	15,751
Other	**8,068**	**7,675**					8,068	7,675
Non-current financial liabilities	**373,415**	**373,726**	**0**	**0**	**240,720**	**211,776**	**132,695**	**161,950**
TOTAL	500,916	495,502	127,501	121,777	240,720	211,776	132,695	161,950

The average term of financial debts is 3.9 years. If account is taken only of long-term debts (excluding commercial paper and straight loan) the average term is 5.1 years. Average interest charges for 2010 were 4.28% (including bank margin).

Total financial liabilities at 31 December 2010 amounted to EUR 501 million, compared to EUR 496 million at year-end 2009. 25% of these liabilities are current liabilities (chiefly straight loans and debts entered into as part of the commercial paper programme). The remaining 75% mature after more than one year, of which 26% after more than five years.

Of these financial liabilities 84% (versus 88% at 31-12-2009) are hedged at a fixed interest rate via the interest rate swaps (IRS) entered into. The average interest charge for these hedges is 4.11% net (before bank margin).

As at 31 December 2010, the financial derivatives had a value of EUR -37.7 million (versus EUR -32.5 million at year-end 2009), with an average remaining term of 4.9 years.

At 31 December 2010 all contractually applicable bank covenants were complied with (for further details relating to these covenants see ‘XXIV. Off-balance-sheet rights and commitments’, page 161).

Financial lease debts

At year-end 2010, WDP has lease debts amounting to EUR 31 million, comprising:

- WDP has a lease with a banking consortium for financing the Univeg property. This originally had a duration of 15 years, of which 5 years had already been settled as of 31-12-2010. The purchase option is EUR 780,480 (i.e. 3% of the original capital of EUR 26,016,000). The interest rate is Euribor 3 monthly. The remaining lease debt at 31 December 2010 is EUR 19.3 million.
- WDP took over current lease debts in 2008 following the acquisition of the Vendin-le-Vieil property. The original duration of the contracts was 10 years, of which 6,5 years had been settled as of 31-12-2010. The interest rate is Euribor 3 monthly increased by a margin from 0.62 to 0.90%, depending on the contracting financial institution. The remaining lease debt at year-end 2010 is EUR 5.1 million.
- During the first quarter of 2009, following the sale and leaseback transaction with DHL, the leases for the DHL buildings situated in Willebroek and Mechelen were taken over by another party. The contract for the DHL site in Mechelen has a term of 20 years, of which 12 years and 9 months had already been redeemed as of 31-12-2010. The purchase option is EUR 0.4 million. At year-end 2010, the leasing debt for the DHL site in Mechelen Mechelen was still EUR 4.4 million. The contract for the DHL site in Willebroek, which has a term of 22 years and 9 months, will expire on 30-09-2022. At year-end 2010, the leasing debt for this site was EUR 1.6 million.

ESTIMATE OF FUTURE INTEREST CHARGES RELATED TO THE FINANCIAL LEASING LIABILITIES:

EUR (x 1,000)	31-12-2010 Capital	Interest*	Total
In less than one year	3,368	493	3,861
Over 1 year but less than 5 years	14,336	1,242	15,578
Over five years	13,098	300	13,398
TOTAL FINANCIAL LEASE DEBTS	**30,802**	**2,035**	**32,837**

* *Assumption: Euribor 3 months = 1.006%.*

The estimate of future interest charges as at 31 December 2009 does not add value, as this information has meanwhile become outdated. It has therefore been decided to no longer include comparative figures for previous financial years.

XVI. OTHER CURRENT LIABILITIES

EUR (x 1,000)	Year 31-12-2010	Year 31-12-2009
Outstanding dividends	231	219
Deposits and rental guarantees received	66	66
Other	157	261
TOTAL	**454**	**546**

XVII. OVERVIEW OF FUTURE RENTAL INCOME (WDP AS LESSOR)

EUR (x 1,000)	Year 31-12-2010	Year 31-12-2009
Rental income		
Within one year	55,477	54,778
More than one but less than five years	186,600	189,725
Over five years	216,652	214,300
TOTAL	**458,729**	**458,803**

This table contains an overview of future rental income on the basis of current rental income. This is based on the non-index rents to be received up to and including the expiry date, as agreed in the leases.

The impact of the adjusted indexation of rents averaged 0.60% and 1.68% for 2009 and 2010, respectively.

Standard lease

The majority of leases WDP enters into are governed by either the ‘provision of storage space’ (*terbeschikkingstelling van bergruimte*) regime (which is subject to VAT) or the ’general right of tenancy’ (*gemeen huurrecht*) regime. The standard WDP lease has an uninterrupted term of nine years, where both the lessor and the lessee have the option to break the lease after three years and six years, subject to six months’ notice.

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

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

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

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

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

The tenant is solely responsible for obtaining its operating licence and environmental permit. The refusal or withdrawal of permits does not constitute justification for the dissolution or termination of the agreement.

The tenant is not authorised to transfer its contract or to sub-let the areas it has rented without the prior written consent of WDP. In the event of agreement with the transfer of a lease, the original tenant remains jointly and severally liable in relation to WDP.

The tenant is obliged to register the lease at its own expense.

XVIII. AVERAGE WORKFORCE AND BREAKDOWN OF MEMBERS OF PERSONNEL

EUR (x 1,000)	Year 31-12-2010	Year 31-12-2009
In fully consolidated companies		
Average workforce	**25.0**	**24.9**
a) Workers	5.9	5.7
b) Employees	19.1	19.2
- Administrative employees	12.9	13.2
- Technical employees	6.2	6.0
Geographical location of workforce	**25.0**	**24.9**
- Western Europe	23.0	22.9
- Central and Eastern Europe	2.0	2.0
Personnel costs	**1,538**	**1,612**
a) Remuneration and direct fringe benefits	963	1,013
b) Employer's national insurance contributions	328	358
c) Employer's supplementary insurance premiums	82	86
d) Other personnel costs	165	155

XIX. RESULT ON DISPOSALS OF INVESTMENT PROPERTY

EUR (x 1,000)	Year 31-12-2010	Year 31-12-2009
Net property sales (sales price – transaction costs)	20,380	3,007
Book value of properties sold	-20,449	-2,996
RESULT OF THE DISPOSAL OF INVESTMENT PROPERTY	-69	11

XX. VARIATIONS IN THE FAIR VALUE OF INVESTMENT PROPERTY

EUR (x 1,000)	Year 31-12-2010 Western Europe	Central and Eastern Europe	Total	Year 31-12-2009 Western Europe	Central and Eastern Europe	Total
Latent positive variations of existing property	14,375	476	**14,851**	4,933	0	**4,933**
Latent negative variations of existing property	-18,176	-1,534	**-19,710**	-26,184	-11,478	**-37,662**
Latent positive variation on newly acquired property	0	0	**0**	3,052	0	**3,052**
Impairment (recognised and reversed) on property assets under development, funded by WDP, for leasing purposes	-679	0	**-679**	2,886	0	**2,886**
TOTAL	-4,480	-1,058	-5,538	-15,313	-11,478	-26,791

XXI. FINANCIAL RESULT

EUR (x 1,000)	Year 31-12-2010	Year 31-12-2009
Financial income	**7,792**	**4,248**
Interest and dividends received	1,009	1,208
Finance lease and other indemnities	18	23
Income from financial instruments used for hedging purposes	6,266	2,948
Other financial income	499	69
Interest charges	**-19,914**	**-19,102**
Nominal interest charges on loans	-21,569	-22,468
Interest capitalised during construction	1,702	3,380
Other interest charges	-47	-14
Other financial charges	**-8,619**	**-14,155**
Bank charges and other commissions	-33	-41
Costs of financial instruments used for hedging purposes	-8,522	-13,871
Other financial charges	-64	-243
FINANCIAL RESULTS	-20,741	-29,009

The **financial income** primarily contained interest received in bank accounts, interest on receivables, income from Interest Rate Swaps (IRS) and other financial income.

The positive impact of the market valuation of the IRS's concluded (in accordance with IAS 39) are shown on a separate line in the analytical presentation of the results (see 'Consolidated key figures' in the 'strategy' section on page 12) (IAS 39 result) due to their non-cash nature.

As WDP Czech Republic has also used the euro as its functional currency since 2009, foreign currency gains now relate solely to the external financing of the activities in WDP Development RO. In 2010, positive exchange rate differences totalled EUR 53,000, versus EUR 27,000 in the 2009 financial year.

Interest charges mainly include the interest effectively paid for the various lines of credit and the commercial papers programme (see 'XV. Status of Liabilities' page 154). A portion of these interest rates paid on the financing of the property developments are capitalised, since these assets under construction are valued at the cost price. A portion of the interests is also capitalised on the land reserve which is part of the investment property.

Other financial charges essentially relate to bank charges, costs of financial instruments used for hedging purposes and realised (EUR -3,000 compared to EUR -4,000 last year) and unrealised (EUR -65,000 compared to EUR -240,000 last year) negative currency conversion results. These are related to the external financing of the activities in WDP Development RO.

WDP's risk policy with regard to its financial policy is detailed on page 4 of this annual report. Since the derivatives currently used by WDP do not qualify as hedging transactions, any changes in fair value are taken directly to profit.

The negative impact of the market valuation of the IRS's concluded (in accordance with IAS 39) are shown on a separate line in the analytical results (see 'Consolidated key figures' on page 12) (IAS 39 result) due to their non-cash nature.

ESTIMATE OF FUTURE INTEREST CHARGES

EUR (x 1,000)	Total future interest charges
< 1 year	20,794
1-5 year	80,723
> 5 year	14,999
TOTAL	**116,516**

The estimated future interest expenses take into account the statement of debts as at 31-12-2010 and interest rate hedges relating to contracts in progress at that time. This estimate does not include the capitalised interim interest rates.

An estimate of future interest charges on 31 December 2009 would not provide added value, as this information has become outdated. It has therefore been decided not to present comparative figures for prior years.

ANALYSIS OF INTEREST CHARGES

EUR (x 1,000)	Year 31-12-2010
Interest effectively received/paid	21,350
Impact of interest charges received/paid	
Interest rate fall -1.00%	20,926
Interest rate increase +1.00%	21,950

XXII. TAXES

EUR (x 1,000)	Year 31-12-2010	Year 31-12-2009
Recorded in the consolidated profit and loss account		
Corporate tax	-865	-221
Negative deferred taxes on market fluctuations	-1,735	-568
Positive deferred taxes on market fluctuations	3,269	5,337
Latent tax on reversal of amortisation	990	-664
Latent tax on provision of major maintenance	328	-52
Future tax saving on recoverable losses	-78	0
Other deferred taxes	573	-971
Exit tax	-1,081	0
TOTAL TAXES	**1,401**	**2,861**

Warehouses De Pauw Comm. VA is a limited company with share capital with the status of a cepic. This status is subject to a favourable tax regime, as the cepic is liable only to tax on specific profit components, such as disallowed expenses and exceptional benefits.

Since 1 November 2010, WDP Nederland has held the status of fiscal investment institution (Dutch acronym: FBI, for *fiscale beleggingsinstelling*), the Dutch equivalent of the Belgian cepic status. As such, WDP Nederland qualifies as a fiscal investment institution, as specified in Section 28 of the 1969 Corporation Tax Act.

WDP France also enjoys a beneficial tax status as it falls under the SIIC-status in France.

The other foreign companies remain subject to corporation tax in each country. For example, the tax rate for the 2010 financial year in the Czech Republic was 19% (versus 20% in 2009) and in Romania 16%.

The deferred taxes primarily relate to the fluctuations in the property revaluations of the subsidiaries (i.e. deferred taxes on the difference between the book value after devaluation in the statutory annual financial statements of the subsidiaries and the fair value). In addition a deferred tax asset is recorded in the likelihood that a tax profit will be available.

The deferred tax asset in relation to the loss carried over was cancelled altogether during the 2010 financial year due to the transition of WDP Nederland to FBI status. At 31 December 2009, the deferred tax assets still totalled EUR 836,000. The deferred tax obligation in relation to the fair value of the property was EUR 1.8 million. This represents only the deferred tax obligation of WDP in the Czech Republic and WDP Development RO. In 2010, this also included the deferred tax obligations of WDP Nederland and Royvelden Vastgoed (amounting to a total of EUR 6.3 million).

XXIII. TRANSACTIONS BETWEEN ASSOCIATED COMPANIES

In addition to the director indemnification invoiced by the managing company De Pauw NV to WDP there are no other transactions between associated companies. For 2010 this indemnification was set at EUR 850,000.

XXIV. OFF-BALANCE-SHEET RIGHTS AND COMMITMENTS

- Outstanding financial securities worth EUR 0.759 million in favour of the Flemish waste management company (OVAM).
- Bank guarantees and covenants:
  - The Dexia credit line of up to EUR 25 million made available with co-debtors WDP Comm. VA and WDP Czech Republic is guaranteed by a joint and several surety by the parent company WDP Comm. VA. The surety principal is EUR 5 million (to be increased by interest, commission, and all other ancillary costs).
  - There is a guarantee with ING for surety of the commitments of WDP Nederland N.V. by the parent company WDP Comm. VA for EUR 23.7 million.
  - Commitment in favour of the credit institutions with which WDP usually trades whereby WDP does not further mortgage fixed assets or establish proxies for this purpose (negative pledge).
  - WDP has entered into the commitment with the various banks to remain qualified as a closed-end property investment company. The conditions to be met for this are set out in the Royal Decree of 10 April 1995, the Royal Decree of 21 June 2006 and the Royal Decree of 7 December 2010, see also page 183 'General information concerning the closed-end property investment company'.
  - With some financial institutions, WDP undertakes to maintain an Interest Cover Ratio of at least a specified level. That level varies between 2.3 and 1.5 for WDP.
  - With some financial institutions, WDP undertakes to limit projects that are not yet pre-let (developments on risk) to 15% of the carrying amount of the portfolio (excluding land reserves).
  - The commercial paper programme may not exceed EUR 150 million. At 31 December 2010 the commercial paper programme amounted to EUR 112 million.
  - Security deposit paid by WDP Comm. VA to WDP Development RO as part of the EIB funding in the amount of EUR 75 million.

WDP satisfied all bank covenants at 31 December 2010.

1 Interest Cover Ratio or the ratio EBITDA / Interest charges is the ratio of (current taxable result + financial costs for debts + other financial costs + financial non-cash costs) / (financial costs for debts + other financial costs + financial non-cash costs).

XXV. STATEMENT OF RENTAL RETURNS (GROSS)

		2010 (EUR)	2009 (EUR)
BELGIUM		**37,008,118.50**	**37,119,689.89**
Aalst	Dendermondsesteenweg 75	178,899.71	175,988.39
Aalst	Denderstraat 54-56 – Tragel	209,430.72	207,440.52
Aalst	Tragel 5 – Gheeraerdtstraat 15-16	254,755.30	254,232.45
Aalst	Tragel 11-12 – Garenstraat	947,547.83	936,167.04
Aalst	Wijngaardveld 3/5, Dijkstraat 7	647,160.33	677,142.73
Aarschot	Nieuwlandlaan 19	362,945.76	288,068.31
Anderlecht	Frans Van Kalkenlaan 9	935,489.61	922,896.03
Antwerpen	Lefebvredok – Grevendilf – Vrieskaai	487,868.14	599,444.74
Asse (Mollem)	Terheidenboslaan 10	244,308.88	244,472.08
Asse (Mollem)	Assesteenweg 25	1,317,734.46	1,262,154.10
Asse (Mollem)	Assesteenweg grond naast nummer 25	2,875.00	24,437.50
Beersel	Stationstraat 230	203,170.20	202,049.08
Beersel (Lot)	Heideveld 3-4	375,918.64	373,844.32
Beringen (Paal)	Industrieweg 135 – Rijsselstraat	439,384.44	436,830.82
Boom	Groene Hofstraat 13	111,444.72	86,856.63
Boom	Langelei 114-116 – Industrieweg	1,305,014.46	1,617,778.08
Boortmeerbeek	Leuvensesteenweg 238	185,658.11	182,871.86
Boortmeerbeek	Industrieweg 16	118,621.07	347,446.36
Bornem	Rijksweg 17	642,497.27	631,782.00
Bornem	Rijksweg 19	903,987.77	951,444.00
Courcelles	rue de Liège 25	826,398.38	662,150.68
Doornik (Marquain)	rue de Terre à Briques 14	346,509.90	346,741.31
Genk	Brikkenovenstraat 48	1,058,760.08	614,748.35
Grimbergen	Eppegemsesteenweg 31	1,016,866.32	1,016,866.32
Grimbergen	Industrieweg 16	656,715.16	722,738.20
Haacht (Wespelaar)	Dijkstraat 44	204,333.89	213,329.52
Jumet	Zoning Industriel – 2ième	268,229.88	268,440.03
Kontich	Satenrozen 11-13 – Elsbos	2,492,852.08	2,473,653.80
Kortenberg	A. De Conincklaan 2-4	401,495.28	397,291.76
Lebbeke (Wieze)	Kapittelstraat 31	77,710.60	71,003.43
Leuven	Vaart 25-35	1,186,843.81	1,239,617.63
Leuven (Wilsele)	Kolonel Begaultlaan 9, 17-21, hoek Lefèvrelaan	670,263.46	667,287.12
Londerzeel	Nijverheidstraat 13-15	1,107,237.94	1,100,566.72
Machelen	Rittwegerlaan 91-93 – Nieuwbrugstraat	1,549,000.16	1,536,351.18
Mechelen	Zandvoortstraat 3	1,077,577.20	806,249.97
Meer	Seoelstraat 1	470,926.35	352,350.00
Merchtem	Wolvertemse Steenweg 1 – Bleukenweg 5	229,195.84	205,850.22
Moeskroen (Estaimpuis)	rue du Pont Blue 21	123,948.61	124,031.39
Neder-Over-Heembeek	Steenweg op Vilvoorde 146	0.00	68,332.29
Nijvel	rue de l'Industrie 30	1,353,618.81	1,308,992.43
Nijvel	rue de Bosquet 12	486,288.65	592,150.02
Nijvel	rue Buisson aux Loups	0.00	1,100.00
Puurs	Lichterstraat 31	8,984.98	10,491.16
Puurs (Breendonk)	Koning Leopoldlaan 9	202,405.92	202,924.56
Rumst (Terhagen)	Polder 3 – Kardinaal Cardijnstraat 65	516,210.12	570,076.34
Sint-Jans-Molenbeek	Delaunoystraat 35-36 + 58-60	1,000.00	10,337.91

		2010 (EUR)	2009 (EUR)
Sint-Katelijne-Waver	Strijbroek 10	313,679.96	311,949.16
Sint-Katelijne-Waver	Drevendaal 3	1,312,339.75	1,298,576.35
Sint-Katelijne-Waver	Drevendaal 1 – Strijbroek 4	867,248.03	867,827.19
Sint-Katelijne-Waver	Fortsesteenweg 19-27	280,322.54	280,509.81
Sint-Katelijne-Waver	Fortsesteenweg 44	143,567.97	143,663.85
Ternat	Industrielaan 24	299,679.26	775,078.78
Vilvoorde	Willem Elsschotstraat 5	872,661.17	885,349.16
Vilvoorde	Havendoklaan 12	892,879.82	890,761.04
Vilvoorde	Havendoklaan 13	428,871.72	429,881.64
Vilvoorde	Havendoklaan 19	9,750.00	2,000.00
Vilvoorde	Jan Frans Willemsstraat 95	370,719.27	386,992.80
Willebroek	Breendonkstraat	4,561.24	0.00
Willebroek	Koningin Astridlaan 14	832,730.15	835,143.44
Willebroek	Koningin Astridlaan 16	1,179,472.50	1,177,422.81
Willebroek	Victor Dumonlaan 4	1,163,033.67	870,189.03
Zaventem	Fabriekstraat 13	372,869.34	372,221.34
Zele	Lindestraat 7 – Baaikensstraat	1,424,955.19	1,585,104.11
FRANCE		**6,061,925.00**	**5,748,654.00**
Aix en Provence	rue Gustave Eiffel 205	754,175.00	759,519.00
Lille – Fretin – Sainghin-en-Mélanois	rue des Hauts de Sainghin	0.00	435,759.00
Lille – Libercourt	Zone Industrielle – Le Parc à Stock	1,183,123.00	375,591.00
Lille – Roncq	avenue de l'Europe 17	515,333.00	551,564.00
Lille – Seclin	rue Marcel Dassault	453,348.00	509,831.00
Lille – Templemars	route de l'Epinoy 16b	319,512.00	302,555.00
Lille – Templemars	route d'Ennetière 40	759,509.00	756,648.00
Neuville-en-Ferrain	rue de Reckem 33	650,210.00	601,236.00
Vendin-le-Vieil	rue Calmette / rue des Frères Lumière	1,426,715.00	1,455,951.00
CZECH REPUBLIC		**2,512,044.00**	**2,526,142.00**
Hradec Králové	Pilnáčkova 410	198,602.00	198,800.00
Jablonec	Janovská 4633/2	56,507.00	55,691.00
Mladá Boleslav	Jičinská 1329/3	128,137.00	127,675.00
Mladá Boleslav	Nepřevázka	1,692,095.00	1,710,385.00
Průhonice	Uhřiněveská 734	436,703.00	433,591.00
THE NETHERLANDS		**11,978,108.34**	**9,277,573.00**
Breda	Hazeldonk 6462 en 6464	1,061,691.00	1,061,692.00
Nijmegen	Bijsterhuizen	296,004.00	0.00
Raamsdonksveer	Zalmweg 27	422,062.00	321,799.00
Ridderkerk	Handelsweg 20	5,042,581.00	3,570,193.00
Tilburg	Pegasusweg 1	816,749.87	0.00
Veghel	Marshallweg 1	2,657,272.00	2,646,685.00
Venlo	Edisonstraat	541,815.47	541,816.00
Voorhout	Loosterweg 33	1,139,933.00	1,135,388.00
TOTAL		**57,560,195.84**	**54,672,058.89**

Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2010 to the shareholders' meeting

To the shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comment.

Unqualified audit opinion on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Warehouses De Pauw Comm.VA/SCA ('the company') and its subsidiaries (jointly 'the group'), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of EUR 922,381 (000) and the consolidated income statement shows a consolidated profit for the year then ended of EUR 32,602 (000).
The board of directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

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

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as of 31 December 2010, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

Additional comment

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

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

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

Diegem, March 31, 2011

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Rik Neckebroeck

The Statutory Auditor

Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2009 presented to the shareholders' meeting

To the shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comment.

Unqualified audit opinion on the financial statements

We have audited the accompanying consolidated financial statements of Warehouses De Pauw Comm.VA/SCA ('the company') and its subsidiaries (jointly 'the group'), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2009, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of EUR 916,076 (000) and the consolidated income statement shows a consolidated profit for the year then ended of EUR 437 (000).

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

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

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

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as of 31 December 2009, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

Additional comment

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

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

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

Diegem, 31 March 2010

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Rik Neckebroeck

The Statutory Auditor

2010 Annual unconsolidated financial statements*

Profit and loss account

EUR (x 1,000)	Year 31-12-2010	Year 31-12-2009
I. Rental income	**38,343**	**38,003**
Rents	37,766	37,888
Indemnification for early termination of lease	577	115
III. Rental charges	**-97**	**-868**
Rent to be paid for leased premises	-271	-241
Valuation allowances for trade receivables and reversals	-47	-667
Reversals of valuation decreases for trade receivables	221	40
NET RENTAL RESULT	38,246	37,135
V. Recovery of rental charges normally paid by the tenant on let properties	**4,441**	**4,512**
Re-invoicing rental charges paid out by the owner	1,719	1,879
Re-invoicing advance property levy and taxes on let buildings	2,722	2,633
VII. Rental charges and taxes normally paid by the tenant on let properties	**-5,020**	**-5,066**
Rental charges paid out by the owner	-1,751	-2,094
Advance levies and taxes on let properties	-3,269	-2,972
VIII. Other income and charges related to leases	**5,423**	**4,198**
Property management fees	394	494
Income from solar energy	5,029	3,704
PROPERTY RESULT	43,090	40,779
IX. Technical costs	**-759**	**-741**
Recurrent technical costs	-732	-705
- Repairs	-521	-545
- Insurance premiums	-211	-160
Non-recurrent technical costs	-27	-36
- Major repairs (building contractors, architects, engineering firm, etc.)	1	1
- Accidents	-28	-37
X. Commercial costs	**-220**	**-300**
Agency commissions	-71	-71
Advertising	-58	-75
Lawyers' fees and legal charges	-91	-154
XII. Property management costs	**-121**	**-293**
External management fees	0	-70
(Internal) property management costs	-121	-223
PROPERTY CHARGES	-1,100	-1,334
PROPERTY OPERATING RESULTS	41,990	39,445
XIV. General company expenses	**-2,287**	**-1,914**
OPERATING RESULTS BEFORE RESULT ON PORTFOLIO	39,703	37,531

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

2010 Annual unconsolidated financial statements*

Profit and loss account

EUR (x 1,000)	Year 31-12-2010	Year 31-12-2009
XVI. Result on disposals of investment property	**49**	**11**
Net property sales (sales price – transaction costs)	14,280	2,934
Book value of properties sold	-14,231	-2,923
XVIII. Variations in the fair value of investment property	**4,183**	**-1,102**
Positive variations in the fair value of investment property**	11,355	6,878
Negative variations in the fair value of investment property	-6,361	-9,390
Impairment of assets under construction (recognised and reversed)	-811	1,410
OPERATING RESULT	43,935	36,440
XIX. Financial income	**21,844**	**11,682**
Interests and dividends received	7,535	7,295
Income from financial leases and similar	18	23
Income from financial instruments used for hedging purposes	6,266	2,948
Variations in the fair value of financial fixed assets	7,842	1,387
Other financial income	184	29
XX. Interest charges	**-20,941**	**-20,418**
Nominal interest on loans	-21,286	-21,886
Interest capitalised during construction	392	1,482
Other interest charges	-47	-14
XXI. Other financial charges	**-11,967**	**-27,796**
Bank charges and other commissions	-32	-38
Costs of financial instruments used for hedging purposes	-8,522	-13,871
Variations in the fair value of financial assets	-3,407	-13,887
Other financial charges	-6	0
FINANCIAL RESULT	-11,063	-36,532
PRE-TAX RESULT	32,872	-92
XXII. Corporation tax	**-66**	**-45**
TAXES	-66	-45
NET RESULT	32,806	-137
NUMBER OF SHARES	12,533,938	12,533,938
NET RESULT PER SHARE (EUR)	2.62	-0.25***

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** *This only relates to the positive variations of property investments. The revaluation surpluses of solar panels are booked directly in the equity capital, under the section 'Revaluation reserve' in accordance with IAS 16.*

*** *Earnings per share are calculated on a pro-rata-temporis basis for the number of shares entitled to dividend for 2009 (first six months 9,400,454 shares, from 01-07-2009 12,533,938 shares).*

2010 Annual unconsolidated financial statements*
Profit and loss account

Other components of comprehensive income

EUR (x 1,000)	31-12-2010	31-12-2009
NET PROFIT	**32,806**	**-137**
Positive movements in the fair value of solar panels	3,892	12,779
OTHER COMPONENTS OF COMPREHENSIVE INCOME	**3,892**	**12,779**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**36,698**	**12,642**
Attributable to:		
- Shareholders of the parent company	36,698	12,642

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2009 Annual unconsolidated financial statements*

Balance sheet

EUR (x 1,000)	Year 31-12-2010	Year 31-12-2009
FIXED ASSETS	874,953	847,331
B. Intangible assets	**422**	**286**
C. Investment property	**546,546**	**537,194**
E. Other tangible fixed assets	**65,524**	**54,904**
- Tangible fixed assets for own use	65,524	54,904
F. Financial fixed assets	**262,336**	**254,584**
- Assets held until maturity	1,107	593
Hedging instruments	1,107	593
- Loans and receivables	204,931	203,091
Other	204,931	203,091
- Other	56,298	50,900
Holdings in affiliated companies and companies with a participation	56,298	50,900
G. Finance lease receivables	**107**	**195**
H. Trade receivables and other non-current assets	**18**	**168**
CURRENT ASSETS	15,626	25,893
A. Assets held for sale	**2,850**	**14,199**
- Property investments	2,850	14,199
C. Finance lease receivables	**88**	**83**
D. Trade debtors	**3,753**	**3,538**
E. Tax benefits and other current assets	**7,340**	**5,320**
- Taxes	143	173
- Other	7,197	5,147
F. Cash and cash equivalents	**339**	**586**
G. Deferred active charges	**1,256**	**2,167**
- Completed, property returns not due	115	3
- Property costs paid in advance	178	288
- Interests and other financial costs paid in advance	251	241
- Other	712	1,635
TOTAL ASSETS	890,579	873,224

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2009 Annual unconsolidated financial statements*
Balance sheet

EUR (x 1,000)	Year 31-12-2010	Year 31-12-2009
EQUITY CAPITAL	**370,929**	**366,494**
I. Shareholders' equity attributable to the parent company's shareholders	**370,929**	**366,494**
A. Capital	97,853	97,853
- Subscribed capital	100,522	100,522
- Costs of capital increase	-2,669	-2,669
B. Premiums on issues	63,960	63,960
D. Reserves (including profit / loss)	223,433	218,609
F. Impact on the fair value of costs and transfer taxes estimated at the time of the notional transfer of the investment property and of the valuation of project developments at cost	-14,317	-13,928
LIABILITIES	**519,650**	**506,730**
I. Non-current liabilities	393,091	388,005
A. Provisions	1,115	1,165
- Other	1,115	1,165
B. Non-current financial liabilities	341,390	339,059
- Credit institutions	318,000	315,000
- Financial lease	23,390	24,059
C. Other non-current financial liabilities	35,314	32,509
- Other	35,314	32,509
E. Other non-current liabilities	15,272	15,272
II. Current liabilities	126,559	118,725
B. Current financial liabilities	118,311	110,524
- Credit institutions	116,013	106,750
- Financial lease	2,298	3,774
D. Trade payables and other current debts	4,005	5,018
- Suppliers	3,396	4,390
- Tax, salary and social security	609	628
E. Other current liabilities	2,728	2,271
- Other	2,728	2,271
F. Other current liabilities	1,515	912
- Property returns received in advance	683	301
- Completed, not due interests and other costs	425	440
- Other	407	171
TOTAL LIABILITIES	**890,579**	**873,224**

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2010 Annual unconsolidated financial statements*

Profit distribution

Based on its net current result, WDP's management company will propose to the General Meeting that a total dividend (coupon number 20) be distributed for 2010 of EUR 2.94 gross (EUR 2.50 net) per share. The return on capital is EUR 36,864,818, i.e. 12,533,938 shares x EUR 2.50 in net dividend, plus 15% withholding tax. As a result, the dividend payout ratio for 2010 will be 94.5%. The statutory minimum distributable amount under the Royal Decree of 7 December 2010 is EUR 31,218,341, equating to EUR 2.49 gross per share.

WDP's management company will be holding an Extraordinary General Meeting on 8 April 2011. Alternatively, if the quorum is not present to amend the Articles of Association to comply with the new Royal Decree of 7 December 2010, this meeting will be held on 27 April 2011. If the proposed amendments to the Articles of Association are approved by the shareholders, the amended articles will allow for the option to henceforth distribute the dividend as an optional dividend. An optional dividend is a form of dividend distribution that enables the shareholders to transfer their claim arising from the profit distribution to the company's capital in exchange for the issuance of new shares[1] (along with the option to receive the dividend in cash). In other words, shareholders have the option to receive the dividend in either cash or shares. WDP's management company intends to take advantage of this option for the dividend to be distributed for the 2010 financial year. The shareholders will be informed in time regarding the specific terms of this optional dividend, including the issue price of the shares and the acceptance period.

Under Section 617 of the Companies Act, distribution is not permitted if, on the last day of the most recent financial year, the company's net assets (i.e. the total amount of the assets as shown in the balance sheet less provisions and liabilities) have declined or, as a result of the distribution, would decline below the amount deposited or, if this amount is higher, of the called-up capital, plus all reserves that cannot be distributed under the law or the Articles of Association. As of 31 December 2010, WDP's net assets totalled EUR 370,928,313, less the proposed distribution of EUR 36,864,818. After the proposed distribution, this brings net assets to EUR 334,063,495, which is higher than EUR 278,569,681, i.e. the sum of the paid-up capital or, if this amount is higher, the called-up capital, the unavailable issue premiums, the reserves for the positive balance of the movements in the fair value of the property, the reserves for the impact on the fair value of estimated transaction duties and transaction costs in the event of the hypothetical sale of investment property, the reserves for the balance of the movements in the fair value of permitted hedging instruments that are or are not subject to hedge accounting as defined in IFRS, and other reserves declared unavailable by the General Meeting as at 31 December 2010. This is in compliance with Section 617 of the Companies Code.

1 *If an optional dividend is distributed, the dividend claim that is linked to a specific number of existing shares entitles the holder to one new share, at an issue price per share that may or may not represent a discount compared to the share price (either an average share price for a specific period or otherwise). The issuance of shares as part of the optional dividend is subject to common company law regarding capital increases. However, the special rules regarding contribution in kind in a cepic, as provided for in Article 13, paragraph 2 of the Royal Decree of 7 December 2010, do not apply, provided that specific conditions are satisfied.*

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

Permanent document

1. Basic information

1.1. Company name (Article 1 of the Articles of Association)

'Warehouses De Pauw', abbreviated 'WDP'.

1.2. Legal form, formation and publication1

The company was established as a public limited company under the name 'Rederij De Pauw' under the terms of a deed executed before the civil-law notary Paul De Ruyver in Liedekerke, Belgium, on 27 May 1977, published in the Appendices to the Belgian Official Gazette of 21 June 1977 under number 2249-1. This public limited company served as a holding company in which the property assets of nine companies were combined by means of a general merger and demerger transaction. At the same time, the name of the company was changed to 'Warehousing & Distribution De Pauw' and it was converted into a limited partnership with share capital. The amendments to the Articles of Association in relation to this operation were made conditionally, under the terms of a deed executed on 20 May 1999 by the civil-law notary Siegfried Defrancq in Asse-Zellik, substituting the civil-law notary Jean-Jacques Boel in Asse, legally impeded, on 20 May 1999, as published in the Appendices to the Belgian Official Gazette on 16 June thereafter under number 990616-21, and ratified by two deeds dated 28 June 1999, executed before the aforementioned civil-law notary and published in the Appendices to the Belgian Official Gazette on 20 July 1999 under numbers 990720-757 and 758.

Since 28 June 1999, WDP Comm. VA has been registered with the Banking, Finance and Insurance Commission as a 'Belgian closed-end property investment company', abbreviated to 'cepic' under Belgian law. It is consequently subject to the regulations governing fixed-capital investment companies as defined by the Act of 20 July 2004 relating to certain forms of group management of investment portfolios, along with the Royal Decree of 7 December 2010 relating to cepics ('the Royal Decree on Cepics'). The Royal Decree of 7 December 2010 replaced the previously applicable Royal Decree on Cepics of 10 April 1995.

The company name was changed to 'Warehouses De Pauw' at the Extraordinary General Meeting of 25 April 2001, by a deed executed before the aforementioned civil-law notary Siegfried Defrancq, substituting the aforementioned civil-law notary Jean-Jacques Boel, legally impeded, published in the Appendices to the Belgian Official Gazette of 18th May thereafter under number 20010518-652.

WDP's Articles of Association have since been amended repeatedly, most recently on 30 June 2009. This deed was published in the Appendices to the Belgian Official Gazette of 15 July 2009 under number 09099938.

As of the date of this annual financial report, WDP's Articles of Association had not yet been amended in accordance with the new Royal Decree on Cepics. However, specific information included below does refer to this new Royal Decree. The Board of Directors of the management company intends to propose to the General Meeting of 27 April 2011 that the Articles of Association be amended in order to adapt them to these new regulations where necessary and, where possible, to take advantage of the increased flexibility offered by these regulations. For these same reasons, the Articles of Association of WDP's management company, De Pauw NV, will likewise be amended, on or around 27 April 2011. The description contained in the Permanent Document is based on the assumption that these amendments to the Articles of Association will be adopted.

1.3. Registered office of the company and administrative domicile (Article 3 of the Articles of Association)

The company has its registered office at 1861 Meise/Wolvertem, Blakebergen 15, Belgium. The registered office can be transferred within Belgium by decision of the management company without amending the Articles of Association, provided the language laws are duly respected.

1 See also, in relation to this, '7. Key dates in the history of WDP' on page 181.

1.4. Company number

The company is registered in the Crossroads Databank for Enterprises, Brussels district, under the company registration number 0417.199.869.

1.5. Duration (Article 2 of the Articles of Association)

The company has been formed for an indefinite duration.

1.6. Corporate object (Article 4 of the Articles of Association)

As stated above, the Board of Directors of the management company intends to propose to the General Meeting of 27 April 2011 that the Articles of Association be amended to comply with the new Royal Decree on Cepics. Following the approval of the General Meeting, Article 4 of the Articles of Association will provide that: 'The sole object of the company is the collective investment of funds in property in accordance with the applicable regulations relating to cepics'.

'Property' is defined as:

- 'immovable property' as defined in articles 517 and thereafter of the Belgian Civil Code and rights in rem on said property;
- voting shares issued by property companies that are supervised exclusively or jointly by the cepic;
- options on properties;
- shares in public or institutional cepics, on condition that the supervision exercised on the latter is collective or exclusive;
- participation rights in property investment companies registered in the list drawn up by the Banking, Finance and Insurance Commission ('CBFA') of public institutions for collective investment under foreign law;
- participation rights in institutions for collective investment in property that are domiciled in a different Member State of the European Economic Area and that are not registered in the list drawn up by CBFA, provided that they are subjected to the same supervision as the public cepics;
- property certificates as described in the applicable financial legislation;
- rights arising from contracts giving the cepic leasehold of one or several properties, or where other, equivalent rights are granted;
- and all other properties, shares or rights defined as property by the applicable regulations relating to cepics.

Within the limits of its investment policy, as defined in Article 5 of the Articles of Association and in accordance with the applicable legislation relating to cepics, the company may involve itself in:

- the acquisition, purchase, construction (without prejudice to the prohibition to act as a property developer other than on an occasional basis) alteration, fitting out, leasing, subleasing, management, exchange, sale, contribution, transfer, dividing up, and inclusion of properties as described above into a system of joint ownership or jointly owned property as described above, the granting or acquisition of construction rights, usufruct, long leases or other rights in rem or personal rights on property as described above;
- the acquisition, transfer and lending of securities;
- taking on leases of properties with or without an option to buy; and on an incidental basis, leasing properties with or without an option to buy;
- the company may not act as a property developer in the sense of the applicable legislation relating to cepics except on an occasional basis.

In accordance with the Royal Decree on Cepics, the company may also:

- on an incidental or provisional basis, undertake investments in securities, other than fixed assets and liquid assets. Ownership of securities must be compatible with the short- or medium-term goals of the investment policy as described in Article 5 of the Articles of Association. The securities must have been accepted in a Belgian or foreign regulated market, as defined in the applicable financial laws. The liquid assets may be held in any currency in the form of deposits on demand or term deposits or any money-market instrument whose funds are readily available;
- grant loans, mortgages or other securities or guarantees, provided this occurs within the group, in the context of property financing and subject to the limits defined.

The company may acquire, rent or lease, carry over or exchange all movable or immovable property, materials and accessories and generally perform all commercial or financial transactions that are directly or indirectly related to its corporate object and the exploitation of all intellectual rights and commercial properties related thereto.

In so far as it is compatible with the Articles of Association of closed-end property investment companies and in compliance with the applicable regulations for cepics, the company can participate in all existing companies and enterprises, or those yet to be formed, in Belgium or abroad, which have an identical corporate object to its own, or which by their nature further the accomplishment of its own object, through cash contributions or contributions in kind, merger, subscription, participation, financial intervention or any other method.

Any amendment of the company's Articles of Association requires the prior approval of the Banking, Finance and Insurance Commission.

1.7. Investment policy (Article 5 of the Articles of Association)

The investment policy with a view to implementing the corporate object is as follows: in order to minimise investment risks and spread the risk properly, the company will gear its investment policy to a diversified property portfolio, investing in high-quality projects, principally in semi-industrial buildings intended for distribution, storage and various other logistical uses. The company will also invest to a lesser extent in industrial, commercial and office buildings. The potential buildings may be geographically spread throughout Belgium, the European Union Member States and EU candidate countries. For more details about the investment policy and strategy, please refer to the sections entitled 'A highly individual approach' and 'A strategy aimed at continuing growth' in the 'strategy' section of the chapter 'Warehouses De Pauw – Warehouses with Brains' on page 9.

In accordance with the Royal Decree on Cepics, investments in securities must be undertaken in accordance with the criteria stipulated in Articles 47 and 51 of the Royal Decree of 4 March 2005 relating to specific collective investment funds.

1.8. Places where documents can be consulted by the public

In accordance with statutory provisions, the company's separate and consolidated financial statements are deposited with the National Bank of Belgium.

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

The company's annual financial reports and Articles of Association are also available at the head offices and can be consulted for informational purposes on the website www.wdp.be. However, the printed version in Dutch is the only legally valid version of the annual financial report. The company accepts no liability for the accuracy and correctness of the annual financial report as it appears on the Internet. Other information found on the company's website or on any other internet site does not form part of the annual financial report. The electronic version of the annual financial report may not be reproduced or made available to anyone in whatever location, and neither may the text of this version be printed in order to be circulated. Registered shareholders and any other person who so requests will receive a copy of the annual financial report every year.

The financial reporting and the convocation of shareholders to the General Meetings are published in the financial press insofar as legally required. They may also be consulted on the website www.wdp.be. WDP follows the statutory provisions and guidelines of the Banking, Finance and Insurance Commission in this regard. Resolutions relating to the appointment and discharge of members of the Board of Directors are published in the Appendices to the Belgian Official Gazette. The most recent version of the Corporate Governance Charter is also available on the website www.wdp.be. Any interested party can consult the press releases and statutory financial information on this website.

2. Authorised capital

2.1. Subscribed capital

The subscribed capital of WDP Comm. VA amounts to EUR 100,521,811.63 and is represented by 12,533,938 ordinary shares, each representing 1/12,533,938 of the capital.

2.2. Authorised capital (Article 7 of the Articles of Association)

The management company is currently authorised to increase the authorised capital on the dates and under the conditions which it will determine, on one or several occasions, by EUR 68,913,368.00. This authorisation is valid for a period of five years effective 23 April 2009, and is renewable.

The Board of Directors of the management company intends to propose to the General Meeting of 27 April 2011 that the management company be granted authorisation to increase the Company's authorised capital as part of the right to renew and expand this capital. Following approval by the General Meeting, the following conditions will apply to the authorised capital:

The management company is authorised to increase the paid-up authorised capital on the dates and under the conditions it will determine, on one or several occasions, by EUR 100,521,811.63. This authorisation is valid for five years as from the publication of the minutes of the Extraordinary General Meeting of 8 April 2011 (to be held on 27 April 2011 if the quorum is not present). This authorisation can be renewed.

This (these) increase(s) in capital can be achieved through cash subscription, a contribution in kind or through the conversion of reserves, including profits carried forward and issue premiums, along with all the company's assets under its separate IFRS financial statements (prepared in compliance with the applicable regulations for closed-ended property investment companies) that are eligible for conversion in capital, either based on the issue of new shares or otherwise, in accordance with the rules stipulated in the Companies Code, applicable legislation relating to cepics and the current Articles of Association.

In the event of an increase in capital decided on by the management company, the issue premiums must, where appropriate, be placed by the management company in a frozen account after deduction of any charges. This account will constitute the guarantee for third parties in the same way as the capital, and can only be reduced or closed by resolution of the General Meeting as for an amendment to the Articles of Association and in compliance with the procedures for reducing the authorised capital, except in the event of a capital conversion as specified above.

Without prejudice to the application of sections 592 to 598 and 606 of the Companies Code, the management company will then be authorised to restrict or revoke the preferential right, including if this is accomplished for the benefit of one or more specific individuals not including employees of the company or its subsidiaries, to the extent that the current shareholders are granted an irreducible right of allocation for the allocation of new shares. Without prejudice to the application of sections 595 to 599 of the Companies Code, the special restrictions of the Royal Decree on Cepics relating to the revocation or restriction of the preferential right do not apply to cash contribution subject to restriction or revocation of the preferential right, in addition to an in-kind contribution for the distribution of an optional dividend, to the extent this is made payable to all shareholders.

The issue of shares for a contribution in kind must comply with the special conditions relating to contribution in kind (see Section '2.4. Modification of the capital' on page 178), including the option to deduct an amount corresponding to the portion of the non-distributed gross dividend. However, these special rules regarding in-kind capital increases do not apply to the entitlement to dividend in the event of the distribution of optional dividend, to the extent this is made available to all shareholders.

2.3. Buyback of shares (Article 9 of the Articles of Association, after amendment to the Articles of Association)

The Board of Directors of the management company intends to propose to the General Meeting of 27 April 2011 that it approve a renewal of the authorisation of the management company to acquire, pledge and resell its own shares (including in the event of imminent serious loss) and to amend the company's Articles of Association for the purpose of renewing this authorisation. Following amendment to the Articles of Association, the following conditions will apply:

The management company will be authorised to acquire, accept as security and sell its own shares at the company's expense without a prior resolution by the General Meeting, if such acquisition or sale is necessary in order to indemnify the company against imminent, serious loss. This authorisation is valid for three years from the publication of the minutes of the Extraordinary General Meeting of 8 April 2011 (to be held on 27 April 2011 if the quorum is not present at the meeting of 8 April) and may be renewed subject to a resolution of the General Meeting in compliance with Section 559 of the Companies Code relating to specific requirements regarding quorum and majority.

In addition, the management company may, for a period of five years from the Extraordinary General Meeting of 8 April 2011 (to be held on 27 April if the quorum is not present at the meeting of 8 April), acquire, accept as security and resell (even outside the stock exchange) the company's own shares at the company's expense at a price per share that may not be lower than EUR 0.01 per share (acquisition and accept as security) or 75% of the closing price on the trading day preceding the date of the transaction (reselling), and that may not exceed EUR 70.00 per share (acquisition and accept as security) or 125% of the closing price on the trading day preceding the date of the transaction (reselling) without the company being authorised to hold over 20% of the total number of shares issued.

The management company of WDP, De Pauw NV, used the existing authorisation under the Articles of Association on 3 July 2009 and acquired 1,490 shares in the company's own capital on Euronext Brussels. These shares were transferred on 6 July 2009 to personnel of WDP as part of an incentive programme. These shares were bought for EUR 28.106 per share.

On 31 December 2010, WDP Comm. VA did not own any of its own shares. The management company De Pauw NV held 1,438 shares as of that date. These remaining 1,438 shares are not part of the incentive programme.

2.4. Modification of the capital (Article 11 of the Articles of Association, after amendment to the Articles of Association)

Except for the option to use the authorised capital by a management company decision, the increase or decrease in subscribed capital can only be decided on by an Extraordinary General Meeting with the management company's consent. The company should also observe the rules stipulated by the applicable legislation relating to cepics.

Under the Royal Decree on Cepics, the conditions below must be satisfied on the issuance of shares in exchange for a contribution in kind, without prejudice to sections 601 and 602 of the Companies Code.

- the identity of the party making the contribution should be stated in the reports provided under Section 602 of the Companies Code, as well as the notifications of General Meetings which will resolve on the contribution in kind;
- the issue price cannot be lower than the lowest value of (a) a net asset value dating from no later than four months prior to the date of the contribution agreement, or, at the discretion of the public cepic, prior to the date of the deed of capital increase and b) the average price over the thirty days prior to this same date (in the latter case, where appropriate less the non-distributed gross dividend to which the new shares might not entitle the holder);
- unless the issue price and the relevant terms are determined no later than on the first working day following the date when the contribution agreement was entered into and are communicated to the public, specifying the period within which the capital increase will be effected, the deed of capital increase will be executed within a maximum period of four months;
- the report referred to under the first point above must also specify the impact of the proposed contribution on the situation of former shareholders and, more specifically, on their share in the profit, the net asset value, and the capital, as well as the impact on voting rights.

The management company's Board of Directors intends to propose to the General Meeting of Shareholders on 27 April 2011 that the special restrictions provided for in the Royal Decree on Cepics regarding contribution in kind be declared inapplicable – in compliance with a relevant legal option – with regard to the contribution of the right to dividend as part of the distribution of an optional dividend, to the extent that this is made payable to all shareholders.

These rules regarding contribution in kind apply mutatis mutandis to mergers, demergers and similar transactions.

In compliance with the Royal Decree on Cepics, the pre-emptive right can be limited or cancelled in the case of a capital increase through a cash contribution and without prejudice to the application of Sections 592 to 598 of the Companies Code, if the current shareholders are granted an irreducible allocation right in the allocation of new shares. The management company's Board of Directors intends to propose to the General Meeting of 27 April 2011, in compliance with a relevant statutory option, to declare the special restrictions of the Royal Decree on Cepics regarding cash contribution inapplicable for cash contribution with restriction or cancellation of the pre-emptive right, in addition to a contribution in kind as part of the distribution of an optional dividend, to the extent that this is made payable to all shareholders.

2.5. Controlling interest in the company (Article 14 of the Articles of Association, after amendment to the Articles of Association)

The controlling interest in WDP Comm. VA is held by the De Pauw NV management company, represented since 1 September 2002 by its permanent representative, Mr Tony De Pauw, in accordance with Section 61, Paragraph 2 of the Companies Code. The shares of De Pauw NV are entirely owned by the Jos De Pauw family, represented on the Board of Directors of De Pauw NV by Mr Tony De Pauw.

For an explanation of the notion of control, see '1.1. A few words about the context: the limited partnership with share capital', in chapter 'Corporate governance' on page 26.

3. Statutory auditor (Article 19 of the Articles of Association, after amendment to the Articles of Association)

Deloitte Bedrijfsrevisoren, a private limited liability company (BV) in the form of a limited liability cooperative company (CVBA) and a member of the Institute of Registered Auditors (Instituut der Bedrijfsrevisoren), established at Berkenlaan 8b, 1831 Diegem, represented by Mr. Rik Neckebroeck, was appointed on 25 April 2007 as the statutory auditor of WDP Comm. VA. On 28 April 2010, the statutory auditor was reappointed until the Annual Meeting of 2013.

The statutory auditor's mandate includes auditing WDP group's consolidated financial statements and the separate financial statements of WDP Comm. VA.

In France, Deloitte & Associés, represented by Mr. Jean-Yves Morisset, with offices at 67, Rue de Luxembourg, 59777 Euralille, was appointed as statutory auditor for the subsidiary WDP France SARL.

In the Czech Republic, Deloitte Audit sro, represented by Mrs. Diana Rogerová, with offices at Karolinská 654/2, 186 00 Prague 8, was appointed as statutory auditor of the subsidiary WDP CZ sro.

The remuneration for the mandate of the statutory auditor of WDP Comm. VA and its subsidiaries for the 2010 financial year amounted to EUR 77,920 (excl. VAT). During the 2010 financial year, no remuneration was paid for any other statutory audits or other consultancy work (including due diligence work).

4. Depository bank

Fortis is the depository bank for WDP Comm. VA. Its annual remuneration for 2010 was EUR 10,000.

In its capacity as depository bank, Fortis was required to fulfil the obligations imposed under the legislation relating to cepics applicable at that time. The depository bank was presented with all official documents and deeds in relation to changes in the assets of the cepic. However, since WDP is no longer required to appoint a custodian under the new Royal Decree on Cepics, this service will be discontinued.

5. Financial agent

ING Belgium NV
Legal Financial Markets
(Marc Sanders: +32 2 547 31 40 – marc.sanders@ing.be)
Marnixlaan 24
B-1000 Brussels

In the 2010 financial year, fees for financial services totalled EUR 63,894.

6. Chartered surveyor

6.1. Identity

The surveyors appointed by WDP Comm. VA are:

- Stadim CVBA, Marialei 29 in B-2018 Antwerp, represented by Mr. Philippe Janssens;
- Cushman & Wakefield Inc, Kunstlaan 58, Box 7, in B-1000 Brussels, represented by Mr. Kris Peetermans.

In the 2010 financial year, fees for property experts totalled EUR 162,675.

6.2. Task

In accordance with the applicable legislation relating to cepics, the chartered surveyor determines the value of all the buildings belonging to the closed-end property investment company and its subsidiaries at the end of each financial year. The book value of the buildings shown in the balance sheet is adjusted to these values.

Furthermore, the chartered surveyor updates the total valuation from the previous year at the end of the first three quarters of the financial year based on market developments and the specific features of the property in question. The chartered surveyor also appraises the properties of the cepic and its subsidiaries if the cepic wishes to complete a transaction such as issuing shares or entering into a merger.

Each property to be acquired or sold by the closed-end property investment company or any of its subsidiaries is valued by the chartered surveyor before the transaction takes place. The valuation conducted by the chartered surveyor is regarded as the minimum price (in the case of sale) or the maximum price (in the case of acquisition) by the cepic if the other party is an individual closely involved in the cepic (as provided for in the applicable regulations regarding cepics) or if the proposed transaction benefits such individuals in any way.

7. Key dates in the history of WDP

Origins

WDP developed from the assets of the family group Jos De Pauw from Merchtem, Belgium, whose activities were limited to vinegar making during the first half of the twentieth century. Their activities were subsequently diversified to barrel conditioning, sand extraction, inland navigation and finally also property. The group then gradually placed greater emphasis on the creation of an industrial property portfolio.

Permanent document

1977

Creation of Rederij De Pauw NV, grouping together the property assets of the nine companies in the group. Some of the principal properties in the new company were the warehouses of SBT, the logistics subsidiary of Unilever subsequently taken over by Danzas/DHL Solutions. Currently, 50% of the site is still part of WDP's portfolio.
In the 1980s and 1990s, Jos De Pauw, together with his children Tony and Anne, developed the Jos De Pauw group into a property company specialising in semi-industrial properties. The company acquired old, disused industrial sites and transformed them into warehouses. The company also began to build new warehouses at customers' requests.

1998

The value of the property portfolio passed the milestone of EUR 100 million.

1999

The company was renamed 'Warehousing & Distribution De Pauw'. Its legal form was also changed: the limited company became a limited partnership with share capital (Comm. VA). The assets were transferred to a closed-end property investment company in order to guarantee growth and the financing of the business. The Jos De Pauw group was floated on the stock market in June 1999 with a capital increase of some EUR 40 million. The WDP cepic was first listed on Euronext Brussels on 28 June of that same year, with a property portfolio worth EUR 135 million. The first acquisitions in Italy and the Czech Republic coincided with the creation of WDP Italia and WDP CZ.

2000

WDP entered the French market through the acquisition of a project in Aix en Provence. Formation of WDP France.

2001

The company name was changed to 'Warehouses De Pauw', its current name. Merger following the takeover of Caresta NV. Start of activities in the Netherlands through a sale and leaseback operation at Hazeldonk (Breda). Creation of WDP Nederland. At mid-year, the portfolio doubled its value at the time of its stock market flotation: EUR 270 million.

2003

EUR 30 million was raised through a successful increase in capital.

2004

The De Pauw family sold 20% of its WDP shares through private placement. The family remains the reference shareholder with a strategic holding of just over 30%. This transaction enabled the free float to increase to nearly 70%.

2005

WDP sold WDP Italia in order to focus on its two main regions: the Breda-Antwerp-Brussels-Lille axis and the Czech Republic.

2006

WDP announced the 2006-2010 long-term strategic plan, whose objective is to double the portfolio value to EUR 700 million over four years. Acquisition of all of the shares of the companies De Polken NV and De Willebroekse Beleggingsmaatschappij NV. Increase in the capital through the acquisition (a sale and leaseback transaction in exchange for shares) of part of the properties of Massive NV.

2007

Acquisition of all shares of Royvelden NV and purchase of the Univeg property portfolio on 13 July 2007. Creation on 14 August 2007 of WDP Development RO, a 51-49 joint venture with Jeroen Biermans, entrepreneur and Romania expert. Merger with De Polken NV and De Willebroekse Beleggingsmaatschappij NV on 1 October 2007. Merger with Royvelden NV on 19 December 2007. The value of the property portfolio passed the EUR 500 million milestone.

2008

Start of the solar energy project, which should eventually result in a total installed capacity of 30 megawatt peak (MWp) and a carbon-neutral property portfolio. Creation of a permanent operational office in the Netherlands. Agreement in principle regarding the transfer of DHL property in Belgium to the WDP portfolio on 28 November 2008.

2009

Merger by acquisition of Famonas Industries NV and partial split-up with transfer of the assets split off of DHL Freight (Belgium) NV, DHL Solutions (Belgium) NV and Performance International NV with payment in shares by a capital increase on 31 March 2009.

On 30 June 2009, a successful capital increase raised EUR 73,636,874.00. The De Pauw family subscribed to the capital increase for its share of 31.4%.

Buyback of WDP shares by De Pauw NV on 3 July 2009, following which these were transferred to WDP personnel as part of the incentive programme on 6 July 2009. Please also refer to Section ‘2.3. Buyback of shares’ on page 178.

Consecutive mergers of Royvelden Beheer BV into Royvelden Holding BV and of Royvelden Holding BV into Royvelden Vastgoed BV on 28 August 2009.

2010

Voluntary delisting of WDP shares from NYSE Euronext Paris. WDP became the first company in the Netherlands to receive a BREEAM certificate for its logistics building in Tilburg and a second ‘Very Good’ certification from BREEAM for its property in Nijmegen, which is also located in the Netherlands.

Following the change in status to fiscal investment institution (Fiscale Beleggingsinstelling, FBI) effective 1 November 2010, WDP NL BV merged with Royvelden Vastgoed BV to become Warehouses De Pauw Nederland, changing its legal form to public limited company (naamloze vennootschap/NV).

WDP entered into a financing agreement with the European Investment Bank for a total amount of EUR 75 million for the construction of its sites in Romania. At the same time, it began developing its Romanian portfolio with an initial, preleased project.

General information concerning the closed-end property investment company

A public closed-end property investment company (property investment company with a fixed capital):

- is a collective institution for direct or indirect investments in property;
- is subject to the provisions of the Royal Decree on Closed-End Property Investment Companies;
- must be established as a Public Limited Company or a Limited Company with Share Capital;
- is listed on the stock market, where at least 30% of the shares must be distributed in the market;
- is limited in its activities to property investment;
- is excluded from acting as a property developer, either directly or indirectly (other than on an occasional basis);
- can maintain subsidiaries that are regulated either separately or collectively and which may or may not assume the status of institutional closed-end property investment companies.

Closed-end property investment companies are regulated by the Banking, Finance and Insurance Commission (CBFA) and are required to comply with stringent rules regarding conflicts of interest. In addition to Section 523 (concerning conflicts of interest involving directors) and Section 524 (concerning conflicts of interest involving affiliates) of the Belgian Company Code, which sections apply to all listed companies, there are special rules in place for closed-end property investment companies regarding functional conflicts of interest (pursuant to Section 18 of the Royal Decree on Closed-End Property Investment Companies). In its Corporate Governance Charter, WDP has imposed additional, stringent rules on itself related to conflicts of interest, in compliance with the Belgian Corporate Governance Code.

For additional information regarding each of these procedures, please refer to pages 38 and 50 of this Annual Financial Report.

Special regulations

Immovable property

As a general rule, any immovable property/real estate entity may not represent more than 20% of total assets, in order to ensure that investment risk is sufficiently diversified. In specific cases (i.e. if the closed-end property investment company has demonstrated that a deviation[1] of the above is in the interest of the shareholders, or if it has shown that such a deviation is sound due to the specific features of the investment and, in particular, its nature and size, and always on the condition that the consolidated liabilities of the closed-end property investment company do not exceed 33% of the consolidated assets), the Banking, Finance and Insurance Commission may permit a deviation. This deviation must be accounted for in the prospectus and in the periodic reports prepared by the closed-end property investment company, until the deviation is no longer in effect. This type of deviation was heretofore not granted to WDP, on account of its adequate portfolio diversification.

Accounts

Under European law, closed-end property investment companies – like all other listed companies – must prepare their consolidated financial statements in accordance with the international IAS/IFRS standards. Public closed-end property investment companies and institutional closed-end property investment companies (see below) are also required to prepare their separate financial statements in accordance with these standards and in compliance with the Royal Decree on Closed-End Property Investment Companies. Since property investments make up the bulk of the assets of closed-end property investment companies, these companies must appraise these investments at their actual value, in compliance with IAS 40.

Appraisal

The actual value of the property is appraised at the end of each financial year by an independent expert, who adjusts this value at the end of each quarter. The property is then included in the balance sheet in accordance with this appraised value. The buildings are not depreciated.

Result

By way of compensation for the capital, the company must pay an amount that is equal to at least the positive difference between the following amounts:

- 80% of the amount that is equal to the sum of the adjusted result and of the net surplus values on the development of property that has not been exempted from mandatory payment;
- the net decline of the company's liabilities during the course of the financial year.

1 *See Article 39 of the Royal Decree of 7 December 2010.*

Naturally, this obligation applies only if the company has reported a net profit and if it has the flexibility to make payment in accordance with company law.

Liabilities and securities

The consolidated level of indebtedness and, effective 7 January 2012, the separate level of indebtedness of the closed-end property investment company, is limited to 65% of total assets. Property investment companies and their subsidiaries are only permitted to provide mortgages or other securities or guarantees as part of their funding of property-related activities. The total amount covered by these mortgages, securities or guarantees may not exceed 50% of the total actual value of the property owned by the closed-end property investment company and its subsidiaries, and the mortgage, security or guarantee provided may relate to no more than 75% of the value of the encumbered property.

Institutional closed-end property investment companies

Subsidiaries of a public closed-end property investment company must always be audited by the public property investment company either separately or collectively. These subsidiaries may take on the form of institutional closed-end property investment companies (whose funds can only be raised from institutional or professional investors). This ensures, for example, that a public property investment company can develop specific projects together with a third party. The regulatory framework for institutional closed-end property investment companies is designed to avoid that such a partnership in an institutional closed-end property investment company would be inimical to the interests of the shareholders of the public closed-end property investment company. If a public closed-end property investment company chooses the form of an institutional closed-end property investment company, it is not authorised to maintain subsidiaries under Belgian law that assume the form of ordinary property companies. Institutional closed-end property investment companies are partly regulated by the Banking, Finance and Insurance Commission.

Tax system

Both public and institutional closed-end property investment companies are subject to corporation tax at the standard rate; however, they are subject to a reduced tax base, consisting of the sum of (1) the nonstandard or gratuitous benefits they have received and (2) expenses and costs that cannot be deducted as professional expenses and costs, not including decreases in value and decreases in the value of shares. In addition, they may be subject to the special taxation on commissions of 309% on commissions paid and compensation not accounted for in individual tax forms and the combined tax return (i.e. a summary of the individual tax returns of all the company's employees). The withholding tax raised on the dividends paid by public closed-end property investment companies is basically equal to 15%, and amounts to 0% for a closed-end property investment company whose property portfolio consists of more than 60% residential property. This withholding tax generally does not apply to private individuals residing in Belgium.

Companies that request to be recognised as closed-end property investment companies or that merge with, or separate and transfer a portion of their immovable assets to, a closed-end property investment company, are subject to an exit tax of 16.995% (16.5% plus the additional contribution of 3% due to the financial crisis). This exit tax represents the tax price these types of companies are required to pay in order to abandon the civil-law tax regime. Under tax law, this transfer is treated as a (partial) distribution of the authorised capital by the company to the closed-end property investment company.
When distributing its authorised capital, a company must treat the positive difference between the payments in funds, securities or any other form, and the reappraised value of the paid-up capital (i.e. the surplus value available in the company) as a dividend. The Code of Income Tax provides that the amount paid must be equal to the actual value of the authorised capital on the date on which this transaction was completed (Section 210, paragraph 2 of the Code of Income Tax, 1992). The difference between the actual value of the authorised capital and the reappraised value of the paid-up capital is considered equivalent to a dividend paid. The previously taxed reserves may be deducted from this difference, with the remainder generally constituting the taxable base, which is subject to the tax rate of 16.995%.

The closed-end property investment company is an investment vehicle comparable to the Fiscal Investment Institutions (FBIs) in the Netherlands, the Sociétés d'Investissements Immobiliers Cotées (SIICs) in France and the Real Estate Investment Trusts (REITs) in a variety of countries, including the United States.

General information concerning the closed-end property investment company

Since 1 November 2010, WDP Nederland has been subject to the regime for fiscal investment institutions (*fiscale beleggingsinstelling*) and the attendant zero tax rate. In order to benefit from this regime, the company must meet the following conditions:

- It must have the legal form of *besloten vennootschap* (private limited company); *naamloze vennootschap* (public limited company); or fonds voor gemene rekening (mutual fund).
- Its sole object under the Articles of Association and its actual activities must be capital investment.
- The funding of the assets to be invested may not consist of more than 60% borrowed capital (i.e. of the tax base) if these assets represent immovable properties. Assets other than immovable properties may be funded with borrowed capital for a maximum of 20% of their tax base.
- Effective from the date on which WDP Nederland became subject to the regime for fiscal investment institutions, the company's operating profits must be placed at the disposal of its shareholders within eight months following the end of the financial year.
- The profits distributed must be allocated equally across all shares.
- At least 75% of the shares in WDP must be held by an entity not subject to tax on profit.
- It is not permitted for 5% or more of the shares to be held (either directly or indirectly) by individuals.
- It is not permitted for 25% or more of the shares to be held by funds established outside the Netherlands on behalf of individuals or legal entities established in the Netherlands.

This annual financial report is a registration document in the sense of Article 28 of the Law of 16-06-2006 on public offering of investment instruments and the admission of investment instruments authorised to trading on a regulated market. It was approved by the CBFA in accordance with Article 23 of the aforementioned Law, on 29-03-2011.

WDP
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