WDP

Annual financial report

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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 Report 2011

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warehouses with brains

Risk factors

Since investing in property means investing in security, WDP's strategy is aimed at ensuring stability for investors, both in terms of dividend and in terms of long-term income. The management and Board of Directors of WDP are aware of the specific risks associated with managing a property portfolio, and attempt to manage these risks as effectively as possible and eliminate them as much as possible. Below is an overview of the main risks facing the company, including their potential impact and the strategy used to reduce this potential impact[1]. The measures implemented and the financial impact of these risks are described in detail in separate chapters.

RISK MANAGEMENT

MARKET RISKS

Description of risk	Potential impact	Limiting factors and management
Economic situation		
Substantial deterioration of the economic situation	1 Reduction in the demand for storage and distribution facilities and possible tenant bankruptcies 2 Higher vacancy and/or lower rents when re-let 3 Reduction in the fair value of the property and as a result of the NAV*	■ Long-term: lease terms averaging 7.2 years **, sectoral diversification of clients and a low average contractual rent (1,2,3) ■ Quality of the tenant portfolio containing mainly large national and international companies and a limited annual provision for dubious debts (averaging less than 0.5% of the rent per year for the past three years) (1) ■ Excellent location of WDP properties, mainly in the strategic Amsterdam-Rotterdam-Breda-Antwerp-Brussels-Lille logistics axis, offering easy accessibility, consumers in the vicinity, and a high activity level among logistics players due to the location in the hinterland of the ports, which serves as an import and export gate for Europe (2,3)
Rental market for logistics and semi-industrial property		
Lower demand for logistics and semi-industrial property, oversupply, and deterioration of tenants' financial situation	1 Rental income and cash flow affected by an increase in vacancy rates and costs related to re-letting 2 Reduced solvency among tenants and increase in the number of doubtful debts, causing the collection rate of rental income to decline 3 Lower fair value of the property assets and, as a result, of the NAV* 4 Inability to pre-let properties in order to further develop the land potential in the portfolio and increasing its marketability	■ Diversified client base with a limitation for the maximum exposure to a single tenant and a good spread of tenants across the industries (as well as of tenants' clients, particularly when these are thrid-party logistics services providers) (1,2) ■ Thorough integration in the market thanks to years of experience and in-house sales teams (1,4) ■ Only sites in strategic logistics hubs or in secondary locations with growth potential (1,3,4) ■ High degree of architectural quality and sustainability, and in accordance with statutory norms and standards, which means versatility and mixed use (1,3) ■ Flexible property player that aims to meet clients' changing needs (1) ■ The land reserves account for only EUR 44 million on a balance sheet total of EUR 1 billion. This represents long-term potential, in order to respond flexibly to clients' requirements (there is no speculative development) (4)

1 In the table, 'potential impact' contains numbering that is referred to under 'limiting factors and managment'.

** Net Asset Value*

*** Including solar panels*

Risk factors

MARKET RISKS

Description of risk	Potential impact	Limiting factors and management
Investment market for logistics and semi-industrial property		
Reduced investor demand for property	1 Decline in the fair value of the property assets 2 As a result, decline in the NAV* and increase in gearing	■ Investment strategy aimed at high-quality buildings that generate stable long-term income based on sustainable low rental levels (1,2) ■ Prudent management of the capital structure, making it possible to offset any potential decreases in the fair value of the property (2) ■ Geographic diversification of the portfolio with approximately 95% of the portfolio (according to fair value) located in stable, mature Western European markets (1) ■ Large share of land in the valuation of the property portfolio (38%), which has in the past been able to withstand decreases in value (1)
Interest rate volatility		
Sharp future fluctuations in the main short-term and/or long-term interest rates in the international financial markets	1 Negative impact on expenses and, as a result, on the cash flow in the event of an interest rate increase 2 Sharp fluctuations in the value of the financial instruments that serve to hedge the debt 3 Potentially negative impact on the NAV*	■ High degree of hedging against interest rate fluctuations through derivative financial instruments (e.g. Interest Rate Swaps) (1) ■ Day-to-day monitoring of interest rate movements and of their impact on the effectiveness of the hedges (1) ■ The fluctuations in the fair value of the hedging instruments represent a non-realised, non-cash item (if the products are held until the maturity day and are not settled prematurely) (2,3)
Deflation		
A reduction in economic activity, resulting in an overall drop in price levels	1 Decline in rental income	■ Clause in the leases that sets a lower limit at the level of the basic rent (1)
Financial markets		
Extreme volatility and uncertainty in the international markets	1 More difficult access to equity markets in order to retrieve new capital / shareholders' equity and a reduction in the number of options for debt financing 2 Sharp fluctuations in the share price 3 Less liquidity available in debt capital markets with regard to the refinancing of outstanding commercial paper	■ Extensive, regular dialogue with the capital markets and financial counterparties and transparent communications with clear targets (1,2,3) ■ Strict monitoring and management of any risks that might negatively affect investors' and financiers' perception of the company (1,3) ■ Aim to build long-term relationships with financial partners and investors (1,3)

* *Net Asset Value*

Risk factors

OPERATIONAL RISKS

Description of risk	Potential impact	Limiting factors and management
Strategy		
Ill-advised policy decisions	1 Failure to achieve the projected returns 2 Threat to the stability of revenue flow (due to today's visibility thanks to both the long lease terms and the interest rate hedges 3 Property portfolio has not been adjusted to the demand for semi-industrial and logistics property	■ Defining a clear investment strategy with a long-term vision and consistent management of the capital structure (1,2,3) ■ Continuous monitoring of changes in economic, property-related and regulatory trends (including with regard to tax law, company law, regulations regarding property CEICs, etc.) (2,3) ■ Experience of the management and supervision by the Board of Directors (3)
Investment		
Economic, tax and legal aspects relating to acquisitions	1 Transfer of specific hidden liabilities in acquisitions and/or inaccurate assessment of tax consequences of complex transactions 2 Takeover of buildings that do not comply with the company's quality requirements 3 Failure to achieve the projected returns	■ Extensive economic, strategic and property analysis by the Investment Committee of the Board of Directors for each sale proposal (2,3) ■ Extensive due diligence process covering property, economic, tax, legal, accounting and administration as part of all acquisitions - combined with the use of specialised external consultants (1,2,3) ■ Estimate of properties to be acquired by an independent property expert prior to acquisition (3)
Property investments in projects developed for own account with the purpose of being rented out		
Risk specifically related to developments, including contractor solvency, securing the required permits, etc.	1 Inability to secure the required permits 2 Major delays resulting in the loss of potential income 3 Substantial overrun of investment budgets 4 In the event of speculative developments, long periods of vacancy 5 Failure to achieve the projected (higher) returns on developments	■ Specialised in-house property development team and use of external consultants in order to hedge all risks (1,2,3,5) ■ Strict monitoring of recruitment, including the implementation of penalty clauses in the event of non-compliance with contracts by third parties (2,3,5) ■ Use of leading contractors with good credit records, who submit the required guarantees (3,5) ■ Commitment towards the environment in order to maintain a constructive dialogue with local decision-makers (1) ■ No speculative developments are initiated, i.e. a project is launched only if it is pre-let and fully financed and the required permits have been obtained (4,5)
Non-renewal or early termination of leases		
Earlier than initially expected termination of lease	1 Higher vacancy rates, assumption of costs that are typically recharged to the tenant (including withholding tax, management costs, etc) and commercial costs related to re-letting 2 Decline in revenues and cash flows	■ Specialised in-house teams responsible for commercial management and facility management (1) ■ Very extensive network in the logistics property market (1) ■ Contractually required indemnity in the event of early termination of the lease (1,2)
Vacancy		
Unexpected circumstances such as bankruptcies, relocations, etc. that result in vacancy	1 Higher vacancy rates, assumption of costs that are typically recharged to the tenant (including withholding tax, management costs, etc) and commercial costs related to re-letting 2 Decline in the fair value of the property, resulting in a lower NAV*	■ Internal property management and marketing based on a proactive approach (1) ■ The high quality and versatility of the buildings increase the reletting portential (1,2) ■ Preference for realistic rent levels and long-term leases with tenants (1)

* *Net Asset Value*

Risk factors

OPERATIONAL RISKS

Description of risk	Potential impact	Limiting factors and management
Industry-specific risks		
Concentration of the activities of the tenant portfolio	1 Loss of income if a specific industry is affected by an economic downturn	■ Strong sectoral diversification of the tenant base (1)
Maintenance and repair		
Unexpected volatility in maintenance costs	1 Decline in the results and cash flows 2 Unexpected fluctuations in results	■ Continuous inspection of the buildings by the facility managers and commercial teams in their day-to-day interaction with clients (1,2) ■ Stringent periodic maintenance policy that is managed within the company (2)
Obsolescence and building quality		
Risk of structural and technical deterioration in the buildings' lifecycle	1 Obsolescence of the buildings, reducing their commercial appeal 2 Loss of income and long period during which the invested capital is not profitable	■ Regular update of investment plans for the portfolio, with the objective of maintaining the highest quality levels (1,2) ■ Ad-hoc redevelopment and renovation of obsolete properties in addition to regular investment in quality and sustainability (1)
Destruction of buildings		
Destruction by fire, natural disasters, accidents, terrorism, etc.	1 Discontinuity in the use of the building 2 Loss of rental income and possible client turnover	■ The insured value of the portfolio is based on the new value, i.e. the cost of restoring the building to its original state, including architects' fees and value-added tax (1) ■ Loss of rental income due to temporary, full or partial vacancy is also insured (loss of rent for a maximum period of 2 years) (2)
Concentration risk		
Risk of concentration of tenants or concentration of investments in one or more buildings	1 Sharp decline in income and cash flows in the event a tenant departs 2 Increased effect of a decline in the fair value of the property and, as a result, of the NAV* if investments are concentrated in one or more buildings	■ Highly diversified tenant base, where the largest tenant accounts for less than 15% of rental income** (1) ■ Furthermore, the largest tenants are spread among several buildings, various countries and different activities (1) ■ Good spread of the property portfolio among and at the hundred sites, whereby the largest property represents 5% of the fair value of the portfolio (2)
Tenant solvency		
Risk of partial default or bankruptcy of clients	1 Unexpected, sudden decline in rental income due to a lower collection rate or a decline in the occupancy rate 2 Commercial costs related to reletting if tenant insolvency results in vacancies	■ Extensive tenant solvency check by external rating agency prior to inclusion in portfolio (1) ■ Objective to develop the portfolio through long-term contracts with stable, solvent, first-rate tenants (1) ■ Rent is payable in advance on a monthly, quarterly or (in exceptional cases) annual basis (1) ■ Standard rental guarantee for a minimum of 3 months, which WDP (as the landlord) possesses (1,2)

* *Net Asset Value*

** *Including solar panels*

Risk factors

FINANCIAL RISKS

Description of risks	Potential impact	Limiting factors and management
Counterparty risks		
Insolvency/credit risk affecting financial partners	1 Loss of deposits 2 Cancellation of existing lines of credit, costs related to restructuring facilities if these are taken over by another financial party and risk of higher charges for new credit	■ Diversification of funding sources among different instruments and counterparties (1,2) ■ Well-regulated financial position, whereby excess cash is used to reduce financial liabilities (1)
Liquidity risk		
The non-availability of funding or the dearth of funding options	1 Impossibility to fund acquisitions or developments (both through shareholders' equity and through debt) or increased costs, causing projected profitability to decline 2 Increased cost of debt due to higher bank margins, having an impact on result and cash flows	■ Conservative and prudent funding strategy, involving a balanced spread of maturity dates, diversification of funding sources, and a large group of banking partners (1,2) ■ Use of sufficient available lines of credit to fund operating costs and planned investments (1)
Cost of capital		
Combination of unfavourable interest rate movements, increased risk premium in equity markets and increase in the cost of debt	1 Substantial increase in the company's weighted average cost of capital (i.e. shareholders' equity and debt) 2 Impact on the profitability of the company as a whole and on new investments	■ Protection from interest rate increases through the use of hedging instruments. If the rising interest rates are the result of higher inflation levels, the indexation of rental income is also a mitigating factor (1,2) ■ Continuous dialogue with investors and banking partners in order to build solid long-term relationships (1,2)
Budget		
Risk of deviation of the financial results of the planned budget and statutory requirements	1 Impact of the company's performance and non-compliance with specific obligations	■ Quarterly update of the financial model, including testing of the assumptions and preparation methods and daily monitoring of parameters (including economic, property, etc.) that might affect the result (1)
Use of derivative financial products (derivatives)		
Risks related to the use of derivatives to hedge interest rate risk	1 Complexity and volatility of the fair value of the hedging instruments and, by extension, of the NAV* as published in accordance with IFRS 2 Counterparty risk in relation to partners with whom derivative financial products (i.e. derivatives) were contracted	■ The fluctuations in the fair value of the hedging instruments relate to a non-realised and a non-cash item (if the products are held until the maturity date and are not terminated prematurely) and are displayed separately in the analytical profit and loss account in order to improve readability (1) ■ All derivative financial products are used solely for hedging purposes. No instruments are held for speculative use (1) ■ Cooperation with leading financial institutions (2)

* *Net Asset Value*

Risk factors

FINANCIAL RISKS

Description of risks	Potential impact	Limiting factors and management
Covenants and statutory financial parameters		
Risk of non-compliance with requirements to meet specific financial parameters as part of the credit agreements and the statutory regimes to which the company is subject	1 Sanctions and/or stricter monitoring by the regulator if specific statutory financial parameters are not complied with (e.g. compliance with the gearing ratio) 2 Possible cancellation of credit facilities and damaged trust among investors and bankers in the event of non-compliance with contractual covenants	■ Cautious financial policy, including continuous monitoring in order to comply with financial parameters (1,2)
Foreign currency risks		
Risk of currency fluctuations relating to operations conducted outside the eurozone	1 Decline in income and cash flows 2 Decline in the value of the investments	■ WDP operates primarily in the eurozone (1,2) ■ The euro is the functional currency for the company's limited operations outside the eurozone (i.e. Romania and the Czech Republic), and impact of exchange rate fluctuations (either realised or through conversion effects) is not substantial (1,2)

REGULATORY AND OTHER RISKS

Description of risk	Potential impact	Limiting factors and management
Regulatory framework for property CEICs ('vastgoedbevaks' or 'sicafi's')		
Non-compliance or amendment of the rules required by the fiscally transparent regime used for the company's Belgian operations	1 Loss of tax status and required repayment of specific credit facilities in the event of non-compliance with the rules 2 Negative impact on the results or NAV* in the event of any changes in the regime	■ Continuous monitoring of the statutory requirements and compliance with those requirements, assisted by external specialised consultants (1,2) ■ Close communications with the regulator as part of the prudential regulation of property CEICs (1,2) ■ Representation of the company in organisations that represent the property CEICs industry (1,2)
Regulatory framework for FBIs		
Non-compliance or amendment of the rules required by the fiscally transparent regime used for the Dutch operations	1 Loss of tax status and required repayment of specific credit facilities in the event of non-compliance with the rules 2 Negative impact on the results or NAV* in the event of any changes in the regime	■ Continuous monitoring of the statutory requirements and compliance with those requirements, assisted by external specialised consultants (1,2)
Regulatory framework for SIIC		
Non-compliance or amendment of the rules required by the fiscally transparent regime used for the French operations	1 Loss of tax status in the event of non-compliance with the rules 2 Negative impact on the results or NAV* in the event of any changes in the regime	■ Continuous monitoring of the statutory requirements and compliance with those requirements, assisted by external specialised consultants (1,2)

* *Net Asset Value*

Risk factors

REGULATORY AND OTHER RISKS

Description of risk	Potential impact	Limiting factors and management
Changes in regulation and new obligations		
Changes in international accounting rules (IFRS) and possible new initiatives at the European level (UCITS IV Directive - Undertakings for Collective Investments in Transferable Securities; AIFM Directive - Alternative Investment Fund Managers, EMIR Regulation - European Market Infrastructure Regulation)	1 Potential impact on reporting, capital requirements, use of derivative financial products, and organisation of the company 2 This has an impact on transparency, on the returns achieved and, possibly, on the valuation	■ Continuous assessment and anticipation of changes relating to statutory requirements and compliance with these requirements, assisted by external specialised consultants, and gathering advice from industrial organisations (1,2)
Urban planning legislation		
Regulatory changes implemented by public and/ or administrative authorities	1 Negative impact on opportunities to lease the buildings, having an impact on rental income and ability to re-let the properties, along with the increased costs of maintaining the leasing condition 2 Decline in the fair value of the property assets and, as a result, of NAV* 3 Delay in new construction and/or renovation projects	■ Continuous assessment and possibly anticipate changes in statutory requirements and compliance with these requirements, assisted by external specialised consultants, and gathering advice from industrial organisations (1,2,3)
Environmental laws		
Regulatory changes implemented by public and/ or administrative authorities	1 Negative impact on opportunities to lease the buildings, having an impact on rental income and ability to re-let the properties, along with the increased costs of maintaining the leasing condition 2 Decline in the fair value of the property assets and, as a result, of NAV* 3 Delay in new construction and/or renovation projects	■ Continuous assessment and possibly anticipate changes in statutory requirements and compliance with these requirements, assisted by external specialised consultants, and gathering advice from industrial organisations (1,2,3)
Expropriation risk		
Expropriation as part of public expropriations by competent government authorities	1 Loss in investment value and forced sale at a loss 2 Loss of income due to lack of re-investment opportunities	■ Continuous dialogue with the government in order to develop a constructive solution in the interest of all stakeholders (1,2)
Transactions		
Complexity of acquisition or divestment cases	1 Assumption of specific, inaccurately assessed risks the materialisation of which affects the company's profitability or financial situation	■ Extensive due diligence process covering property, economic, tax, legal, accounting and administration as part of all acquisitions - combined with the use of specialised external consultants (1)

* *Net Asset Value*

Risk factors

REGULATORY AND OTHER RISKS		
Description of risk	**Potential impact**	**Limiting factors and management**
Human resources		
Turnover of key employees	1 Negative impact on existing business relations 2 Reputational damage in relation to stakeholders 3 Loss of effectiveness and efficiency during the management decision process	■ Competitive pay package for employees (1) ■ Clear and consistent procedures in order to ensure continuity (1,2,3) ■ Working with teams, thereby preventing that individuals are responsible for important and strategic tasks (3)
Politics		
Various decisions made by regional, national or European political governments, for example with regard to taxation or subsidy laws	1 Depending on the domain in which the decisions are made, they can have an impact both on the financial results of the property CEICs (e.g. taxation) and on the planned investments, strategy and objectives (e.g. scaling back renewable energy subsidies)	■ Continuous monitoring of the political decisions made at the various political levels, making it possible to anticipate, reduce or avoid a possible impact (1)

Readers should note that these risks are constantly reassessed and that, in some cases, new risks are identified. Consequently, this list is not exhaustive and based on information known upon publication of this report. Please also note that risk management is not performed with a specific frequency, but rather constitutes an integral part of the company's business operations. This ranges from day-to-day financial and operational management, the analysis of new investment cases and the formulation of the strategy and objectives to the implementation of tight decision-making procedures. Understanding and hedging risks arising from both internal and external factors is vital in order to achieve stable long-term returns.

Chairman's letter to the shareholders

For a variety of reasons, 2011 was an excellent year for WDP. Having steadily increased our presence in the Dutch market in recent years, we realised an important breakthrough in this market in the past year. The year started out well, with the acquisition of the Dutch logistics property portfolio of property investment company Wereldhave NL, followed by new projects like Alphen aan den Rijn, Schiphol, and other locations. Our Belgian portfolio was also significantly expanded, including new acquisitions in Genk and Zwevegem, near Kortrijk.

WDP used to market itself as the 'Belgian market leader in logistics property', and we operated outside Belgium as well. Today, we can state without exaggeration that we are the 'market leader in the Benelux countries'. In the past year, after years of preparation, we also deployed our activities in Romania where we completed the first two projects, placing us firmly on the map in that country.

As a pioneer in sustainable logistics buildings, we once again chalked up a couple of 'firsts'. The new warehouse in Mollem, which will be occupied in early 2012, is the first of its kind to be completely lit using environmentally friendly LED lights. The new logistics buildings being constructed in Willebroek will be the first of their kind to receive a BREEAM certificate.

WDP invested a total of roughly EUR 100 million in the past year, causing the property portfolio to increase by more than 10%, to nearly EUR 1 billion. At the same time, the gearing remained unchanged at 55%, as shareholders' equity was increased by EUR 45 million, thanks to the significant success of the optional dividend, the capital increase following the acquisition of the Betafence distribution centre, and retained earnings.

WDP was the first property CEICs to take advantage of the new statutory option of the optional dividend. For the 2011 dividend, shareholders will be given the choice between cash and shares, and this option will be repeated each year. We believe this presents a win-win situation, one that allows WDP to raise capital for future growth at a more affordable price, while the shareholders, for their part, can strengthen their investment in the company in an attractive manner.

Due to the capital increases, our market capitalisation exceeded the EUR 500 million mark in 2011. This represents a milestone for the company, as it puts us on the radar of major international investment funds, which are often not permitted to invest in companies with smaller market capitalisations. It means we broadened our investor base in 2011, while the liquidity of WDP shares has also improved.

WDP once again reported solid profit growth for 2011, with net current profit rising by 13.4%: from EUR 39.0 million in 2010 to EUR 44.3 million. This means that net current profit per share (based on the weighted average number of shares) increased by 9.7% from EUR 3.11 per share to EUR 3.42 per share. The growth plan for 2011-2013 launched by the company at the end of 2010 will therefore remain unchanged. We defined our goal as follows: 'Achieving a 20% increase in net current profit per share at the end of the 3-year period, based on the current economic situation and the current capital base, all the while retaining an acceptable gearing'. Thanks to the strong results in 2011, we have already achieved half of the proposed 20%.

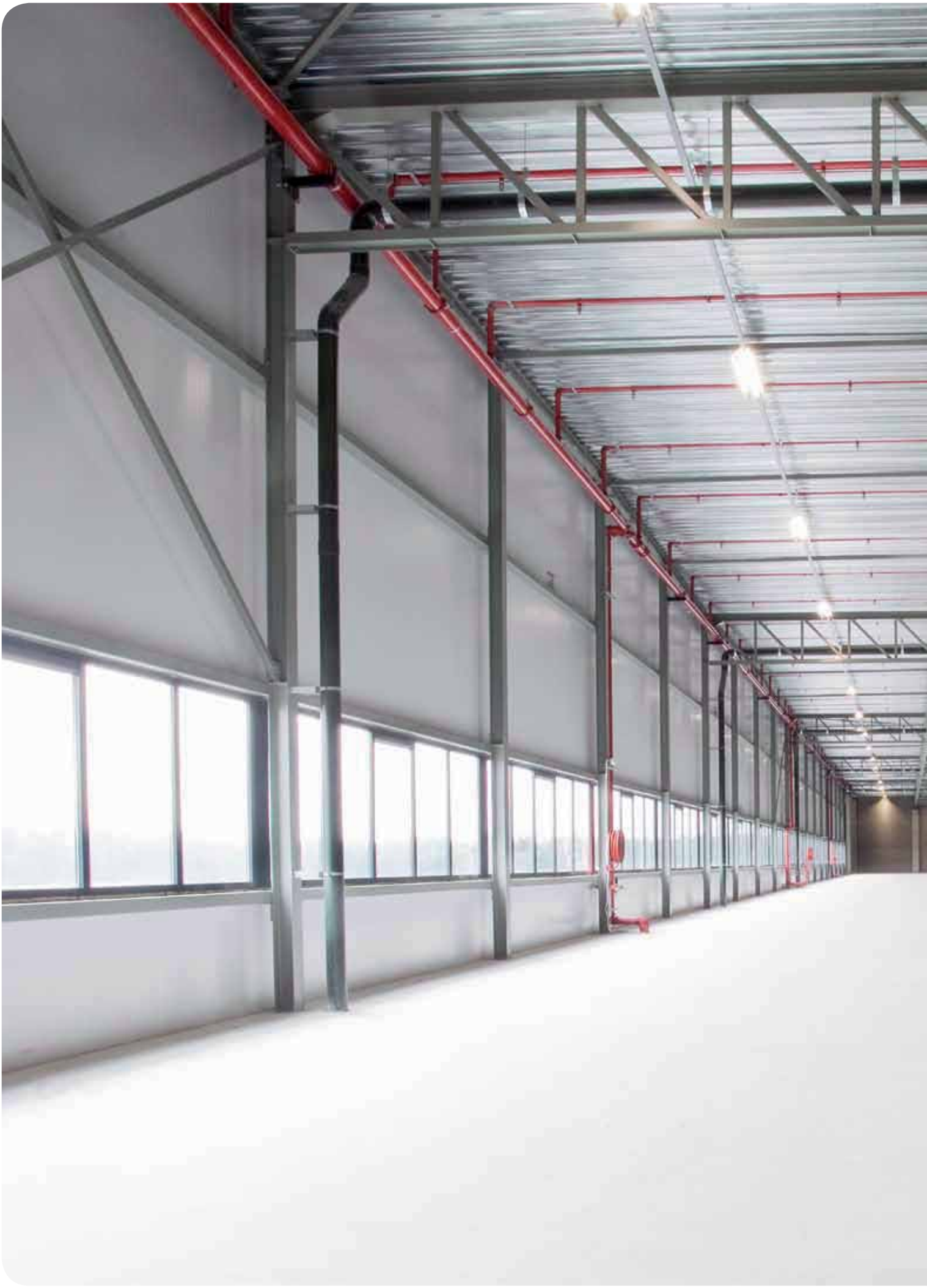
Chairman's letter to the shareholders

WDP therefore further strengthened its foundation in 2011, ensuring we have a more solid company today than right before the crisis. This should allow us to absorb the impact of the crisis on our economy and secure our company's growth potential.

We can confirm that we are likely to see a further increase in net current profit in 2012. The Board of Directors estimates this profit at a minimum of EUR 49 million, which could result in an increase in gross dividend per share from EUR 2.94 to EUR 3.10.

WDP is more determined than ever to continue the growth strategy it has pursued in recent years. I know I will always be able to count on the support of all our employees, who once again proved their worth in the past year. I would therefore like to express thanks to the members of the management team and the employees for their unwavering commitment, and thank my fellow members of the Board of Directors for their valued contribution.

Mark Duyck
Chairman of the Board of Directors



Strategy

Investment segments

WDP is currently the market leader in the Benelux[1] market in the development and leasing of high-quality, sustainable logistics and semi-industrial property.

The company has been steadily expanding its property portfolio by developing storage and distribution facilities for its own account, based on customer needs and requirements. In addition, it is investing in existing, leased buildings.

WDP – Warehouses with Brains

The backbone of WDP's policy is the high occupancy rate, which is the result of long-term leases with tenants, who we regard first and foremost as partners. WDP aims to be a property partner that helps its clients by providing solutions, hence the slogan 'WDP – Warehouses with Brains'.

As a closed-end property investment company, WDP is not a passive fund but rather a commercial business offering buildings and tailor-made property solutions. The company operates as a self-managed fund, which means it is responsible for its own administration and is completely at the service of its shareholders.
By maintaining projects in the portfolio following completion or acquisition, any additional profits achieved at WDP will remain in the company.

As the market leader in logistics and semi-industrial property, WDP stays on top of the industry in order to be able to always provide tenants with the most state-of-the-art properties and real estate solutions. By developing and managing projects using in-house teams with many years of experience, WDP can guarantee high-quality solutions.

1 *This statement is based on a comparative calculation of the number of square metres of lettable surface area in the portfolio.*

Strategy

Another keyword in WDP's strategy is 'flexibility'. Through its detailed knowledge of its tenants and their operating areas, combined with a diversified portfolio, WDP is able to quickly respond to changing customer needs (see the box text entitled 'A comprehensive solution to satisfy all parties'). By working with a relatively small but committed team, WDP can also guarantee tenants fast and flexible solutions, while the high operating margin benefits our shareholders.

The internal sales team always aims for the highest possible occupancy rates in order to guarantee the company's long-term financial health. By combining these sales skills with creativity, WDP informs current and future clients as efficiently as possible about the possibilities and opportunities offered by the portfolio (see the box text entitled 'WDP's mobile app').

Geographic presence

WDP is the market leader in the Benelux logistics property market.

Belgium, the Netherlands and France are our priority markets. A second growth market is Eastern Europe. WDP has been operating in the Czech Republic for many years, and in 2011 it completed its first projects in Romania.

Sites are selected based on their proximity to strategic storage and distribution hubs. More than 90% of the WDP portfolio is situated in prime locations on the Amsterdam-Rotterdam-Breda-Antwerp-Brussels-Lille logistics axis.

The bulk of the portfolio is located in the economic heart of Western Europe, which is home to a large concentration of consumers. Furthermore, these properties are situated in the strategic hinterland of the ports of Antwerp and Rotterdam, which serve as import and export platforms for Europe.

Investment criteria

In launching new projects and acquiring new properties, we always use a number of strict criteria. The basic requirements include an adjusted market return and positive results of a thorough screening process to check for all potential risks, i.e. technical, financial, commercial, and property related.

The funding must be provided based on a good balance of shareholders' equity and borrowed capital.

WDP only starts investing in a new or existing property when it is convinced of the re-letting potential after the current tenant has left. The buildings must also have a high residual value, i.e. a consistently high value of the sites, even if the commercial lifespan of the buildings has ended.

Any properties or land in which the company is investing must contribute to the total portfolio value and to earnings per share. They must be in line with the modern, efficient portfolio and with the network WDP intends to expand in the logistics market.

Strategy

Financial policy

Like our investments, our financial policy is also based on a number of fixed criteria. First of all, we require high occupancy rates based on long-term leases with tenants who are also partners. Strict cost management, combined with a sound debt structure and interest rate hedges, should benefit both WDP and its tenants.

Appropriate funding is an essential condition for a solid and profitable business model, due to the capital-intensive nature of the property sector. The target is maintaining a gearing between 55% to 60%, with a high coverage ratio. By continuously increasing its scale, WDP aims to achieve a competitive cost of debt and an optimised cost of capital.

Our sustainable and cautious – yet attractive – dividend policy translates to a consistently high, steadily increasing dividend per share. In addition, a distribution rate of 90% ensures that a financial buffer can be built for the future.

Benefits of the closed-end property investment fund structure

Over the years, WDP has manifested itself as a leading, exchange-listed property expert that serves as a benchmark in logistics and semi-industrial property.

A comprehensive solution to satisfy all parties

A good example of how WDP can use its diversified, comprehensive portfolio to flexibly meet its clients' demands is 'Operation Distri-Log – Femstaal'.

The Femstaal site (located next to the A12 motorway in Willebroek) has been part of the WDP portfolio since 2006. One section of the 100,000-square metre site was being leased to Femstaal for a period of nine years. In 2007, WDP built a 20,000-square metre logistics centre on the 40,000-square metre vacant section of the site, where the Distri-Log Group has since established its logistics hub.

However, both tenants' requirements changed over the years: Distri-Log was looking to expand in order to achieve continued growth, while Femstaal was searching for a location that better suited its industrial operations.

In order to meet the demands of both clients, WDP proposed a comprehensive solution in consultation with them, consisting of a combination of new buildings and relocation following renovation. Femstaal was offered a new property on WDP's Puurs site, which is currently being renovated and is a better fit for the company's operations. With the available space created on the Willebroek site, WDP will be able to develop a new, 15,000-square metre property in October 2012, which will allow Distri-Log to continue growing.

WDP CEO Joost Uwents: 'We were able to offer these two clients a perfect solution to suit their needs, thanks to our extensive portfolio in the region. It's a typical example of a win-win situation that delivers added value to Distri-Log, Femstaal and WDP.'

Strategy

In Belgium, WDP maintains the structure of a property investment company with fixed capital (property CEIC). In the Netherlands and France the company has a similar status: that of a Fiscale Beleggingsinstelling (FBI) and a Société d'Investissement Immobilier Côtée (SIIC), respectively. Thanks to this status, WDP reaps the benefits of a number of attractive features of this form of investment.

This is because closed-end property investment funds, as defensive investment vehicles, are subject to strict regulations designed to protect the shareholders and financiers. The status of a closed-end property investment company provides both institutional and private investors the opportunity to gain access to a diversified property portfolio in a balanced, cost-effective and tax-friendly way.

By placing the emphasis on creating long-term cash flows, in conjunction with the high earnings distribution obligation, a closed-end property investment fund such as WDP provides a fully fledged, profitable alternative to direct property. With the size of its portfolio, WDP allows investors to efficiently achieve major economies of scale in specific regions.

Operating under the umbrella of the property CEICs status, the FBI status and the SIIC status in Belgium, the Netherlands and France, respectively, WDP can position itself consistently to clients, suppliers, banks and investors in the international market.

WDP blog
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WDP's mobile app

Posted on September 20, 2011 11:27 AM

We're pretty proud of our app.

Not only does it look good (if we do say so ourselves); is it also very user friendly and provides you with all relevant information on WDP, including extensive details on all available WDP properties. If you would like to optimise the number of square metres you can or want to use, you can use 'Smart Storage' to search for the perfect warehouse, based on the number of pallet spaces. The 'News' section will keep you updated on all WDP-related news and the latest press releases.

For WDP, this app is a further logical step on the digital trail we started early this year, this blog as a first example. We would like to provide our clients, estate agents, prospects and other business associates with even more ease of use and interactive features.

So get out your smartphone or tablet and quickly download the APP through mobile.wdp.eu!

Joost Uwents

Management Report
Consolidated key figures

Consolidated key data	2002[1]	2003[1]
Operational		
Fair value of the investment property (including solar panels) (in EUR million)	310.9	333.6
Total surface area (in m²) (including land in concession)	1,317,200	1,409,500
Leasable area (m²)	636,280	660,066
Gross return on rents (including vacancy)[2] (%)	8.8	9.1
Average lease term (until first break)[3] (y)	N/A	N/A
Occupancy rate (%)	99.0	95.7
Operating margin[4] (%)	91.0	89.1
Result (in EUR million)		
Property result	24.8	25.7
Operating result (before result on the portfolio)	22.6	22.9
Financial result (excluding IAS 39 result)	-3.7	-4.0
Net current result	18.9	18.9
Result on the portfolio	4.1	4.1
IAS 39 result	0.0	0.0
Net result	23.0	23.0
Financial		
Balance sheet total (in EUR million)	324.4	341.9
Shareholders' equity (in EUR million)	182.2	214.5
Net financial debt (in EUR million)	108.0	101.0
Debts and obligations included in the gearing (in EUR million)	142.2	127.4
Gearing[5] (%)	43.8	37.3
Average cost of debt (%)	N/A	N/A
Interest Coverage Ratio[6] (x)	5.6	5.4
Details per share (EUR)		
Gross dividend	2.35	2.47
Net current result	2.62	2.75
Result on portfolio	0.76	0.47
IAS 39 result	0.00	0.00
Net result	3.38	3.22
NAV (IFRS)[7, 8]	28.76	29.52
NAV (IFRS excluding IAS 39)	28.76	29.52

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

1 Belgian GAAP.

2 Calculated by dividing the annualised gross (cash) rents by fair value. The fair value is the value of the investment property after deduction of transaction costs (mainly transfer tax).

3 Including the solar panels, which are included in the remaining weighted average term of the Green Energy Certificates.

4 Operating margin is calculated by dividing net property result by property result.

5 For the calculation method used for the gearing, please refer to the Royal Decree on Property CEICs of 7 December 2010.

Management Report
Consolidated key figures

2004	2005	2006	2007	2008	2009	2010	2011
340.4	342.9	429.6	616.6	777.8	883.7	889.2	**989.4**
1,445,600	1,440,000	1,954,000	2,799,000	3,767,000	3,975,000	3,969,000	**4,281,504**
718,901	701,483	804,768	952,819	1,123,754	1,302,670	1,356,407	**1,659,621**
9.1	8.9	8.2	7.2	7.8	8.3	8.3	**8.3**
N/B	N/B	N/B	N/B	N/B	N/B	6.1	**7.2**
94.8	94.5	96.6	98.5	98.7	91.7	95.7	**96.7**
90.4	90.8	88.9	91.8	90.1	92.4	91.8	**91.7**
26.6	26.8	29.9	37.3	46.9	57.8	62.7	**69.1**
24.0	24.4	26.6	34.2	42.2	53.4	57.5	**63.3**
-3.9	-4.2	-4.3	-7.7	-12.8	-18.1	-18.5	**-18.9**
20.2	20.2	22.3	26.2	28.7	34.0	39.0	**44.3**
2.8	8.2	16.3	26.1	-15.7	-22.7	-4.2	**2.7**
0.0	0.6	3.5	0.8	-28.8	-10.9	-2.3	**-17.3**
23.0	28.9	42.0	53.2	-15.8	0.4	32.6	**29.7**
349.4	354.0	457.2	663.5	802.7	916.1	922.4	**1,018.9**
226.8	227.3	274.9	310.2	261.3	366.8	371.3	**401.3**
106.4	108.4	159.9	313.5	475.8	492.8	499.2	**547.0**
116.2	123.7	177.0	334.8	506.1	506.1	509.1	**561.3**
33.3	34.9	38.7	50.5	63.0	55.3	55.2	**55.1**
N/B	N/B	N/B	N/B	N/B	N/B	4.28	**3.95**
5.9	5.8	5.9	4.5	3.0	2.5	2.9	**3.1**
2.47	2.47	2.47	2.72	2.94	2.94	2.94	**2.94**
2.56	2.56	2.75	3.05	3.34	3.14	3.11	**3.42**
0.36	1.04	2.01	3.04	-1.83	-2.29	-0.33	**0.21**
0.00	0.07	0.43	0.10	-3.35	-1.01	-0.18	**-1.34**
2.91	3.67	5.18	6.19	-1.84	-0.21	2.60	**2.29**
27.83	28.83	31.99	36.10	30.41	29.27	29.62	**29.43**
28.76	26.39	31.53	35.54	33.20	32.05	32.58	**33.24**

6 Defined as 'operating result before the result on portfolio' divided by 'interest charges – interests and dividends collected – compensation for financial leasing', etc.

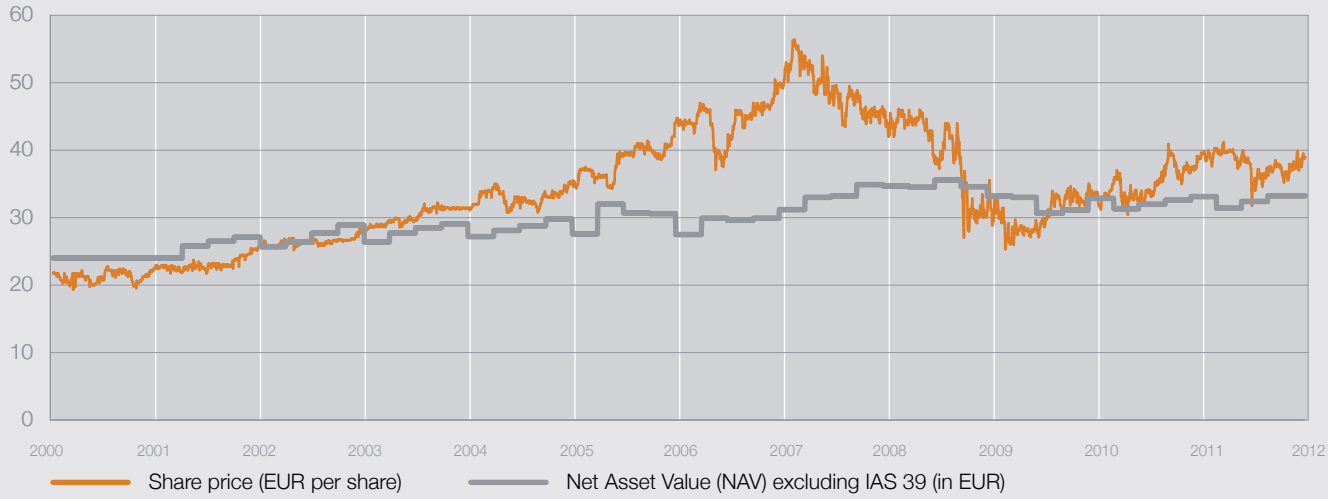
7 NAV = Net Asset Value, i.e. intrinsic value before profit distribution for the current financial year.

8 NAV (excluding IAS 39 result) includes the total accumulated impact of the valuation at fair value of the interest rate hedges on the balance sheet date, i.e. including movements in the fair value of the hedging instruments during 2011 (i.e. EUR -17.3 million), which constitute a component of the result for the 2011 financial year and have therefore not yet been allocated to the relevant item in the reserves.

Management Report
Consolidated key figures

EPRA* Key performance measures	2011	2010
EPRA result (EUR per share)	3.42	3.11
EPRA NAV (EUR per share)	33.35	32.51
EPRA NNNAV (EUR per share)	29.43	29.62
EPRA Net Initial Yield (%)	7.5	7.5
EPRA Topped-up Net Initial Yield (%)	7.5	7.5
EPRA vacancy rate	3.6	4.7

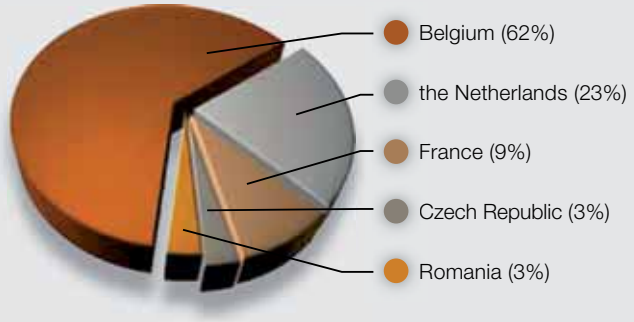
Share price versus Net Asset Value (NAV)



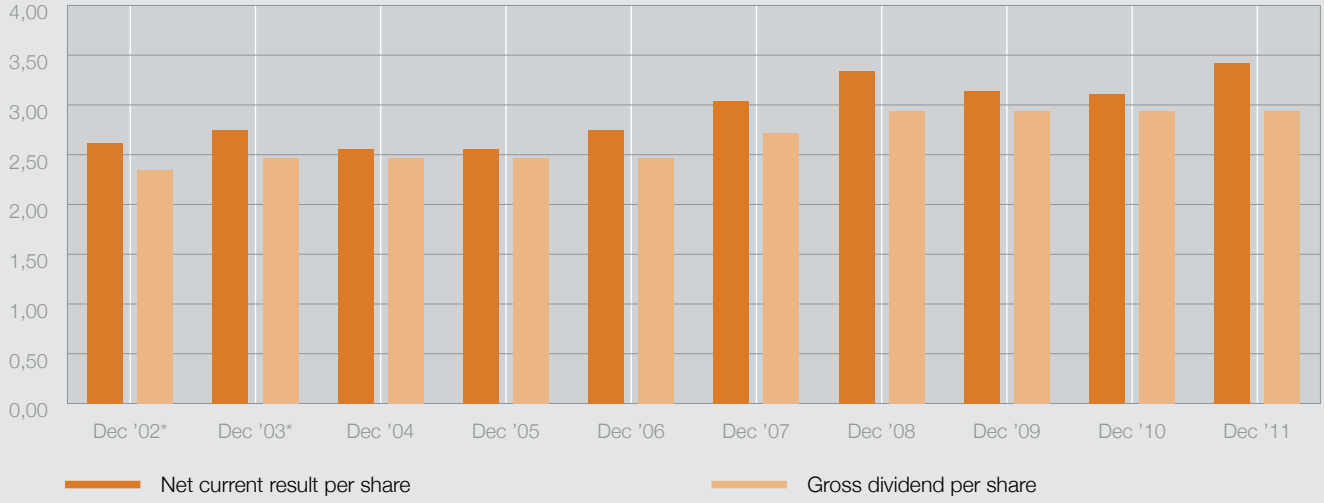
* *See section '4.5. Management Report - EPRA stats' on page 48.*

Management Report
Consolidated key figures

Geographic spread of the fair value of the portfolio at 31 December 2011



Historical net current result versus gross dividend per share



* *Belgian GAAP*

Management Report
Notes to the consolidated results for 2011

1. Summary

WDP's net current result for 2011 amounts to EUR 44.3 million, an increase of 13.4% compared to the result for 2010 (EUR 39.0 million). With this result, WDP has performed well above the initial expectations for 2011[1] and slightly above the updated earnings guidance as adjusted for the third-quarter results[2].

This sharp increase in net current result is driven by the continued growth of WDP's portfolio in 2011 through acquisitions, pre-let developments and commissioning of new solar energy projects, which resulted in an increase in the property result. In addition, operating and financial costs are also actively managed and controlled.

Net current profit per share is EUR 3.42, compared to EUR 3.11 for the same period last year, taking into account the weighted average number of outstanding shares for the period[3]. Thanks to this 9.7% increase, WDP is on schedule to achieve the proposed 20% profit growth for 2010-2013.

If we include the dilution from the newly issued shares related to capital increases in relation to the optional dividend and the contribution in kind of the Betafence distribution centre, net current profit for 2011 totalled EUR 3.25 per share[4]. Based on this net current result, WDP's manager will propose to the Annual General Meeting that a total dividend be paid for 2011 of EUR 2.94 gross or EUR 2.32 net per share[5]. This means the dividend will be maintained at the 2010 level, with a dividend pay-out ratio of 90.5% for 2011.

1 *See the press release dated 22 February 2011, as well as the Annual Financial Report 2010.*

2 *See the press release dated 15 November 2011.*

3 *The weighted average number of outstanding shares for 2011 was 12,958,501, taking into account the issuance of 650,437 new shares in relation to the optional dividend and 454,146 new shares following the payment in kind for the Betafence distribution centre.*

4 *The total number of shares entitled to dividend for 2011 was 13,638,521.*

5 *The tax measures resulting from the Di Rupo budget agreement dated 1 December 2011, which are important to WDP's shareholders, relate to the increase in the dividend withholding tax on dividend from 15% to 21%, and, for shareholders who are private Belgian residents receiving more than EUR 20,020.00 in income from movable property (i.e. interest and dividends) that has not been subjected to the 25% advance levy, the levying of a solidarity contribution consisting of 4% on the portion of the income from immovable property above EUR 20,020.00.*

2. Notes to the consolidated profit and loss account for 2011 (analytical schedule)

Consolidated results (in EUR x 1,000)	31-12-2011	31-12-2010
Net current result		
Net rental income	63,103	57,985
Income from solar energy	6,209	5,029
Other operating income / costs	-218	-349
Property result	**69,094**	**62,665**
Property charges	**-1,403**	**-1,285**
Corporate management costs	-4,362	-3,831
Net property result	**63,329**	**57,549**
Financial result excluding IAS 39 result	-18,917	-18,485
Taxes on net current result	-87	-864
Deferred taxes on net current result	-58	823
Net current result	**44,268**	**39,023**
Result on the portfolio*		
Movement in the fair value of investment property (+/-)	3,399	-5,538
Result from sale of investment property (+/-)	17	-69
Deferred taxation on portfolio result	-708	1,442
Result on the portfolio	**2,708**	**-4,165**
IAS 39 result		
Revaluation of financial instruments (IAS 39 impact)	-17,272	-2,256
Deferred taxes on revaluation of IRSs		
IAS 39 result	-17,272	-2,256
NET RESULT	**29,704**	**32,602**

* *Result on the portfolio is exclusive of movements in fair value on the solar panels; these are appraised in accordance with IAS 16, with the movements taken directly to shareholders' equity.*

Management Report
Notes to the consolidated results for 2011

Core ratios (in EUR)	2011 dec	2010 dec
Net current result / share*	3.25	3.11
Net current result / share*	3.42	3.11
Result on the portfolio / share**	0.21	-0.33
Net result / share**	2.29	2.60
Proposed payment	40,052,245	36,864,818
Dividend payout ratio (versus net current result)***	90.48%	94.47%
Gross dividend / share	2.94	2.94
Net dividend / share	2.32	2.50
Number of shares outstanding at end of period	13,638,521	12,533,938
Weighted average number of shares	12,958,501	12,533,938

* *Calculation based on the number of shares entitled to dividend.*

** *Calculation based on the weighted average number of shares. Until 27 May 2011: 12,533,938 shares; from 27 May 2011 to 2 December 2011: 13,184,375 shares; from 2 December 2011: 13,638,521 shares.*

*** *The dividend payout ratio is calculated based on the consolidated result. Dividend is distributed on a statutory basis by WDP Comm. VA.*

Property result

In 2011, the property result totalled EUR 69.1 million – up 10.3% from the same period last year (EUR 62.7 million). This increase was the result of a) continued portfolio growth, primarily in Belgium in the Netherlands, due to the completion of pre-let projects in Genk, Tilburg and Nijmegen in 2010 and b) the acquisition of the portfolio of Wereldhave NL, the acquisition of GDP NV (Genk Distribution Platform) and the completion of new solar panel projects in 2011. At EUR 6.2 million, the solar panels accounted for 9% of revenue in the 2011 financial year. This increase is also the result of internal growth due to the higher occupancy rate and the indexation of rental income. Based on an unchanged portfolio, the rental income increased by 2.8% over the past twelve months.

Net property result

In 2011, net property result totalled EUR 63.3 million – up 10.0% from the same period last year (EUR 57.5 million). Property charges and other general expenses totalled EUR 5.8 million for the full financial year – an increase of EUR 0.6 million from expenses for 2010. WDP managed to further control these costs, with an operating margin[1] of 91.7% for 2011 – relatively stable compared to 2010.

Financial result (excluding IAS 39 result)

The financial result (excluding the IAS 39 result) for 2011 was EUR -18.9 million, representing a slight increase from last year (EUR -18.5 million), including an increase in total debt to EUR 549 million versus EUR 501 million at the start of the year. The average cost of debt totalled 4.0% in 2011, versus 4.3% in 2010. This decrease is due to the fact that WDP has extended a portion of the interest hedges at a lower interest rate.

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

Result on the portfolio

The result on the portfolio for the full financial year was EUR +2.7 million (EUR 0.21 per share). For the same period last year, this result was still EUR -4.2 million (EUR -0.33 per share). Broken down by country, this leads to the following results for 2011: Belgium (EUR -0.4 million), the Netherlands (EUR +2.2 million), France (EUR +1.8 million), Czech Republic (EUR +0.6 million) and Romania (EUR -1.5 million).

IAS 39 result[1]

The impact of the IAS 39 result totalled EUR -17.3 million or EUR -1.3 per share in the course of 2011 (versus EUR -2.3 million or EUR 0.18 per share in 2010). This negative impact is caused by movements in the fair value of the interest rate hedges entered into (primarily Interest Rate Swaps) at 31 December 2011 as a result of the significant decline in the long-term interest rate in the course of 2011.

Movements in the fair value of these interest rate hedges are fully recognised in the profit and loss account rather than taken immediately to shareholders' equity. Since this impact represents a non-cash, non-realised item, it is removed from the analytical representation of the results from the financial result and displayed separately in the profit and loss account.

Net result

Net current profit, combined with the result on the portfolio and the IAS 39 result, add up to a net result for 2011 of EUR 29.7 million (compared with 2010, when this was EUR 32.6 million).

The difference between the net result of EUR 29.7 million and the net current result of EUR 44.3 million can be attributed to the lower fair value of the interest rate instruments (IAS 39 result), partially compensated by the higher fair value of the portfolio (see supra).

1 The impact of IAS 39 (non-cash item) is calculated based on the mark-to-market (M-t-M) value of the interest rate hedges entered into. Fluctuations in the fair value of the hedging instruments represent a non-realised, non-cash item (if these products are held until maturity and are not settled prematurely).

3. Notes to the consolidated balance sheet for 2011

Consolidated balance sheet (in EUR x 1,000)	31-12-2011	31-12-2010
Intangible fixed assets	310	422
Investment property	908,089	821,511
Other tangible fixed assets (including solar panels)	68,185	65,773
Non-current financial assets	11,418	12,535
Receivables from financial leasing	0	107
Trade receivables and other fixed assets	4,409	6,150
Fixed assets	**992,410**	**906,498**
Assets held for sale	14,310	2,850
Receivables from financial leasing	0	88
Trade receivables	6,649	7,812
Tax receivables and other current assets	1,431	1,824
Cash and cash equivalents	1,704	1,209
Deferred charges and accrued income	2,380	2,100
Current assets	**26,474**	**15,883**
TOTAL ASSETS	1,018,884	922,381
Capital	106,336	97,853
Issue premiums	94,168	63,961
Reserves	171,127	176,870
Net earnings for the financial year	29,704	32,602
Shareholders' equity	**401,334**	**371,286**
Non-current liabilities	477,594	411,691
Provisions	1,112	1,115
Non-current financial liabilities	422,536	373,415
Other non-current financial liabilities	51,978	35,315
Deferred tax liabilities	1,968	1,846
Non-current liabilities	139,956	139,404
Non-current financial liabilities	126,187	127,501
Trade receivables and other current liabilities	10,225	8,235
Other current liabilities	2,348	454
Deferred charges and accrued income	1,196	3,214
Liabilities	**617,550**	**551,095**
TOTAL LIABILITIES	1,018,884	922,381

Since some figures were rounded off, the figures displayed as totals in some tables may not be an exact arithmetic addition of the preceding figures.

Core ratios (in EUR)	31-12-2011	31-12-2010
NAV* / share	29.43	29.62
NAV** (excluding IAS 39 result) / share	33.24	32.58
Share price	37.06	36.65
Premium / Discount on price compared with NAV* (excluding IAS 39 result)	11.50%	12.48%

In EUR (x 1,000)	31-12-2011	31-12-2010
Fair value of the portfolio (including solar panels)	989,398	889,219
Debts and liabilities included in gearing	561,296	509,105
Balance sheet total	1,018,884	922,381
Gearing***	55.09%	55.19%

* *NAV = Net Asset Value for profit distribution for the current financial year*

** *NAV (excluding IAS 39 result) includes the total accumulated impact of the fair value of the interest rate hedges on the balance sheet date, i.e. including movements in the fair value of the hedging instruments during 2011 (i.e. EUR -17.3 million), which constitute part of the result for the 2011 financial year, and, as such, has not yet been allocated to the relevant item on the reserves.*

*** *For the calculation of the gearing, please refer to the Royal Decree on property 'CEIC's of 7 December 2010.*

Property portfolio

According to independent property experts Stadim, Cushman & Wakefield, DTZ Zadelhoff and BNP Paribas Real Estate, the fair value[1] of WDP's property portfolio in accordance with IAS 40 totalled EUR 922.4 million at 31 December 2011, versus EUR 824.4 million at the start of the financial year (including the 'Assets held for sale' column – please also refer to the section titled '4.3. Management – Transactions and realisations' on page 31). Along with the valuation at fair value of the investments in solar panels[2], the total portfolio value increased to EUR 989.4 million in 2011, compared with EUR 889.2 million at year-end 2010.

This EUR 989.4 million value includes EUR 849.9 million in completed properties (i.e. the standing portfolio). This increase is largely due to the acquisition of the logistics portfolio of Wereldhave NL, the acquisition of GDP NV (Genk Distribution Platform), the contribution in kind of the Betafence distribution centre, the acquisition of the property located in Alphen aan den Rijn and, to a lesser extent, the execution of the (100% pre-let) development projects.

The projects in progress have a total value of EUR 28.1 million; these projects are located in Ternat, Anderlecht, Willebroek and Mollem (Asse) in Belgium, and Venlo and Ridderkerk in the Netherlands, among other locations. In addition, there are the land reserves in Saint-Nicolas, Nivelles, Courcelles, Heppignies, Libercourt and the land bank in Romania at a fair value of EUR 44.4 million.

1 *For the exact valuation method, please refer to the BEAMA press release dated 6 February 2006: http://www.beama.be/content/index.php.*

2 *The solar panel investments are valued in accordance with IAS 16, in compliance with the revaluation model.*

As at 31 December 2011, the solar panel investments were appraised at a fair value of EUR 67.0 million, including the projects in progress related to the solar panels, which are valued at cost until completion. The solar panels are included in the balance sheet under 'Other tangible fixed assets'.

Shareholders' equity

As at 31 December 2011, the company's shareholders' equity totalled EUR 401.3 million, versus 371.3 million at year-end 2010. This increase is the result of the growth through profit generation during 2011, the distribution of dividend for the 2010 financial year, and the realised capital increases in 2011 following the optional dividend and the acquisition of the Betafence distribution centre in shares.

Net asset value

As at 31 December 2011, net asset value per share (not including the IAS 39 result) was EUR 33.24, representing an increase of EUR 0.65 from the net asset value at 31 December 2010 (EUR 32.58). Including the IAS 39 result, net asset value at 31 December 2011 was EUR 29.43 per share, versus EUR 29.62 per share at 31 December 2010.

Debts

Total long-term and short-term financial liabilities increased in 2011 from EUR 500.9 million at 31 December 2010 to EUR 548.7 million at the end of December 2011. The debts and liabilities as included in the calculation of the gearing in accordance with the Royal Decree of 7 December 2010 increased from EUR 509.1 million to EUR 561.3 million. Meanwhile, the balance sheet total increased from EUR 922.4 million to EUR 1,018.9 million. As a result, gearing remained relatively stable in 2011: 55.1% at the end of December 2011 versus 55.2% at year-end 2010.

Management Report
Transactions and realisations

1. Introduction

Due to the economic situation and its impact on the logistics property sector, WDP's plans for 2011 include the further development of a number of current projects.

Meanwhile, the company has also continued to steadily grow its property portfolio through new initiatives, as evidenced during the first quarter by its acquisition of the logistics portfolio of property investment company Wereldhave NL in the Netherlands. The acquisition of a total of six properties in strategic locations marks a significant expansion of the Dutch portfolio. In autumn 2011, the company acquired an additional site in Alphen aan den Rijn, and, also in the Netherlands, it launched a pre-let project on the business park at Amsterdam's airport Schiphol.

The Belgian portfolio was expanded as well, including the acquisition of a second, adjacent site featuring 18,000 m² of storage facilities on the industrial estate Hermespark in Genk. Since acquiring the Betafence distribution centre – Betafence is a global player in fences, access control and detection systems – WDP has also started operating in the Province of West Flanders, in Zwevegem (near Kortrijk).

For the 2012 financial year, WDP expects a further increase in net current profit to a minimum of EUR 49 million[1]. Based on a distribution rate of 90%, the company expects to pay a gross dividend for the 2012 financial year (payable in 2013) of EUR 3.10 per share, representing a 5.4% increase from 2011[2].

2. New acquisitions

Belgium

- **Genk – Brikkenovenstraat:** in July 2011, WDP acquired the shares from Genk Distribution Platform NV (GDP), the owner of an 18,000 m² property on the industrial estate Hermespark in Genk, which borders on the existing WDP site. WDP acquired the site for a price calculated based on a market value of EUR 8.7 million. The acquisition resulted in a unique site covering more than 50,000 m² in this prime Limburg location. The Hermespark in Genk is known as a logistics area that – thanks to its proximity to railways and motorways and the tri-junction between Belgium, the Netherlands and Germany – can play a role of national and international significance. Tenant Yusen Logistics (formerly known as NYK Logistics) remained in the building until the end of 2011, and the entire property is currently being leased to Limburgse Distributie Maatschappij.

- **Heppignies (Fleurus) – rue de Capilône 1:** WDP acquired 16 hectares of land near Charleroi Airport for a total of EUR 2.3 million (excluding a requirement to remediate the soil, which has not yet been completed). The site is very strategically located, in the heart of the economic activity around the airport, near a junction of motorways. In 2012, the site will be demolished and remediated. This will be followed by the

1 This expected profit is based on the current situation and barring any currently unforeseen circumstances (e.g. a further deterioration of the economic and financial climate) and a standard level of solar irradiation.

2 WDP's manager proposes the distribution policy annually to the shareholders at the Annual General Meeting.

construction of a logistics park covering more than 80,000 m², based on the rental opportunities available.

- **Zwevegem – Blokkestraat 101:** WDP acquired the distribution centre from Betafence, a global leader in fences, access control and detection systems, for EUR 16.3 million. The 12-hectare site is located near the new industrial estate Evolis in Kortrijk, and provides easy access to the E17 motorway. Betafence is leasing the site for a fixed period of 20 years. As part of the acquisition, Betafence divided the property into an operating company and a distribution centre. The latter was then spun off and merged with WDP in exchange for new WDP shares, marking the company's first steps into West Flanders.

The Netherlands

- **Wereldhave NL:** in early May, WDP acquired a portion of the property investment company Wereldhave NL's Dutch logistics portfolio for EUR 42 million. The portfolio includes six leased logistics sites, located primarily in the Randstad conurbation. Five of these properties (situated in Alkmaar, Amsterdam, Amersfoort, Utrecht and Roosendaal) have been leased to DHL Express, with an average term of 3 years until the first option of termination. A sixth site, located in Alphen aan den Rijn, has been leased to Iron Mountain for 9.5 years.

- **Alphen aan den Rijn – Eikenlaan 32-34:** for a total of EUR 6 million, WDP acquired a 15,000 m² site from a multinational whose main operations are based elsewhere in the Netherlands. The price including the full renovation was EUR 7 million. The property comprises three separate-but-linked logistics facilities.

The prices of all these acquisitions were in accordance with the fair value as determined in the appraisal reports issued by independent property experts.

Finally, WDP is in negotiation regarding the sale of four smaller, non-strategic sites for a total amount of EUR 14.3 million. As at 31 December 2011, these were classified in the published financial statements under the 'Assets held for sale' column.

3. Projects completed in 2011

Belgium

- **Liege (Flémalle) – rue de l'Arbre Saint-Michel:** a 5,700 m² cross-docking centre for DPD, which is being leased for a fixed period of 15 years, was completed on 1 September. This is the second project WDP is developing in partnership with DPD (along with the distribution centre on rue de Liège in Courcelles), which sees the partners further strengthening their ties.

- **Merchtem – Wolvertemsesteenweg 1, Bleukenweg 5:** WDP was able to create added value (through a positive revaluation of the fair value of the site) on this urban site by transforming the old industrial site into a modern-day retail park. Tenants Aldi and Brico started their activities in August 2011.

- **Puurs – Lichterstraat 31:** the available area was renovated based on a long-term lease to Femstaal, commencing in late 2011. This rental situation represents a good

example of a 'mixed solution': based on its portfolio, WDP was able to meet the requirements of two different tenants, using a combination of new development and relocation following renovation. Femstaal previously leased storage facilities on the Willebroek site; however, the Puurs site was better suited to the company's industrial operations. This 'relocation' allows WDP to develop a new construction project for Distri-Log on the Willebroek site (see also Section 4. 'Property investments in projects developed for own account with the purpose of being rented out' at the bottom of this page and '3. Strategy' on page 16).

France

- **Lille (Libercourt) – Zone Industrielle – Le Parc à Stock (fase I):** the remaining 6,000 m² of stage I is now completed. The space is temporarily leased to Condi-Services, with ID Logistics (which is currently leasing an adjacent section of this warehouse) set to take over the lease in March 2012.

Romania

- **Oarja I:** on behalf of German-based company Röchling-Automotive, WDP Development RO built a 5,000 m² semi-industrial complex. The site is located en route to Pitesti, Romania's automotive hub. Röchling-Automotive is leasing the building for a fixed period of 10 years, since the third quarter of 2011. The contract also includes a potential 50% expansion, to 7,500 m². Röchling has established its Romanian operations here, for example supplying the new Ford plant in Craiova.

- **Oarja II:** WDP entered into a second lease for the same site with Pelzer-Pimsa, a manufacturer of sound insulation and ceiling coverings for the automotive industry. A 7,000 m² semi-industrial complex, which was leased for a fixed period of 10 years, was completed at the end of 2011.

4. Property investments in projects developed for own account with the purpose of being rented out

Belgium

- **Mollem (Asse) – Zone 5, 200:** in February 2011, WDP signed a contract with the French-based multinational dairy group Lactalis SA for the construction of a 3,200 m² air-conditioned warehouse, which has been in use since early 2012. The work commenced in mid-2011. The property is set to become the first all-LED warehouse in Belgium, with LED lights used exclusively for both the interior and exterior lighting. With this pilot project, WDP is strengthening its leading role in sustainable business.

- **Ternat – Industrielaan 24:** renovation on this site began in early 2010. After a flexible lease earlier in the year, an initial long-term lease was signed in September with tenant ATS, for a total of 1,700 m². At the end of December, the company also signed a lease agreement with Bpost. The site will be partially demolished and renovated, allowing Bpost to build a regional distribution centre (measuring 2,500 m²) on the premises. This means that 40% of this site is now being leased or renovated; the remaining 60% will be renovated at a later stage, depending on future leases.

- **Willebroek – Koningin Astridlaan 16:** the site – which, considering its location on the A12 motorway, will be used mainly for logistics purposes – will be expanded with a 15,000 m² new construction project. It will be leased to Distri-Log from October 2012. Since this company has been leasing 20,000 m² on this location since the end of 2007, the Willebroek site will become into a strategic first-rate logistics site with a built area of 35,000 m², which has been fully leased to Distri-Log. The new WDP site in Willebroek will be assigned the BREAAM qualification 'Very Good', after WDP previously earned two BREEAM certificates for properties in the Netherlands (see also Section 8. 'Renewable energy projects and sustainable warehouses' on page 36).

The Netherlands

- **Ridderkerk – Handelsweg 20:** the construction of a parking deck on a plot of land acquired at the end of 2008 as part of the Univeg transaction completed in 2007. Completion of the deck has been delayed pending the granting of final planning permission.

- **Schiphol – Schiphol Logistics Park (SLP) I:** the brand-new logistics hotspot Schiphol Logistics Park (owned by SADC, short for Schiphol Area Development Company) will be home to 10,000 m² of new storage space and 1,500 m² of new office space for Rapid Logistics. The property will be leased for a fixed period of ten years and will be completed in the third quarter of 2012.

- **Venlo – Edisonstraat 9 (stage II):** a second stage, comprising 15,000 m², will be completed as soon as a tenant is found.

LED lights: sustainable and environmentally friendly

LED lights consist of a group of LEDS (light-emitting diodes). They provide several advantages over traditional light bulbs, low-energy bulbs and fluorescent lights. The warehouse constructed in Mollem (Asse) on behalf of Lactalis represents a key new property as regards further sustainability in the WDP portfolio and highlights the company's objective to build a carbon-neutral portfolio.

LED lights are sustainable, with an average operational life of 50,000 hours. By way of comparison: traditional TL-5 bulbs operate for only 20,000 hours, low-energy bulbs for 6,000 hours and multifaceted reflectors for only 3,000 hours. This means LED lights ensure lower replacement costs and less waste, as well as using less power, which may result in substantial energy savings on an annual basis. Particularly if light levels are adjustable, as on the Mollem site, energy consumption can be reduced even further. Unlike fluorescent lights, LED lights do not emit light in all directions, which eliminates the need to use mirrors, thereby further reducing waste. What makes LED lights even more environmentally friendly is that they do not contain mercury or any other hazardous materials and are fully recyclable.

LED lights also provide a number of advantages that can be extremely valuable in specific industries. For dairy company Lactalis, for example, it is useful that LED lights – unlike traditional fluorescent lights – do not present any start-up problems in cold environments. They have the definite colour and light capacity as soon as they are activated. Another benefit when using LED lights in air-conditioned warehouses is that they emit less heat, thereby reducing cooling costs. Additionally, LED lighting is shock-resistant and water-proof, and, since it does not emit any ultraviolet rays, it holds particular appeal for the food industry.

5. Future potential

In addition, WDP also has a number of projects in its own portfolio in the pipeline, for which the required permits are currently pending. This means construction can begin as soon as the economic situation permits it and/or the site in question has been pre-let.

Belgium

- **Courcelles - rue de Liège 25 (stage II):** this site can accommodate another stage: the construction of 10,000 m² of additional storage space.
- **Nivelles - rue Buisson aux Loups 8-10:** a site covering an area of 51,000 m², which has since been demolished and which WDP will eventually redevelop.
- **Saint-Nicolas – Europark Zuid II:** a project comprising 28,000 m² on a 5-hectare site, in a prime location on the E17 motorway.
- **Liège - Trilogiport:** WDP holds a concession for Trilogiport Liège, the city's tri-modal logistics hub currently under development, on which a total of 50,000 m² can be developed following completion of the infrastructure works.

France

- **Lille (Libercourt) – Zone Industrielle – Le Parc à Stock (fase II):** the construction of 24,000 m² of additional storage facilities, which bring the total area of the project to 60,000 m² (see also Section '4. Property investments in projects developed for own account with the purpose of being rented out' on page 33).

Romania

Between autumn 2008 and the end of June 2009, WDP acquired the required PUZ permits ('zonal urbanisation plan') for the two sites in Romania on which an initial section was recently completed. This means there is still some potential, in addition to the various projects completed in Oarja (see Section '3. Projects completed in 2011' on page 32). In the future, WDP will continue to focus on the construction of pre-let properties. WDP Development RO will be managing these operations, in a 51-49 joint operation with entrepreneur and Romania expert Jeroen Biermans.

Czech Republic

- **Mladá Boleslav – Nepřevázka:** this site can accommodate a final, 10,000 m² property. Building permission has been granted.

6. Properties let in 2011

At the end of June, two leases were signed in Wallonia for a total of more than 20,000 m². The first of these leases relates to 10,000 m² on the **chaussée de Namur** site in **Nivelles**, which is being leased to Boyriven, a wholesaler in car and car parts, based on an incentive scenario. The entire site is currently leased. On **rue de Liège in Courcelles**, the vacant section of the site (comprising 12,000 m²) was leased to Yusen Logistics, formerly known as NYK Logistics. Yusen Logistics intends to develop its operations on the site for the nearby Caterpillar plant in Gosselies. The company had already been leasing a section of the site on a flexible basis since late 2010. These two leases have pushed up the occupancy rate in Wallonia to 100%.

In Flanders, several small, flexible contracts could be renewed, which meant the announced departure of the Flemish government as a tenant of the former Molens Hungaria site on **Vaart** in **Leuven** could be partially compensated.

These new leases drove the occupancy rate of the portfolio as a whole from 95.7% at the end of December 2010 to more than 96%. It remained at this high level throughout the year, despite the fact that leasable office space became partially available in Leuven, along with a property located in Londerzeel.

7. Sales

Belgium

- **Boom – Kapelstraat 46:** the site located in Boom's town centre was sold for EUR 550,000 to the municipal council, which intends to use it for further urban development in Boom.
- **Haacht (Wespelaar) – Dijkstraat 44:** the balance of this site – which was no longer strategically important – was sold to various end users for a total amount of EUR 2 million.
- **Anderlecht - Frans Van Kalkenlaan 9 (ASAR Tower):** the eighth floor of this tower (comprising 336 m²) was sold for EUR 325,000.

All these properties were sold at prices following the fair value as determined in the appraisal reports issued by independent property experts. The sale value of these buildings matched the book value.

WDP does not have an active disposal programme. Occasionally smaller, non-strategic properties are sold if there is a demand from property investors and if this helps to optimise the portfolio.

8. Renewable energy projects and sustainable warehouses

The solar energy project launched by WDP in 2007, aiming to creating a profitable carbon-neutral property portfolio, experienced inconvenience from the political decisions made in various European countries to scale back solar panel subsidies. One initiative that was shelved was a plan to build additional panels in 2010-2011 with a capacity of 4 megawatt-

peak (MWp) on the sites in Northern France, based on the current situation. In Belgium, the competent government authority decided to gradually reduce minimum subsidies for new solar panel projects each year.

WDP already operates systems with a total capacity of approximately 15 MWp, after solar panels were installed on the roofs of seven additional sites (including Mollem) this year. WDP has also been exploring the possibility of equipping two new development projects in Oarja with solar panels. Contrary to the trend in a number of Western European countries, the Romanian government recently approved a law to support the production of green energy.

WDP aims to further consolidate its leading role in sustainable development in the logistics property sector, and its target capacity continues to be around 30 MWp. The company is exploring various opportunities to develop this second stage, for which it is considering wind and other energy sources in addition to solar energy.

WDP regards the installation of the solar panels as only the beginning of a comprehensive sustainable business project, planning, as it does, to also continue developing new profitable and sustainable projects on the sites relating to electricity, heating, lighting, water consumption, insulation, etc. This environmentally friendly 'sustainable warehouse' policy is designed to reduce carbon emissions in the portfolio while at the same time resulting in significantly lower energy bills for tenants.

However, WDP's goals reach far beyond the energy and environmental performance of the buildings; in 2010, the company became the first developer in the Netherlands to earn the global BREEAM sustainability certificate for its properties in Nijmegen (Industrieterrein Bijsterhuizen) and Tilburg (Industrieterrein Loven). In Belgium, too, WDP has been a pioneer: the new building in Willebroek will be the first logistics site in Belgium to receive the BREEAM certificate.

BREEAM (Building Research Establishment Environmental Assessment Method) is a sustainability certificate relating to buildings' performance throughout their lifecycle. The leading and most widely used sustainability certificate for buildings in Europe, BREEAM, unlike other standards, is based on a multi-criteria approach. Besides a building's energy use, criteria considered during the certification process include land use, ecology, the construction process, water consumption, waste, pollution, transport, equipment and materials, health, and comfort. As a total score, buildings are rated 'Pass', 'Good', 'Very Good', 'Excellent' or 'Outstanding'.

The WDP site in Tilburg received a 'Good' qualification in April 2010, followed by the Nijmegen site in June, which was rated 'Very Good'. It was the first time a logistics building located in Western Europe received this rating. The new site in Willebroek will also receive a 'Very Good' qualification.

In addition to focusing on sustainability in developing new properties, WDP is also upgrading older, existing sites in the portfolio to modern, efficient and sustainable buildings.

Management Report
Management of financial resources

1. Financing policy

WDP Group's financing policy is designed to ensure that the company is well funded with a balanced mix of debt and equity, and that there are sufficient resources available to complete current projects and seize any potential opportunities that may arise.

The main objectives in this context are as follows:

- proactive management of the capital structure;
- a good balance of equity and debt;
- a good diversification of the various funding sources;
- a good spread of the maturity dates of the liabilities;
- maintaining sustainable long-term relationships with all funding partners;
- active management of financial risks, including interest rate risks, liquidity risks and counterparty risks.

The scale at which WDP manages its business operations, combined with the stringent regulations with which property CEICs must comply and the high level of transparency of rents, give WDP a competitive edge in looking for appropriate funding sources. This is extremely important in the current economic climate, in which the availability of credit has been sharply reduced.

Key financial data

Key financial data	31-12-2011	31-12-2010
Net financial liabilities (in EUR million)	547.0	499.7
Debt and liabilities included in gearing (in EUR million)	561.3	509.1
Balance sheet total (in EUR million)	1,018.9	922.4
Gearing[1] (%)	55.1	55.2
Interest Coverage Ratio[2] (x)	3.1	2.9
Average cost of debt (%)	3.95	4.28
Average remaining term of outstanding debts (y)	3.5	3.9
Average remaining term of long-term credit facilities (y)	4.1	5.1
Hedge ratio[3] (%)	76	84
Average remaining term of interest rate hedges[4] (y)	6.3	4.9

1 *For the calculation method used for the gearing, please refer to the Royal Decree on Property CEICs of 7 December 2010.*

2 *Defined as 'operating result before the result on the portfolio' divided by interest charges - interest and dividends collection - compensation for financial leasing and others'. This parameter indicates to what extent the company is able to meet its interest payments.*

3 *Percentage of the debt at fixed rate or hedged against interest rate fluctuations by derivative financial instruments.*

4 *Remaining term of interest rate hedges entered into to hedge the debt against inerest rate fluctuations.*

2. Debt structure

Gearing

The use of debt is restricted by law under the Royal Decree on property CEICs of 7 December 2010. For example, the maximum gearing is set at 65% (at both the consolidated and statutory levels) and distribution to shareholders is not possible if this exceeds the legal limit, since in that case the resources must be used to reduce the gearing below 65%. Debts are used to maximise shareholder return, but must be used prudently. A variety of factors must be considered, including access to capital in order to refinance debt, the capacity to bear interest charges, the quality of the portfolio, the term of the leases and the share of property investments under development for own account, designated for leasing. WDP prefers a financial policy based on a gearing between 55% and 60%. At year-end 2011, the gearing was 55.1% versus 55.2% at year-end 2010.

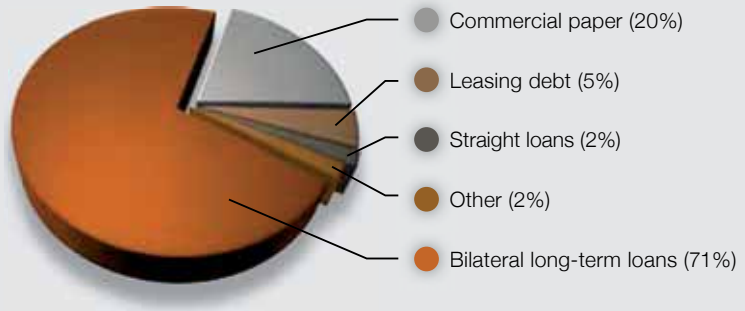
Breakdown

On 31 December 2011, consolidated financial debt totalled EUR 548.7 million. This amount is broken down as follows:

- EUR 392.1 million in traditional bilateral bank loans (medium and long-term), spread among seven banks;
- EUR 110.7 million in commercial paper;
- EUR 27.4 million in lease debts;
- EUR 9.9 million in straight loans;
- EUR 8.5 million in other loans and receivables (including overdrafts).

As part of its bank debt policy, WDP aims to work mainly with local bankers in those countries in which it operates. The basic funding is provided mainly by major traditional Belgian banks (BNP Paribas Fortis, ING Bank, Belfius Bank and KBC Bank), in addition to financing provided by Monte Paschi. In the Netherlands, WDP works with ABN AMRO Bank. In Romania, the company has access to a funding package provided by the EIB (European Investment Bank).

The commercial paper is fully covered by the revolving backup lines and unused credit facilities that serve as a guarantee for refinancing if the placement or extension of the commercial paper proves impossible.



Management Report
Management of financial resources

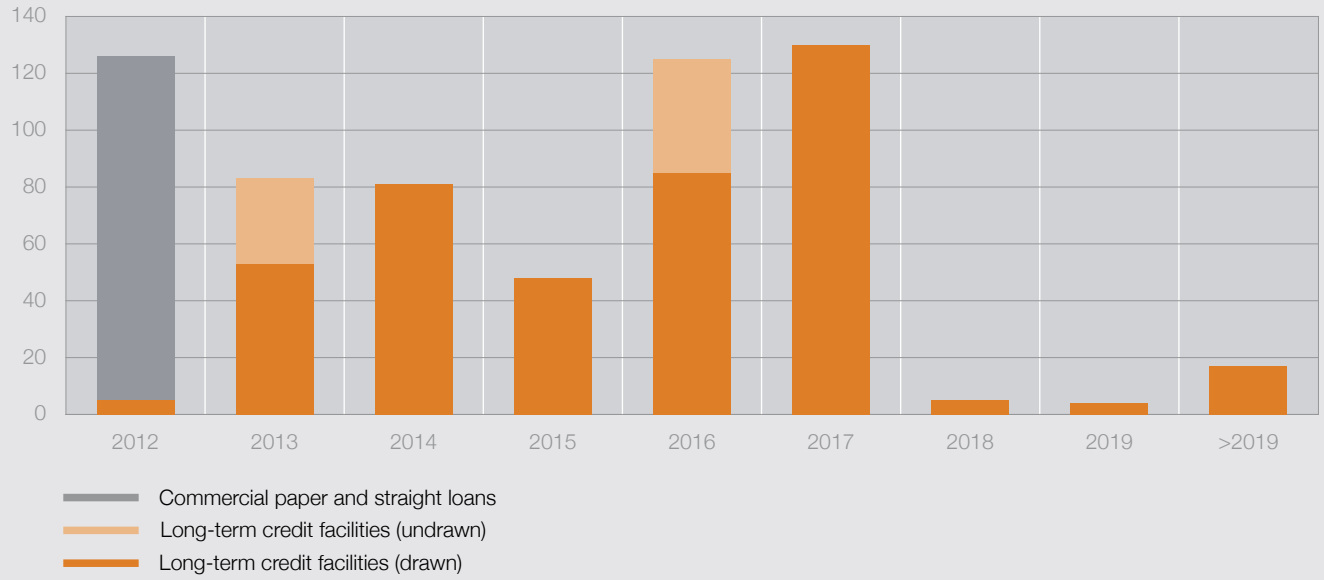
Maturity dates

The bulk of debt instruments applied represent bullet instruments, which means that, during the term, interest charges are payable on the principal drawn down and that the capital must be fully repaid on the final maturity date. A total of 23% of debts represent short-term debts (mainly straight loans and commercial paper), while the remaining 54% have a term of more than 1 year and 23% expire after more than 5 years.

The weighted average term of WDP's outstanding debts as at 31 December 2011 was 3.5 years[1]. If we only include the total number of long-term loans withdrawn and not withdrawn, the weighted average term is 4.1 years[2]. At year-end 2010, this was 3.9 years and 5.1 years, respectively.

On 31 December 2011, the total amount in undrawn and confirmed long-term credit facilities was EUR 70 million[3]. In addition, there is also a short-term, EUR 25 million credit facility for the pre-financing of projects in the Netherlands, along with available short-term credit facilities to fund the dividend and the working capital and to cover the commercial paper programme.

Loan maturity dates (minimum term)[4]



1 *Including short-term debts: these are mainly comprised of the Commercial Paper programme, which is fully covered by backup facilities that are renewed annually.*

2 *This includes the new funding operations completed after the balance sheet date and prior to the publication of the 2011 financial statements. For some loans, the lender may decide to extend the credit through an extension option. If these were exercised at each time, the weighted average term of the long-term credit would be 4.9 years.*

3 *Excluding the credit facility with the European Investment Bank to finance pre-let property developments in Romania.*

4 *For some loans, the lender may decide to extend the credit through an extension option. For the minimum term, it is assumed that this option will not be exercised; for the maximum term, the assumption is that it would be exercised at each time.*

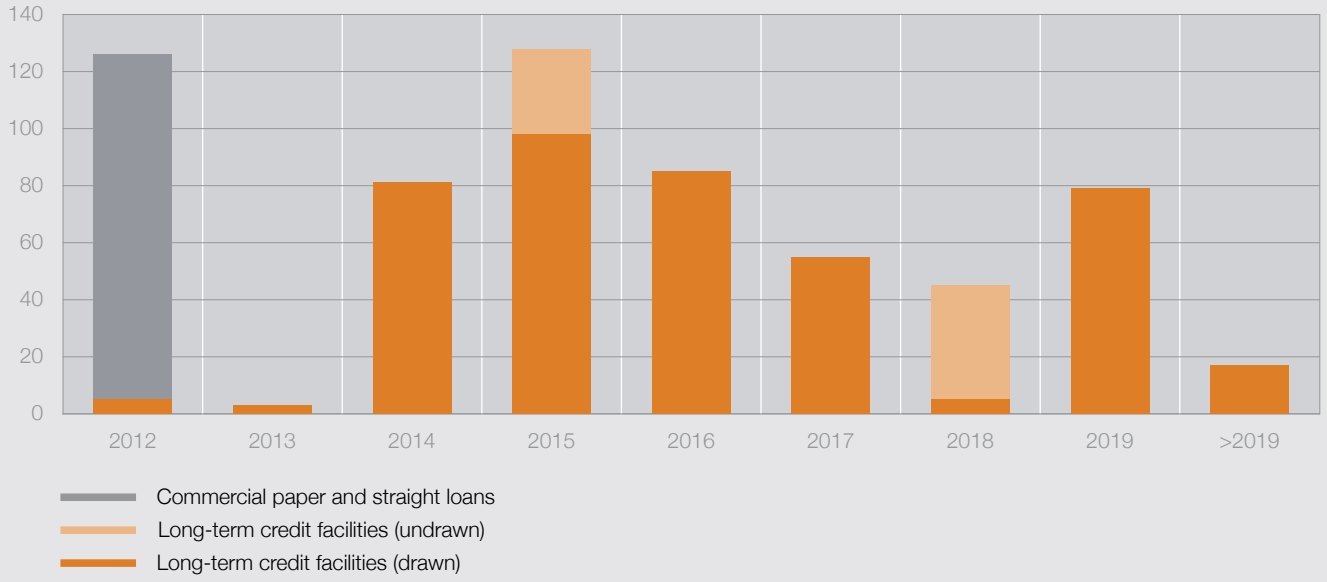
Management Report
Management of financial resources

The graphs below show the maturity dates of the loans. WDP intends to spread debt as evenly as possible over time, which also involves finding a balance between term, cost, and diversification of the debt instruments used. Since there is an extension option for some loans that can be exercised by the lender, the graphs below take into account the minimum and maximum terms of the loans, where for the latter it was assumed that extension options were always exercised by the bank. A total of EUR 126 million in debt will reach maturity in 2012, of which EUR 111 million is related to the Commercial Paper, which by definition has a term of less than one year. As noted before, this Commercial Paper is fully covered by available, unused credit facilities if they cannot or (only a portion) can be placed amongst investors.

Hedges

On 31 December 2011, virtually all loans were contracted at a floating short-term interest rate plus bank margin. In order to protect WDP from volatility and an increase in short-term interest rates, the company uses Interest Rate Swaps (IRS). It currently has a notional amount outstanding in IRS of EUR 416 million, which means that 76% of debts are hedged.

Loan maturity dates (maximum term)[1]

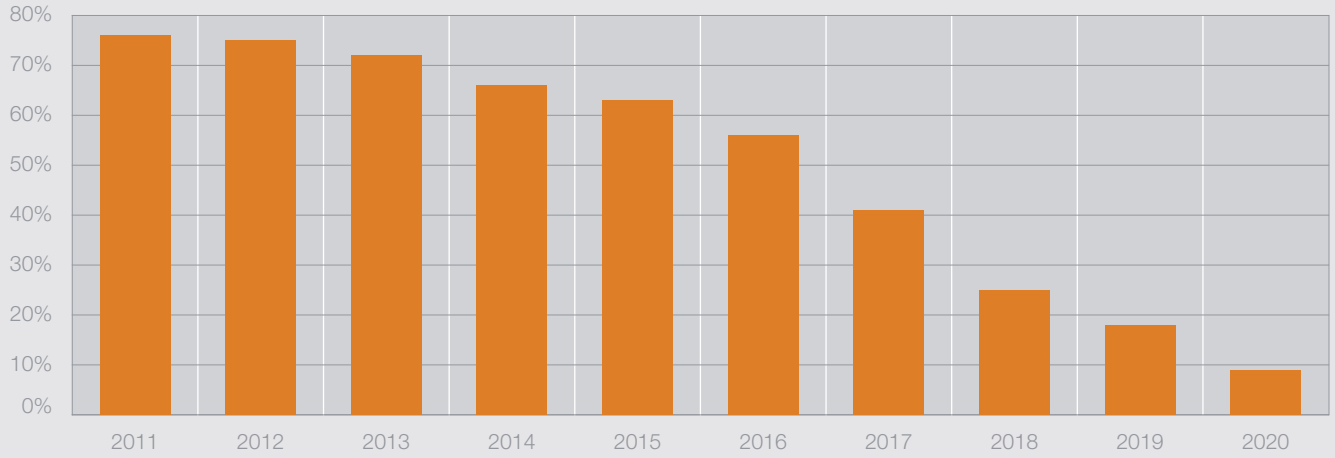


1 *For some loans, the lender may decide to extend the credit through an extension option. For the minimum term, it is assumed that this extension option would not be exercised; for the maximum term, the assumption is that it would be exercised at each time.*

Based on a constant debt level, this hedging rate will drop to 75% in 2012 and to 56% in 2016. The weighted average interest rate of these hedges was 3.7% on 31 December 2011, with an average term of 6.3[1] years. However, WDP's result will remain subject to fluctuations (see page 172 for a detailed list of financial derivatives, and page 58 for a sensitivity analysis of short-term interest rates).

The weighted average cost of WDP's debt for the 2011 financial year was 4.0%, including credit margins, the reservation commission on unused credit facilities, and the cost of hedging instruments. The average cost of debt for 2010 was 4.3%, a decrease attributed primarily to the fact that WDP has extended a portion of the interest rate hedges at a lower interest rate (see also page 172 for a list of outstanding interest rate hedges).

Evolution hedge ratio



3. Covenants and securities

The contractual provisions of the credit facilities generally stipulate that WDP remains qualified as a property CEIC and as a Fiscale Beleggingsinstelling (FBI) in the Netherlands, that there is a minimum interest rate coverage ratio of 1.5x[2], and that the value of speculative development projects must not exceed 15% of the book value of the portfolio. WDP confirms that all these conditions were satisfied during the entire 2011 financial year. The interest coverage ratio was 3.1x, while the percentage for speculative developments at year-end 2011 was 1%.

WDP's financing policy is also aimed at not providing any mortgages or any other securities to creditors, with the exception of those listed on page 189.

1 *For its hedging strategy, WDP implicitly assumed, for the long term of the existing interest rate hedges, that the absolute level of the outstanding liabilities would be maintained. Please also refer to Section '1. Risk factors' on page 4, and Notes 'XIII. Derivative financial instruments' on page 172.*

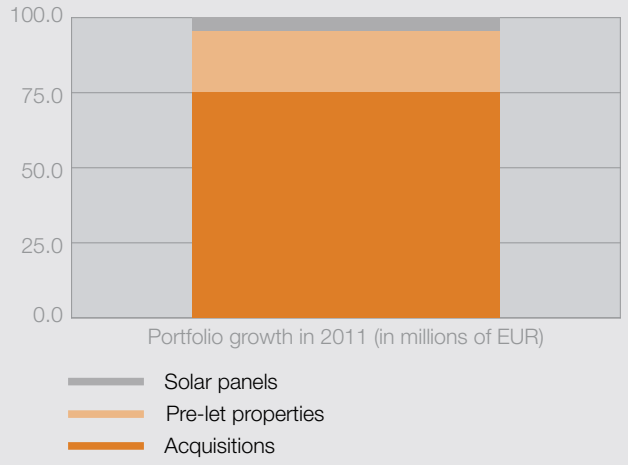
2 *A single loan agreement for an amount of EUR 18 million stipulates a minimum Interest Coverage Ratio of 2.0x. See also Note 'XXXI. Rights and obligations not included in the balance sheet' for a detailed overview of liabilities to lenders.*

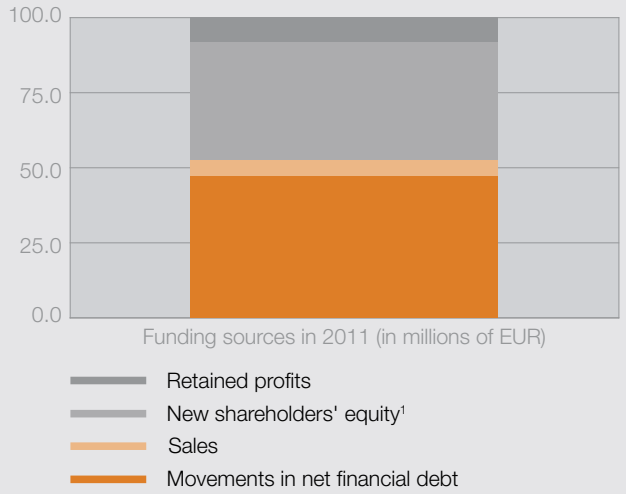
4. Implementation of the financing strategy during 2011

Financing policy in 2011

At roughly EUR 100 million, the investment volume realised in 2011 was substantial. An appropriate financing strategy was developed in advance in order to be able to comply with the investment requirements and in order to maintain the company's capital structure. For example, roughly 45 million of the EUR 100 million in capital expenditure was funded with new shareholders' equity (i.e. the optional dividend, the Betafence transaction and retained earnings), while the balance was funded with new loans. The maturity dates of the loans are anticipated for 2012-2013, and a buffer of unused credit facilities was created.

Funding sources in 2011





In 2011, the company boosted its financial resources as follows (in chronological order stated):

- The allocation of a EUR 85 million funding package from ABN AMRO

As part of funding its growth plans in the Netherlands, WDP contracted a EUR 85 million funding package with ABN AMRO in April. The package includes a EUR 60 million bullet loan (2+2 years) for the funding of the Wereldhave NL transaction, along with the refinancing of the current investment programme in Belgium for 2011, plus a EUR 25 million short-term loan ABN AMRO is providing for the pre-financing of WDP's continued growth in the Netherlands.

1 In 2011, shareholders' equity was increased following the optional dividend (EUR 23 million) and the acquisition of the Betafence distribution centre through payment in new WDP shares (EUR 16 million).

- Optional dividend of EUR 23 million

WDP was the first property CEIC to launch an optional dividend for its shareholders. The initiative was highly successful, with more than 70% of WDP shareholders opting to exchange their dividend rights for new shares in lieu of a cash dividend. This resulted in the issuance of 650,437 new shares, at an issue price of EUR 35.0. In May, the company's shareholders' equity could therefore be increased by approximately an additional EUR 23 million, creating additional investment capacity.

- The extension of a EUR 25 million bilateral loan from BNP Paribas Fortis until 2016

A traditional bilateral revolving credit facility provided by BNP Paribas Fortis for an amount of EUR 25 million and with a maturity date in 2012 was extended to 2016 at the end of June.

- Increase of the ABN AMRO loan package by EUR 20 million

In October, the partnership launched in spring 2011 between WDP and ABN AMRO to support continued growth of WDP in the Netherlands was strengthened by increasing the loan package by EUR 20 million to EUR 105 million (80+25).

- Acquisition of Betafence distribution centre for payment in new WDP shares at EUR 16 million

In early December, the Extraordinary General Meeting approved the acquisition through a partial split of the Betafence distribution centre in Zwevegem for an amount of EUR 16.3 million, which resulted in a capital increase for WDP of (rounded off) EUR 16.3 million and the issuance of 454,146 new WDP shares at an issue price of (rounded off) EUR 35.9 per share.

Additionally, at the end of the 2011 financial year the company was able to complete the following key financing operations:

- Signing of a new EUR 40 million credit facility at KBC Bank

In early February, WDP signed a new financing agreement with KBC Bank: a EUR 40 million bullet loan with a term of 6 years (4+1+1)[1]. Thanks to this agreement, WDP's basic financing provided by Belgian banks could be increased and the financing risk could be spread among several banks. WDP has also been expanding its funding base in order to support future growth.

- Extension of the credit lines at ING Bank for an amount of EUR 75 million

WDP was also able to extend several lines of credit at ING Bank for a total amount of EUR 75 million with maturity dates at the end of 2013 by a period of 6 years (4+1+1)[1]. For example, WDP has already, proactively, extended all maturity dates of the loans in 2012 and 50% of maturity dates for 2013.

1 Through an extension option, the lender can extend the maturity loan twice by one year each time, where the options must be lifted after one year and two years from the commencement date of the loan, respectively.

Management Report
Management of financial resources

Financial risks

WDP continued to closely monitor the potential impact of the financial risks in 2011 and implemented the necessary measures to manage these risks. These risks include counterparty risk (i.e. insolvency or credit risk affecting financial partners), liquidity risk (i.e. the non-availability of funding or very expensive funding options) and risks related to interest, budget, covenants and exchange rates.

For a detailed overview of financial and other risks, their mitigating factors and management, please see Section '1. Risk factors' on page 4.

Management Report
EPRA stats

EPRA key performance indicators

The publication of these data is not compulsory according to the rules regarding property CEICs and are not subject to verification by public authorities. The auditor verified whether the 'EPRA Earnings', 'EPRA NAV' and 'EPRA NNNAV' ratios are calculated according to the definitions included in the "EPRA Best Practices Recommendations" 2011 and if the financial data used in the calculation of these ratios comply with the accounting data included in the audited consolidated financial statements.

The Auditor has checked whether the 'EPRA Earnings', 'EPRA NAV' and 'EPRA NNAV' ratios have been calculated in accordance with the definitions given in the EPRA Best Practices Recommendations of August 2011 and whether the financial data used to calculate those ratios tally with the accounting data included in the consolidated Financial Statements.

Table	EPRA Performance Measure	Definition	Purpose	in EUR (x 1,000)	EUR / share
I.	EPRA earnings	Recurring earnings from core operational activities.	A key measure of a company's underlying operating results from its property rental business and an indicator of the extent to which current dividend payments are supported by earnings.	44,267	3.42
II.	EPRA NAV[1]	NAV adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystalise in a long-term investment property business model.	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.	464,878	33.35
II.	EPRA NNNAV[2]	EPRA NAV adjusted to include the faire value of (i) financial instruments, (ii) debt and (iii) deferred taxes.	Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of all assets and liabilities within a real estate entity.	401,334	29.43
III.	EPRA Net Initial Yield (NIY)	Annualised rental income based on the cash rent passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.	A comparable measure around Europe for portfolio valuations. In the past, there has been debate about portfolio valuations across Europe. This measure should make it easier for investors to judge themselves, how the valuaton of portfolio X compares with the portfolio Y.	7.5%	

1 NAV = Net Asset Value.
2 NNNAV = Triple Net Asset Value.

Table	EPRA Performance Measure	Definition	Purpose	in EUR (x 1,000)	EUR / share
III.	Adjusted EPRA NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	The provision of the calculation that reconciles the difference between EPRA NIY and the adjusted EPRA NIY.	7.5%	
IV.	EPRA vacancy rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	A 'pure' measurement of vacancy (i.e. expressed in percentages)	3.6%	

I. EPRA Earnings

in EUR (x 1,000)		31-12-2011	31-12-2010
Earnings per IFRS income statement		**29,703**	**32,602**
Adjustments to calculate EPRA earnings, exclude:			
I.	Changes in value of investment properties, development properties held for investment and other interests	-3,399	5,538
II.	Profit or loss on disposal of investment properties, development properties held for investment and other interests	-17	69
VI.	Changes in fair value of financial instruments and associated close-out costs	17,272	2,256
VIII.	Deferred tax in respect of EPRA adjustments	708	-1,442
X.	Minority interests in respect of the above	0	0
EPRA earnings		**44,267**	**39,023**
Weighted average number of shares		12,958,501	12,533,938
EPRA EARNINGS PER SHARE (EPS)		**3.42**	**3.11**

II. EPRA net asset value

in EUR (x 1,000)	31-12-2011	31-12-2010
NAV per the financial statements	**401,334**	**371,286**
NAV per the financial statements / share	29.43	29.62
Diluted NAV, after the exercise of options, convertibles and other equity interests	**401,334**	**371,286**
Include:		
(iv) Fair value of financial instruments	51,978	34,707
(v.a) Deferred tax	1,565	1,496
Include/exclude:		
Adjustments (i) to (v) above in respect of joint venture interests		
EPRA NAV	**454,878**	**407,488**
Number of shares	13,638,521	12,533,938
EPRA NAV per share (EUR)	**33.35**	**32.51**
EPRA NAV	454,878	407,488
Include:		
(i) Fair value of financial instruments	-51,978	-34,707
(iii) Deferred tax	1,565	1,496
EPRA NNNAV	**401,334**	**371,286**
Number of shares	13,638,521	12,533,938
EPRA NNNAV per share (EUR)	**29.43**	**29.62**

III. EPRA NIY and adjusted EPRA-NIY

in EUR (x 1,000)		31-12-2011	31-12-2010
Investment property – wholly owned		908,089	821,511
Assets held for sale		14,310	2,850
Less developments and land reserves		-72,533	-88,625
Completed property portfolio		849,866	735,736
Allowance for estimated purchasers' costs		27,468	22,228
Gross up completed property portfolio valuation	B	877,334	757,964
Annualised cash passing rental income		67,901	58,654
Property outgoings		-1,873	-1,676
Annualised net rents	**A**	**66,028**	**56,978**
Add: notional rent expiration of rent free period or other lease incentives		0	0
Adjusted annualised net rent	**C**	**66,028**	**56,978**
EPRA NIY	**A/B**	**7.53%**	**7.52%**
Adjusted EPRA-NIY	**C/B**	**7.53%**	**7.52%**

IV. Vacancy rate (EPRA)

Segment	Gross rental income 2011 in EUR (x 1,000)	Net rental income 2011 in EUR (x 1,000)	Lettable space at 31-12-2011 (m²)	Annualized gross rental income in EUR (x 1,000)	Expected rental value for vacant spaces 31-12-2011	Total expected rental value in EUR (x 1,000)	Vacancy rate (%)
Belgium	36,448	34,374	1,070,205	38,954	1,733	39,998	4.3
Netherlands	16,187	15,940	359,933	18,527	587	16,433	3.6
France	6,123	6,060	141,504	6,405	44	6,352	0.7
Czech Republic	2,532	2,381	39,356	2,551	0	2,202	0.0
Romania	0	13	6,879	351	0	357	0.0
Total properties available for lease	**61,290**	**58,768**	**1,617,877**	**66,789**	**2,364**	**65,342**	**3.6**
Reconciliation to the consolidated IFRS income statement							
Rental income related to:							
- Investment properties held for sale	1,310	1,277	41,744	1,112		1,017	0.0
- Previously sold investment property		8					0.0
- Property under development at WDP's expense, designated for lease	1,152	1,429					0.0
Total	**63,752**	**61,482**	**1,659,621**	**67,901**	**2,364**	**66,359**	**3.6**

V. Investment property – movements in net rental income on a stable comparison basis

in EUR (x 1,000)	31-12-2011 Properties owned throughout the two years	Acquisitions	Disposals	Projects	Total net rental income	31-12-2010 Properties owned throughout the two years	Organic growth in net rental income 2011 (%)
Belgium	34,311	859	-106	2,930	37,994	33,267	3.1
Netherlands	10,850	2,661		2,429	15,940	10,546	2.9
France	4,783			1,277	6,060	4,752	0.7
Czech Republic	2,381				2,381	2,382	0.0
Romania	13				13	-28	N/R
Total properties available for lease	**52,338**	**3,520**	**-106**	**6,636**	**61,468**	**50,919**	**2.8**
Reconciliation to the consolidated IFRS income statement							
Net rental income related to investment properties sold earlier on					14		
Unassigned					-920		
Solar Income					6,209		
Property operating result in the consolidated IFRS income statement					**67,691**		

VI. Investment property – Valuation data

(in EUR (x 1,000)	Fair value	Fair value changes in the year	EPRA net initial yield (%)
Belgium	540,064	601	7.0
Netherlands	80,683	3,735	8.6
France	201,101	1,829	7.6
Czech Republic	24,269	962	9.7
Romania	3,750	-1,783	9.1
Total properties available for lease	849,867	5,345	7.5
Reconciliation to the consolidated IFRS income statement			
- Properties that are being constructed or developed for own account in order to be leased	28,092		
- Land reserves	44,440		
- Investment properties held for sale	-14,310		
Investment properties in the consolidated IFRS balance sheet	908,089		

VII. Investment property – details regarding leases

	Average lease length		Details on next expiry dates of leases Current rent of leases approaching the next expiry date (in EUR x 1,000)			Details on final expiry date of leases Current rent of leases approaching final expiry date (in EUR x 1,000)		
Segment	To break (yr)	To expiry (yr)	yr 1	yr 2	yr 3-5	yr 1	yr 2	yr 3-5
Belgium	5.6	7.8	1,027	2,724	6,693	3,930	5,886	14,491
Netherlands	8.9	12		3,478	3,576		3,979	4,685
France	3.5	7.4	517			2,179	472	1,428
Czech Republic	2.8	7.9	215		373	1,001	113	958
Romania	9.9	9.9						
TOTAL	6.2	8.9	1,760	6,202	10,642	7,110	10,450	21,562

Management Report
Outlook

The outlook as described below includes expectations for the 2012 financial year with regard to WDP Comm. VA's consolidated net current result and consolidated balance sheet.

This outlook was prepared based on information available at 31 December 2011 and does not take into account events after the balance sheet date.

The forecast for the consolidated balance sheet and the net current result represent a forecast, the actual realisation of which depends, in particular, on changes in the economy, the financial markets and the property markets. They do not represent a commitment for the company and are not certified by the statutory auditor.

The latter – Deloitte Bedrijfsrevisoren BV in the form of a CVBA (cooperative limited liability company) represented by Rik Neckebroeck – has confirmed that the outlook was adequately prepared in the manner indicated and that the accounting method used for this outlook complies with the accounting methods used by WDP as part of the preparation of its consolidated financial statements in accordance with IFRS, as applied by the European Union and implemented by the Belgian Royal Decree of 7 December 2010 on property CEICs.

1. Assumptions

1.1. Assumptions regarding elements that are beyond WDP's direct control

- For changes in rental income, an average inflation level of 2.0% is taken into account for the indexation of leases in 2012.
- Interest rates are calculated based on 1-month and 3-month Euribor interest rates of 1.02% and 1.35% at 31 December 2011, respectively.
- The financial result does not take into account any exchange rate fluctuations in the Czech Republic (CZK) and Romania (RON). However, the potential impact of these fluctuations is likely to remain limited, as the functional currency for both these countries is the euro (EUR), being the determining factor in the economic reality of the underlying transactions for these foreign entities.
- The financial hedging instruments (mainly IRSs) are valued in accordance with IFRS (IAS 39) at market value in the financial statements at group level. Due to the volatility in the international financial markets, movements in these market values were not taken into account.
- In line with IFRS (IAS 40), the property portfolio is stated at fair value. However, no forecast is made regarding movements in the fair value of the property portfolio, as this would be unreliable and subject to a variety of external factors that are beyond the company's control. WDP's property portfolio is appraised by independent property experts on a quarterly basis.

1.2. Assumptions regarding elements that are within WDP's direct control

Net rental result

- This result is estimated based on current contracts and signed contracts for current investment projects, taking into account the assumptions used for the indexation of leases.
- The assumptions regarding lease renewal are based on an individual analysis of each lease, whereby, in the event of a tenant's departure, a period of vacancy is taken into account, along with increased charges and taxes that are normally charged to tenants, any renovation costs, marketing costs, and a new rental level if the property is re-let.
- These estimates are based on the current status of the rental market without taking into account any improvement or deterioration of this market.
- Another factor taken into account was a specific expected investment volume to be realised (see also the section entitled 'Investments').

Other operating income / operating expenses

- This item mainly contains results from the production of solar energy, which are estimated at EUR 6.5 million.
- In addition, this item also includes the net effect of the costs charged on to tenants, including the management fee for the property, which WDP charges to tenants.

Property charges

- These charges mainly include net costs (i.e. after any costs recharged to the tentants) for maintenance and repair, utilities, taxes, insurance contracts and commissions. For 2012, the charges were estimated based on the current portfolio and changes in the results for previous financial years. The expected increase is in line with the growth of WDP's portfolio.

Overhead costs

- These costs include WDP's internal operating costs, i.e. the compensation paid to WDP's manager (see also page 79 for more information regarding compensation of the manager) and the costs of administrative staff. This includes the contractual rents payable for WDP's offices in Wolvertem and Breda, along with administrative costs.
- Fixed costs also include a column consisting of estimated fees payable to external consultants and experts, including property experts, lawyers, tax experts, accounting and IT costs, consultancy projects and fees paid to the statutory auditor for statutory audits.
- Since WDP is a listed company, its overhead costs also include the annual tax on collective investment schemes, fees payable to the financial agent and the liquidity provider, fees related to the Euronext listing and the company's budget for financial and marketing communication.

Interest charges

- Interest charges are estimated based on changes in financial debts, starting from the situation at 31 December 2011, and include an estimate of additional debt for the financing of the investment programme being implemented in 2012 and the assumption regarding continued portfolio growth (see also the section entitled 'Investments').
- Taking into account changes in short-term interest rates (see above) and a hedge ratio of 76% based on the situation at 31 December 2011, overall funding charges are estimated at 3.9% for 2012. These latter charges include an average weighted credit margin, along with the reservation commission for unused credit facilities and charges related to interest rate hedging instruments.
- Total financial costs were subsequently decreased by an estimated amount in capitalised interest based on existing property developments and the possibility to capitalise interest. This implies that the capitalised borrowing costs are neutralised in the profit and loss account and included in the investment costs of the projects. The interest rate used for capitalising borrowing costs is equivalent to the estimated overall cost of debt[1].

Taxes

- These include the annual corporate tax. WDP's tax base in Belgium, the Netherlands and France is virtually nil due to the company's fiscal transparency in these countries (not including the effect on disallowed expenses and unusual benefits).
- For the other companies forming part of the WDP Group, an estimate was made based on projected local results.

Investments

- Estimates are based on continued growth, whereby the investment potential created by the optional dividend and the recently contracted new credit facilities will be used for new acquisitions and current projects at Schiphol and Willebroek. This is based on a capital structure maintained at the same level with a constant debt ratio of 55%.

2. Projected consolidated profit and loss account for 2012 (analytical schedule)

Based on the current outlook and the assumptions above, WDP expects net current profit to increase to at least EUR 49 million[2] in 2012 (based on current conditions). This expected profit is based on the current situation and does not take into account any unforeseen circumstances (e.g. a further deterioration of the economic and financial climate), and assumes a normal level of solar irradation.

1 *See also Notes 'III. Accounting rules' on page 155.*

2 *Expected net current earnings per share for 2012 could not be calculated at the time of publication of this annual financial report. WDP is considering offering its shareholders an optional dividend, allowing for the issue of new shares.*

Consolidated Profit and loss account – Analytical schedule (EUR x 1,000)	2011 ACTUAL	2012 BUDGET
Net rental income	63,103	70,391
Income from solar energy	6,209	6,527
Other operating income / costs	-218	-357
Property result	**69,094**	**76,562**
Property charges	-1,403	-1,598
Corporate management costs	-4,362	-4,782
Net property result	**63,329**	**70,182**
Financial result excluding IAS 39 result	-18,917	-21,016
Taxes on net current result	-87	-100
Deferred taxation on net current result	-58	-50
Net current result	**44,268**	**49,016**

3. Expected dividend

The dividend policy is set by the Board of Directors of WDP's manager and subsequently proposed to the Annual General Meeting of shareholders at the end of each financial year.

For 2012, WDP expects an increase in net current profit (based on current conditions) to a minimum of EUR 49 million. Based on this outlook and barring any unforeseen circumstances, WDP expects to pay a dividend per share of EUR 3.10 for the 2012 financial year (payable in 2013). This is also based on the traditional distribution rate of 90%.

4. Projected consolidated balance sheet

Consolidated balance sheet (EUR x 1,000)	2011 ACTUAL	2012 BUDGET
Fixed assets	**992,410**	**1,064,789**
Investment property	908,089	983,788
Other tangible fixed assets (including solar panels)	68,185	65,509
Other fixed assets	16,136	15,491
Current assets	**26,474**	**11,860**
Assets held for sale	14,310	0
Cash and cash equivalents	1,704	1,708
Other current assets	10,460	10,152
TOTAL ASSETS	**1,018,884**	**1,076,954**
Shareholders' equity	**401,334**	**426,816**
Non-current liabilities	**477,594**	**510,701**
Non-current financial liabilities	422,536	455,526
Other non-current liabilities	55,058	55,175
Current liabilities	**139,956**	**139,437**
Current financial liabilities	126,187	125,371
Other current liabilities	13,769	14,066
TOTAL LIABILITIES	**1,018,884**	**1,076,954**
Gearing	55.1%	55.1%

The projected balance sheet for 2012 was prepared, taking into account any factors that could reasonably be estimated. Consequently, this estimate does not include the impact of the revaluation of financial instruments in compliance with IAS 39 or the impact of market fluctuations on the portfolio in compliance with IAS 40.

5. Sensitivity

The table below provides a non-exhaustive list of external and internal factors that affect the main parameters of the company, i.e. net current profit, gearing, and shareholders' equity.

Sensitivity analysis based on the consolidated results as at 31.12.2011					
Δ **Inflation**	-1.0%	-0.5%	0.0%	0.5%	1.0%
Δ Net current profit (in EUR million)	-0.7	-0.3	-	0.3	0.7
Δ **Occupancy rate**	-1.0%	-0.5%	0.0%	0.5%	1.0%
Δ Net current profit (in EUR million)	-0.7	-0.4	-	0.4	0.7
Δ **Euribor**	-1.0%	-0.5%	0.0%	0.5%	1.0%
Δ Net current profit (in EUR million)	-1.3	-0.7	-	0.7	1.3
Δ **Fair value of the investment property**	-5.0%	-2.5%	0.0%	2.5%	5.0%
Δ Gearing ratio	-2.6%	-1.3%	-	1.2%	2.4%
Δ **Investments (in EUR million)**	-50.0	25.0	0.0	25.0	50.0
Δ Gearing ratio	-2.3%	1.1%	-	1.1%	2.1%
Δ **Fair value of the investment property**	-5.0%	-2.5%	0.0%	2.5%	5.0%
Δ Fair value of the investment property and shareholders' equity (in EUR million)	-46.1	-23.1	-	23.1	46.1
Δ **Interest rates**	-1.0%	-0.5%	0.0%	0.5%	1.0%
Δ Fair value of hedging instruments and shareholders' equity (in EUR million)	-26.7	-13.1	-	12.6	24.8

Management Report
Corporate governance and structures

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

Corporate Governance report

Pursuant to Section 96, paragraph 2 (1) of the Companies Code (amended through the Act of 6 April 2010 to enforce good governance among listed companies) and the Royal Decree of 6 June 2010 regarding the designation 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 its 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 primarily relevant to the management structure of the statutory manager. 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 only in a few points.
The deviations from these recommendations can be explained by the limited size of the Board of Directors of the manager 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 Executive Chairman, Mark Duyck, maintains the role of 'executive director' without, however, being part of the executive management. WDP has chosen to assign a particularly active role to the Executive Chairman, with the latter serving as a sounding board to the executive management and providing advice in this capacity. However, the Executive Chairman 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 the 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 Executive Chairman is permitted to assume specific responsibilities other than chairing the Board of Directors and its meetings;
- The Corporate Governance Code recommends that the nomination committee should include a majority of independent non-executive directors. Due to the limited size of the Board of Directors, WDP's nomination committee consists of the entire Board of Directors, and is chaired by the Chairman of the Board of Directors. The nomination 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 nomination 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 is the CEO, the Board of Directors believes that one of the specific, typical duties of the Chairman, such as chairing the nomination committee, can be assigned to the Chairman of the Board of Directors.

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 the administrative bodies and their committees.

This chapter of the 2011 annual financial report includes the contents of the WDP Corporate Governance Charter, which is also available on its www.wdp.be. The description of the Board of Directors of the manager and executive management applies to the situation as at 31 December 2011.

1. Board of Directors

1.1. Some background information: 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 general 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 the limited or silent 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 statutory manager, which must have the capacity of general partner which, is virtually irremovable and holds the veto right against all important resolutions adopted by the General Meeting.
The manager is free to resign at any time. However, its mandate can only be withdrawn by a decision of the court called upon for this purpose by the General Meeting of shareholders, based on valid reasons. The manager cannot take part in this vote on the General Meeting resolution.

The General Meeting can only deliberate and take decisions when the manager is present. 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 manager, 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 (hereafter 'property CEIC'), including:

- defining the strategy and policy of the company;
- approving all major investments, desinvestments and other significant transactions in order to achieve the goals set by WDP;
- monitoring the quality of the 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 constitution of the Board of Directors

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

Pursuant to Article 9 of the Royal Decree on property CEICs, the Articles of Association of the manager De Pauw NV provide that its Board of Directors is consility such that WDP can be managed independently and exclusively in the interest of its shareholders. Additionally, the Articles of Association provide that the Board of Directors includes at least three independent members, in compliance with Section 526ter of the Companies Code.
Furthermore, the Articles of Association of the manager De Pauw NV provide that compliance with the criteria specified in Section 526ter 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.

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

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

- 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 manager 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 FSMA for appointments and reappointments, and rules regarding disqualification from professional practice).

1.2.3. Board of Directors' activities

The Board of Directors of the manager meets four times a year, on the invitation of the chairman. One of these meetings is devoted to the 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 require or two directors request.
The chairman is responsible for the smooth working and proceeding 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 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 nomination 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 the manager De Pauw NV can dismiss directors at any time.

Whereas in the past, directors were appointed for a term of six years, effective 2011 they are appointed for a period of four years. Independent directors may not execute more than three successive mandates as non-executive directors on the Board of Directors, and this period may not exceed twelve years. The appointment of other, non-independent directors can 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 nomination 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 Property CEICs apply. With regard to WDP share transactions conducted by directors on their personal behalf, WDP's rules of procedure must be respected (see also '5.1. Code of conduct regarding financial transactions' on page 83).

WDP aims to meet the quorum for female members of the Board of Directors no later than the final date required by law. This search will be accompanied by an analysis at the level of the Board of Directors to ensure that the composition will, in the future, better reflect the international nature of its activities, for example in the Netherlands. The Board of Directors aims to maintain a good balance of knowledge and experience at all times, based on the requirements of efficient business conduct in our markets. The Board also strives to remain a flexible and practicable entity.

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 exists 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 29 April 2015 (attendance rate in 2011: 100%).

- 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, Palm*, MOST BVBA, Grontmy NV*, Betafence, and Thomas Cook Plc. He is also Chairman of the Board of Directors of JBC.

  His mandate ends on 25 April 2012 (attendance rate in 2011: 77.7%). The manager's Board of Directors intends to nominate MOST BVBA for reappointment as a director of De Pauw NV, for a mandate expiring on 27 April 2016.

- **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 2011: 100%).

* *These mandates have now expired.*

- **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 real estate certificate.
  He continues to work 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*, 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, New Paragon Investments Ltd, New Phoenix Investments Ltd, 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,, Serviceflats Invest NV, Urselia NV,, Wilma Project Development NV and WPD Holding NV – Winprover.

  His mandate ends on 29 April 2015 (attendance rate in 2011: 100%).
  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 property CEICs (or their managers) must employ three independent directors at all times, the manager will be required to appoint a new independent director in a timely manner.

- **Tony De Pauw** (Ganzenbos 5, B-1730 Asse), executive director and CEO since 1999, represents the reference shareholder, 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 29 April 2015 (attendance rate in 2011: 100%).

- **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 2011: 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 526ter of the Companies Code.

* *These mandates have now expired.*

Overview of 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 reappointment
Most BVBA, permanently represented by Frank Meysman	2006		25 April 2012	27 April 2016
Alex Van Breedam	2003	2009	29 April 2015	-
Dirk Van den Broeck	2003 (after cooptation)	2011	29 April 2015	-
Tony De Pauw	1999	2011	29 April 2015	-
Joost Uwents	2002	2008	30 April 2014	-
Mark Duyck	1999	2011	29 April 2015	-

1.2.6. Declarations concerning directors and executive management

WDP's statutory manager, based on the information at its disposal, that:

- at least in the past five years neither it, nor its directors or, in case a company acts as a director, 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, property CEIC or statutory manager that provide for special payments upon termination of employment;
- the employment contracts or service contracts concluded between the statutory manager and the members of the executive management provide for no special payments upon termination of employment.

Number of shares in possession at 31 December 2011

Non-executive directors	Number of Shares	% shares
MOST BVBA	2,000	0.01
Alex Van Breedam	0	0.00
Dirk Van den Broeck	65,000	0.47
Executive directors		
Tony De Pauw	1,032,999	7.57
Joost Uwents	15,000	0.11
Part-time executive Chairman of Board of Directors		
Mark Duyck	5,923	0.04

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.

Although Mr Frank Meysman, permanent representative of MOST BVBA, did not anticipate a conflict of interest under property law following the partial division of Betafence NV, where the separated capital was transferred to WDP, he decided not to participate in any Board of Directors meetings held in relation to this transaction, due to the ethical conflict of interest he faced on account of his mandate as an executive director of Betafence NV. He exercises this mandate for a fixed amount in compensation, without owning any shares or stock options.

Conflicts of interest involving transactions with affiliates

The property CEIC 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 property CEIC's relations with an affiliate, not including its subsidiaries, and (b) the relations between a subsidiary of the property CEIC 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 property CEICs. Article 18 contains a provision regarding functional conflicts of interest due to which property CEICs must inform the FSMA if and when certain persons affiliated with the property CEIC (an exhaustive list of which is set out in the same Article, including the manager and its directors, the individuals responsible for supervising the property CEIC, are affiliated therewith or hold a stake therein, the promoter and the other shareholders of all the property CEIC's subsidiaries) that act directly or indirectly as a counterparty concerning, or gain any financial benefit from, a transaction with the public property CEIC or any of its subsidiaries. In its statement to the FSMA, 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 property CEIC.
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 property CEIC) or a maximum price (in the event of acquisition by the property CEIC).

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 Property CEICs, 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. Specialised 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 nomination committee and a remuneration committee. The composition of these committees is in accordance with the Royal Decree on property CEIC's and the Corporate Governance Code, with the exception of the deviations specified at the beginning of this section (see page 60).

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	100%
Alex Van Breedam	Independent Director	100%
Dirk Van den Broeck	Independent Director	100%
Tony De Pauw	Executive director	100%
Joost Uwents	Executive director	100%

1.3.2. The audit committee

The Board of Directors has appointed an audit committee among 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 526ter 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 nomination committee

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

Given the limited size of the Board of Directors, the nomination committee is composed of the entire Board of Directors and is chaired by the Chairman of the Board. The nomination 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 (who has certain executive duties) chairs the nomination 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 nomination committee, can be assigned to the Chairman of the Board of Directors. However, the Chairman is not authorised to chair the nomination committee when his/her successor is to be selected or where it concerns his reappointment.

The nomination committee meets at least twice a year. It also meets at other times if circumstances so require.

Name	Capacity	Attendance rate
Mark Duyck	Executive chairman	100%
MOST BVBA	Independent director	100%
Alex Van Breedam	Independent director	100%
Dirk Van den Broeck	Independent director	100%
Tony De Pauw	Executive director and CEO	100%
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 526ter 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 remuneration committee meets at least twice a year and whenever it deems this necessary in order to properly perform its duties. The remuneration committee regularly reports on the performance of its duties to the Board of Directors.

Composition in the 2011 financial year:

Name	Capacity	Attendance rate
MOST BVBA	Independent director	100%
Alex Van Breedam	Independent director	100%
Dirk Van den Broeck	Independent director	100%

MOST BVBA, permanently represented by Frank Meysman, is the chairman of the remuneration committee. 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.

2. The executive management

The property CEIC 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 manager. 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.

Family
Jos De Pauw
31%

Public
69%

Family
Jos de Pauw
100%

Independent experts/supervisory authorities

FSMA

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

2.2. Current constitution and partition of duties of the executive management

Duties amongst the executive management are split up 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 CFO;
- 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 the agreements made with the Board of Directors. If the executive management fails to reach an 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 Property CEICs 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 manager 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 private limited laibility companies ('BVBA's') represented by their sole partner and managing director – supervise the property CEIC'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 property CEIC are explained above (see '2.2. Current constitution and partition of duties', on page 77).

2.6. Appointments and evaluation

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 nomination 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 nomination committee.

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 involving the executive management

The provisions regarding functional conflicts of interest set out in sections 18 and 19 of the Royal Decree on Property CEICs also applies to the members of the executive management (see '1.2.7. Conflicts of interest – Functional conflicts of interest' on page 68).

In addition to these provisions of the Royal Decree on Property CEICs, 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 their 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 their close relatives exercises a directorship or management position has a proprietary interest which conflicts with a company decision or transaction.

3. Remuneration report

This remuneration report complies with the provisions of the Corporate Governance Code 2009 and represents the implementation of Section 96, paragraph 3 (2) of the Companies Code, as implemented by the Act of 6 April 2010. The report contains the following information:

- procedures followed during the 2011 financial year to (a) develop a remuneration policy on behalf of the directors and the executive management and to (b) set the remuneration of individual directors and of individual members of executive management;
- a report regarding the remuneration policy pursued during the 2011 financial year for the directors and the executive management, containing 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 remuneration;
  - characteristics of performance bonuses in shares, options or other rights to acquire shares;
  - information on the remuneration policy for the next two financial years;
- the remuneration and any other benefits received by non-executive directors on an individual basis from the company or from WDP;
- if the executive directors or members of the executive management are eligible for compensation based on WDP's performance, the criteria for evaluating performance against the targets, specification of the evaluation period, and a description of the methods used to determine whether these performance criteria were complied with;
- the amount of the remuneration and other benefits WDP awarded to the executive management. This information must be provided broken down into the following components:
  - basic salary;
  - variable remuneration: any additional compensation linked to the performance criteria, specifying the form in which this variable remuneration was paid;
  - pension: the amounts paid during the 2011 financial year or the costs of the services provided during the 2011 financial year depending on the type of pension scheme, including details on the applicable pension scheme;

- the other components of the remuneration, e.g. the costs or value of the insurance policies and other benefits in kind, including details on the particulars of the main components;
- the overall amount of the remuneration, broken down by category, of the executive directors and the members of executive management;
- the severance pay/potential severance pay of individual members of executive management.

Internal procedures

The remuneration committee regularly performs a benchmark against both the remuneration of non-executive directors and executive directors of comparable listed Belgian companies in order to make sure that the remuneration remains appropriate and complies with market practices, taking into account the company's size, financial situation and position in the Belgian economy, along with the directors' level of responsibility.
In addition, the remuneration committee annually analyses the remuneration policy to which the executive directors are subject and determines whether any adjustments are necessary in order to retain and motivate them, and whether this policy is reasonable based on the company's size. Overall remuneration levels, the spread of the various components of the remuneration and the conditions for obtaining the remuneration are all analysed. The remuneration committee also determines whether the process of setting the targets that specify the level of the variable remuneration in the short term is in line with the company's risk appetite.
The Board of Directors, on the proposal of the remuneration committee, does not intend to make any substantial changes to the remuneration policy applicable to directors and executive management for the 2012 and 2013 financial years.

The table below shows the individual remuneration for the 2011 financial year

Non-executive directors	Fixed[1] (EUR)	Variable (EUR)
MOST BVBA, permanently represented by Frank Meysman	21,000	-
Alex Van Breedam	21,000	-
Dirk Van den Broeck	21,000	-
Executive directors	[2]	[4]
Tony De Pauw	189,000	125,000
Joost Uwents	189,000	125,000
Executive chairman of the Board of Directors[3]		
Mark Duyck	185,850	

1 *Fixed remuneration consists of basic compensation, including an insurance allowance, pension contributions, and an annual expense allowance of EUR 3,500.*
2 *The basic compensation is determined based on the individual responsibilities and skills of each member of the executive management, is independent of any result, and is not indexed.*
3 *The Board of Directors has decided to award additional compensation to the chairman for additional performance, including, in this case, duties performed on a part-time basis.*
4 *Compensation relating to achieving all the targets, payable at 50% over a period of 2 or 3 years*

In 2011, the manager received EUR 925,000 in compensation; this amount matches the total expenses relating to the Board of Directors in 2011, including the bonus scheme for the executive management and the management of the closed-ended property investment company.
The total pay of the non-executive directors and the executive chairman during the 2011 financial year was EUR 238,350 (100% fixed). The non-executive directors do not receive any performance-related pay.
The total pay received by the executive management during the 2011 financial year was EUR 635,000 (including 30% in variable pay). The criteria and objectives based on which the variable pay is awarded to the executive management is explicitly stated in writing by the Board of Directors on commencement of the financial year at the proposal of the remuneration committee. For the 2011 financial year, the following criteria were applied, in descending order of importance: the Group's operating result and the occupancy rate for the one-year targets, and the implementation of the 'solar energy' project and the management of the gearing for multi-year targets. The extent to which the financial criteria were achieved will be assessed after the close of the financial year, based on accounting and financial data to be analysed by the audit committee. These and other criteria are subsequently further assessed by the remuneration committee. Based on the company's profit or loss, the Board of Directors then awards the variable pay to the executive directors Tony De Pauw and Joost Uwents. Under the Royal Decree on Property CEICs, these criteria for awarding the variable pay or the portion of the variable pay that is based on performance relate exclusively to WDP's consolidated net result, excluding any fluctuations in fair value and hedging instruments, and no compensation may be awarded based on a specific act or transaction on the part of WDP or any of its subsidiaries.

Variable pay may only be awarded if the criteria for payment determined by a member of executive management and WDP have been satisfied for the reference period. The following additional criteria apply: (a) at least 25% of the variable remuneration paid to a member of executive management must be based on performance criteria measured over a period of at least two years, while another 25% must be based on performance criteria measured over a period of at least three years. WDP complies with these statutory rules relating to the distribution over time of the variable pay, a portion of which is awarded upon expiry of the relevant financial year and another portion of which is awarded subsequent to this period (i.e. after three years).

Executive directors and the chairman may use their basic compensation to finance their group insurance in accordance with the 'cafeteria principle'.

No options or any other benefits are provided for, with the exception of a company vehicle for the members of executive management.

There are currently no employment contracts or contracts for the provision of services in place with the executive directors that provide for severance pay. Similarly, the contracts contain no claw-back clauses.

The ordinary Annual General Meeting, which decides on the Board of Directors' annual report, will also decide on the remuneration report by means of a separate vote.

4. Foreign structures

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

- WDP France SARL, rue Cantrelle 28, 36000 Châteauroux.

Netherlands

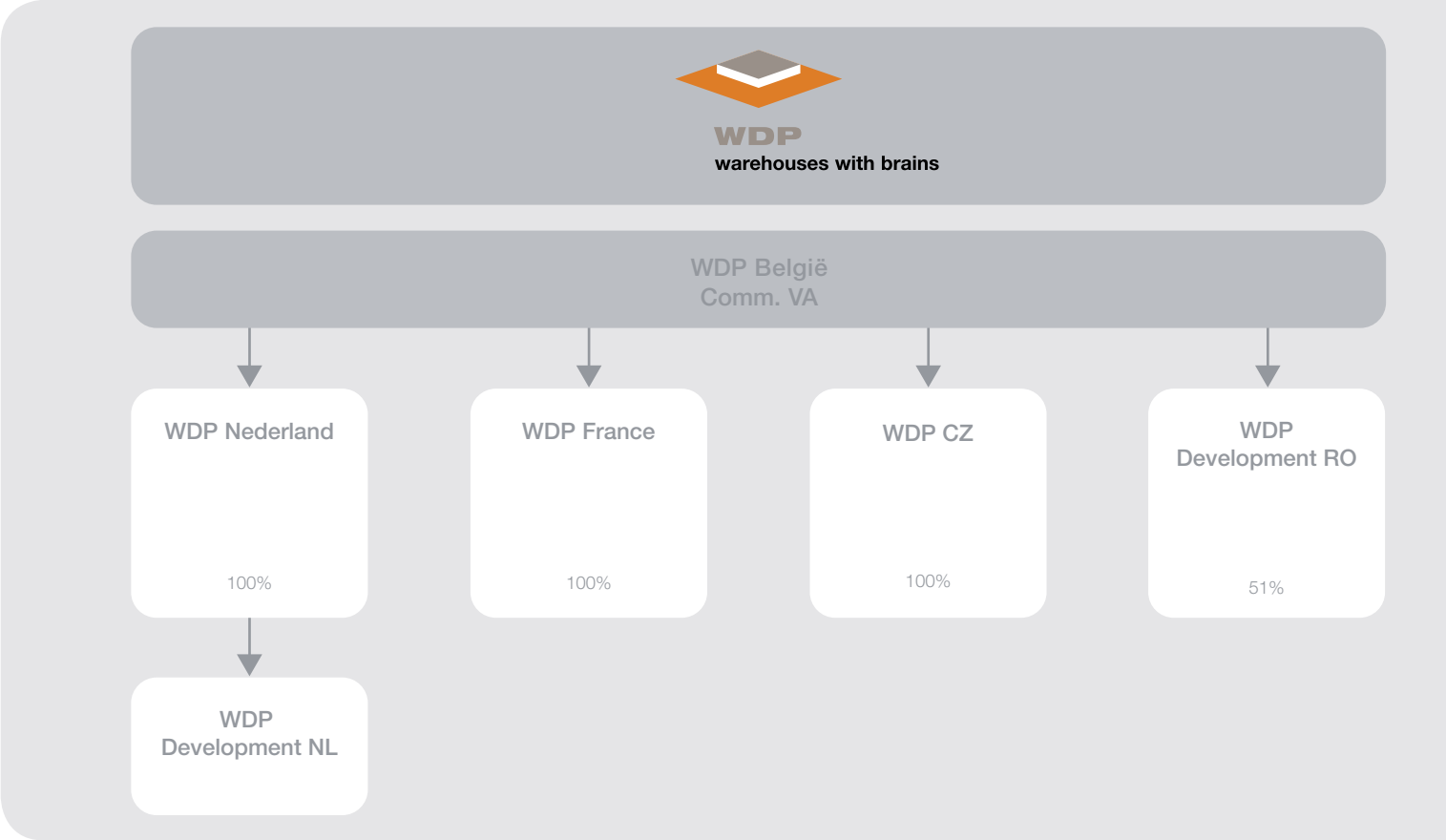
- WDP Nederland NV, Princenhagelaan 1-A2 Herenkantoor B, 4813 DA Breda, Postbus 9770, 4801 LW Breda.
- WDP Development NL NV, Princenhagenlaan 1-A2 Herenkantoor B, 4813 DA Breda, Postbus 9770, 4801 LW Breda.

Romania

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

Czech Republic

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



The group's companies share the following 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, and with the exception of WDP Development NL.
- WDP has a 100% stake in all the subsidiaries outside Belgium, except for WDP Development RO (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 (Société d'Investissement Immobilier Cotée) providing exemption from corporation tax and capital gains tax. More information on the FBI and SIIC statuses is included in this annual report under 'General information regarding the property CEIC and the fiscal regimes' on page 212.
- Net profits can be distributed to WDP, with the withholding tax or exemption therefrom based on the parent-subsidiary guidelines and the relevant double taxation treaties between Belgium and the various countries in which WDP operates. 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 Property CEICs. With effect from 7 January 2012, this same maximum gearing also applies at the separate level for property CEICs). 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.

In France, WDP Comm. VA is represented by its permanent establishment (établissement stable) at rue Cantrelle 28, F-36000, Châteauroux.
WDP Nederland NV maintains another wholly-owned subsidiary: WDP Development NL NV, Princenhagelaan 1-A2 Herenkantoor B, NL-4813 DA Breda / Postbus 9770, NL-4801 LW Breda.

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

5.1. Code of conduct regarding financial transactions

5.1.1. 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.

5.1.2. 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 Instituut van de Bedrijfsrevisoren (Institute of External Auditors – IBR).

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

Duty of disclosure
Both where the manager and the directors of the manager 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 instructed by these persons. This means that persons with management responsibilities at WDP Comm. VA (the manager 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 FSMA 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 FSMA 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.

Prohibition on insider trading
In this respect, WDP complies with Section 25, paragraph 1, (1) of the Act of 2 August 2002.

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

Black out 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 (black out 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 black out 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 black out 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 black out periods apply to the members 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.

5.2. Shareholder relations 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 expertly. 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 FSMA 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 is 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 65).

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

Pursuant to the implementation on 1 January 2012 of the Act of 20 December 2010 regarding the exercise of specific rights of shareholders in listed companies the 'Act on Shareholder Rights', 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 from a distance, 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.

Also pursuant to the implementation of the Act on Shareholder Rights, 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 distribution 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 newspaper. For ordinary General Meetings being held in the city or town and at the venue, date and time specified in the memorandum of association and with an agenda limited to the discussion of the financial statements, the annual report and the statutory auditors' report, 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.
The notices to the holders of registered shares are 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.

Pursuant to the Shareholder Rights Act,, 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.

Pursuant to the Shareholders' Rights Act, the following provisions 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 shareholder's 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 must indicate to the company their intention to attend the General Meeting.
- The manager will maintain a register for each shareholder that has communicated the wish to attend the General Meeting. This register will state the shareholder's 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 their 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 (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, they must confirm that they have 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 (4) of the 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.

5.3. Abuse of company property and bribery

WDP directors, executive management and staff are prohibited from using WDP's property or credit facilities 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 'abuse of company property' or 'bibery', 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.

5.4. 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.

In 2011, WDP also integrated the SAP Real Estate ERP system (Enterprise Resource Planning) at its sites in France and the Netherlands, having previously implemented it at WDP in 2010.

- 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 71).

Risk analysis and audits

The company's risk analysis processes are described in the section entitled '1. Risk factors' of this annual financial report on 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 2011, the process related to the invoicing, acquisition, and administrative follow-up of the solar panels and the management of the financial instruments 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 '1. Risk factors' on page 4).

The Board of Directors of the manager 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.

6. Statutory provisions relating to the manager and amendments to the Articles of Association

6.1. The statutory manager

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

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

The General Meeting can only deliberate and pass resolutions if the manager is attending. The manager 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 manager, please refer to '1.2. The Board of Directors of the manager De Pauw NV' on page 62.

The company is represented for each act of disposition of its property in the sense of the legislation applicable to property CEICs by its manager, De Pauw NV, represented by its permanent representative, acting in conjunction with at least one director. The manager may grant a special power of attorney provided that it exercises effective control over the deeds or documents signed by the holder(s) of a special power of attorney and the applicable internal procedures are complied with; these procedures relate both to the nature and frequency of the controls. A power of attorney may be granted only for a specific transaction or a clearly defined series of transactions, and is valid only for the time necessary to complete the transaction. Finally, the relevant limits must be specified in the power of attorney itself. The manager takes advantage of this option, which is provided for in the articles of association for the granting of a special power of attorney exclusively for the signing per individual authentic or private document and, once the document has been approved, by its Legal department.

The manager 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 manager, without, however, infringing on Article 9, paragraph 2 of the Royal Decree on Property CEICs.

WDP's manager, 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).

6.2. Amendments of 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 manager is attending. If this quorum for attendance is not met or if the manager is not present, 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 manager.

Amendments of the Articles of Association will only be adopted with the prior approval of the FSMA and if three-quarters of the votes associated with the shares absent or shares represented are in favour of the amendment. The amendment is also subject to the consent of the manager attending in attendance at the meeting or represented at the meeting.

7. Movements in capital

Pursuant to the General Meeting of 27 April 2011, the Articles of Association of WDP were amended in order to provide that a) the statutory limitations of the Royal Decree on Property CEICs regarding increases in capital in kind and in cash (as well as regarding mergers, demergers and similar transactions), would be included in the company's articles of association, and that b) the company would take advantage of the flexibility in terms of movements in capital (e.g. regarding the upheaval of the preferential right at the occasion of a cash contribution when a irreducible allocation right is granted to the existing shareholders and the optional dividend), which flexibility has been increased to some extent under the Royal Decree on Property CEICs.

8. 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 was 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 Edouard Lhomme, 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 94,155 (excluding VAT). During the 2011 financial year, a remuneration was paid for any statutory audits and other consultancy work (including due diligence work) for a total amount of EUR 51,627 (excluding VAT).

9. Chartered surveyor

In accordance with the applicable regulations for property CEICs, the surveyor appraises all the buildings operated by the property CEIC and its subsidiaries at the end of each financial year. The book value of the buildings included in the balance sheet is subsequently adjusted to these values.

In addition, the surveyor updates the total appraisal at the end of the first three quarters of the financial year prepared at the end of the previous year based on market trends and the specific features of the property. The surveyor also appraises the property operated by the property CEIC and its subsidiaries if the property CEIC wishes to perform a transaction such as the issue of shares or a merger.

The surveyor appraises each property to be acquired or transferred by the property CEIC or any of its subsidiaries prior to the transaction. The surveyor's appraisal is regarded as a minimum price (in the event of sale) or maximum price (in the event of acquisition) for the property CEIC if the counterparty is a person closely involved in the property CEIC (as provided in the regulations applicable to property CEICs) or if the transaction in question benefits such persons.

Appraising a site involves determining its value on a specific date, i.e. the price at which the site is likely to be sold between buyers and sellers who are well informed and who wish to complete such a transaction, without taking into account any special agreement between the parties. This value represents the 'investment value' if it matches the total price to be paid by the buyer, plus any registration fees or VAT if the acquisition is subject to VAT. The fair value within the meaning of the IAS/IFRS reference schedule can be calculated by deducting an adjusted percentage of the registration fees and/or deducting VAT.

The new Royal Decree on Property CEICs of 7 December 2010 contains recommendations regarding the method to be used by chartered surveyors in order to guarantee the necessary impartiality of these surveyors in appraising the property. There is stronger emphasis on the impartiality requirement for chartered surveyors, and the Decree specifies that the surveyor's compensation may not be based on the property subjected to his expertise. In addition, property CEICs are required to ensure a rotation of the surveyor(s) they appoint based on a double rotation requirement. For example, a property CEIC is only permitted to appoint the surveyor for a renewable term of three years, and a specific property may only be appraised a surveyor for a maximum period of three years, followed by a 3-year cooling-off period. This means that surveyors who have already completed a 3-year period can only be appointed for an additional 3-year period if, during this period, they appraise a different portion of the assets of the property CEIC or any of its subsidiaries. Separate rules apply if the surveyor is a legal entity.

On account of the above, the existing contracts with chartered surveyors Stadim and Cushman & Wakefield were terminated prior to year-end 2011, and WDP decided to start working with surveyors by country in the future. New contracts were signed for the appraisal of the property assets, and the following appraisers were appointed in each country: Stadim and Cushman & Wakefield for the Belgian portfolio; DTZ Zadelhoff for the Dutch portfolio; BNP Paribas Real Estate for the French portfolio; and Cushman & Wakefield for the Czech and Romanian portfolios[1].

Fees paid to chartered surveyors are not based on the value of the property but rather represent fixed fees for each property to be appraised and/or variable remuneration based on the surface area to be appraised. The new contracts comply with the new regulations and the appointment of the chartered surveyors was approved by the FSMA.

The fees of the chartered surveyors totalled EUR 254,295 in 2011 (excluding VAT).

10. 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

10.1. Capital structure

As of the date of this annual financial report, the authorised capital of WDP Comm. VA amounts to EUR 109,380,548.04, divided into 13,638,521 ordinary shares, each representing 1/13,638,521 of the capital. None of these shares entitles the holder to any special voting right or other right.

10.2. Employee share plan

WDP currently has an employee share plan in place - please refer to point 10.4, 'Authorisations of the management body to issue or purchase shares' below.

10.3. 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

1 *New surveyors/natural persons were listed when the contract was renewed, replacing the surveyors/legal entities that were previously responsible for appraising a portion of the WDP portfolio. This demonstrated that their relationship is marked by the appropriate impartiality and that the terms and conditions of the new Royal Decree on Property Banks were therefore complied with.*

exercise their vote as a single entity. In their declaration, they also confirm the terms of this mutual agreement.

10.4. Powers of the manager to issue or purchase shares

The manager 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 manager 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 manager, 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 2011, WDP Comm. VA did not own any shares. The manager of De Pauw NV possessed 1,438 shares. The book value of these shares is EUR 53,292.28. These 1,438 shares are not part of the incentive programme.

11. Insurance cover

WDP and its subsidiaries are required to underwrite 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 2011 totalled EUR 727,000 (EUR 405,000 for Belgium, EUR 167,000 for the Netherlands, EUR 66,000 for France, EUR 24,000 for the Czech Republic, EUR 1,000 for Romania, and EUR 64,000 for the solar panels in Belgium).

The insured value of the property portfolio (including solar panels) is EUR 778 million (EUR 447 million for Belgium, EUR 196 million for the Netherlands, EUR 61 million for France, EUR 28 million for the Czech Republic, EUR 7 million for Romania, and EUR 40 million for the solar panels).

The total new value of the property portfolio (including the solar panels) is therefore covered by the insurance.

WDP share

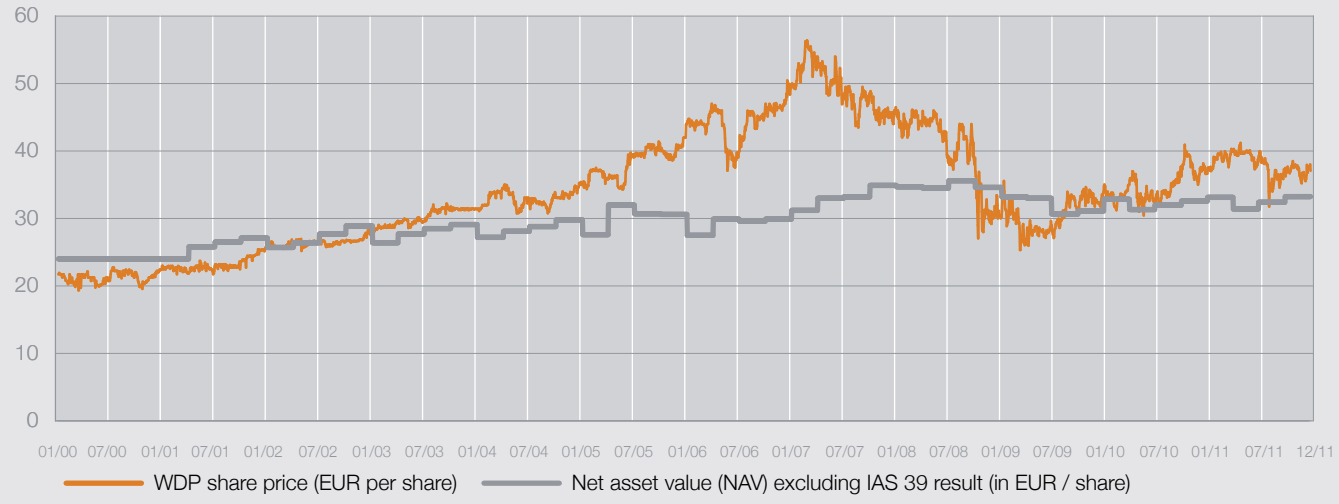
Share price

During the first months of 2011, WDP shares increased from EUR 36.65 at 1 January 2011 to a peak of EUR 41.95 in April – the month before clipping of the coupon, during which share prices traditionally peak in anticipation of the dividend distribution. This also represented a sign of confidence from investors in the recently announced strategic growth plan for 2011-2013. Their confidence was further confirmed by the success of the optional dividend, with shareholders choosing a dividend in the form of new shares for 70% of the shares, thereby creating room for new investments.

The distribution of the optional dividend was followed by the usual fall in the share price, while the generally weak stock markets during the summer months and the accompanying volatility in the financial markets continued to drive down shares as investors had begun to question the entire financial system and the survival of the eurozone.
However, WDP shares soon recovered, based on their strong reputation and traditional strengths. The first of these assets is that potential investors and shareholders appreciate the added value delivered by WDP. In addition, there is the company's position as the market leader in logistics and semi-industrial property in the Benelux market and the favourable tax regime within which the company operates in Belgium, France and the Netherlands. Furthermore, WDP is a self-managed fund, which means the company is administered from within and is completely at the service of the shareholders. In addition, the property portfolio instantly provides investors with key economies of scale in specific areas. Finally, the company pays a stable dividend.

The year was completed with a share price of EUR 37.06 at 31 December 2011 – marginally higher than at year-end 2010.

Comparison between share price and net asset value



WDP share

Due to capital increases following the optional dividend and the Betafence transaction, WDP's market capitalisation passed the EUR 500 million mark. As a result, the company attracted the attention of major international investment funds, many of which are not permitted to invest in companies with lower market capitalisations. WDP was therefore able to broaden its investor base in 2011, in addition to the existing loyal Belgian and international shareholders.

Velocity and liquidity

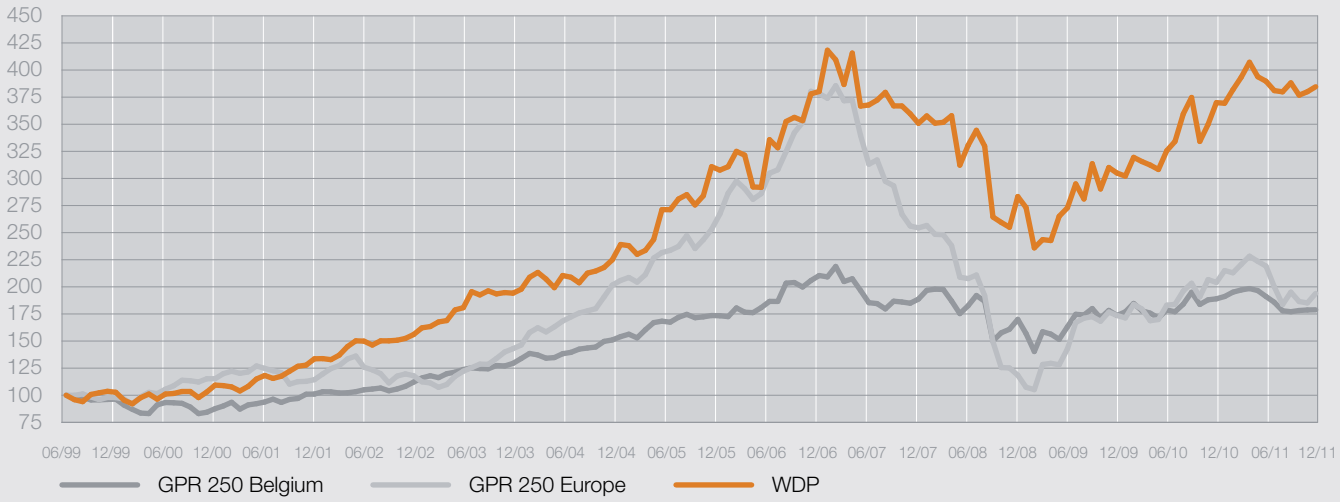
The liquidity of WDP shares further increased as well. In 2011, an average of 474,468 WDP shares were traded on a daily basis. Velocity – i.e. the number of shares traded per year divided by the total number of shares at year end – therefore stood at 23.82%.

Return

Total return[1] on WDP shares for 2011 was 8.61%. According to the 'GPR 250 EUROPE' index published by Global Property Research, average return during the past year on the European listed property was -10.43% at the end of December. WDP also significantly outperformed the index of Belgian property shares: the 'GPR 250 BELGIUM' index showed a result of -5.00% for 2011. Gross return of the Bel20 index totalled -19.20% at 31 December – see also the monthly update on **www.wdp.be**.

1 The return on a share during a specific period is equal to the 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 is reinvested in the same share.

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



WDP share

Data provided by Global Property Research shows that, over the past twelve years – since the company went public in late June 1999 – with a return of 11.60% the company still scores markedly higher than the European property (5.03%) and Belgian property (4.65%) and the Bel20 index (-3.20%).

In other words, the WDP-share once again offered a strong return in 2011 despite the generally low interest rates, proving that the company can hold on its own in these challenging economic times.

WDP remains committed to generating strong cash flow in order to create a basis for a high dividend. The company also firmly believes that the quality of the property portfolio and the tenants, plus the fact that a high dividend is paid every year, continue to point towards a strong future.

Figures per share (in EUR)	31-12-2011	31-12-2010	31-12-2009
Number of shares in circulation on closing date	13,638,521	12,533,938	12,533,938
Free float	69%	69%	69%
Market capitalisation	505,443,588	459,368,828	425,267,516
Traded volume in shares per year	3,249,196	3,302,753	3,054,119
Average daily volume in EUR	474,468	445,031	368,087
Velocity*	23.82%	26.35%	24.37%
Stock exchange price			
- highest	41.95	40.92	36.04
- lowest	31.51	30.10	24.89
- closing	37.06	36.65	33.93
Net asset value after profit distribution**	29.43	29.62	29.27
Net asset value after profit distribution** (excluding IAS 39 result)	33.24	32.58	32.05
Dividend payout ratio	90%	95%	95%
Net result / share***	3.25	3.11	3.14***
Net result / share****	3.42	3.11	3.14
Gross dividend / share	2.94	2.94	2.94
Net dividend / share	2.32	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.*

*** *Net result per share is calculated on a pro-rata-temporis basis for the number of shares entitled to dividend for 2009 (first six months 9,400,454, from 1 July 2009 12,533,938).*

**** *Net result per share is calculated on a pro-rata-temporis basis for the weighted average number of shares. Until 27 May 2011: 12,533,938 shares, from 27 May 2011 to 2 December 2011: 13,184,375 shares and from 2 December 2011: 13,638,521 shares.*

WDP share

WDP's shareholding structure at year-end closing (situation based on transparency reports received until 31 December inclusive)[1]

Shareholder	Number of shares	% voting right
Robert De Pauw	1,032,999	7.57%
Anne De Pauw	1,032,999	7.57%
Tony De Pauw	1,032,999	7.57%
Kathleen De Pauw	1,032,999	7.57%
De Pauw NV	1,540	0.01%
De Pauw family	**4,133,536**	**30.31%**
Federal Holding and Investment Company[2]	**440,736**	**3.23%**
AG Insurance Belgium[3]	**417,001**	**3.06%**

1 *Any changes announced can also be consulted on WDP's website: www.wdp.be.*

2 *Registration with the Federal Holding and Investment Company (26 October 2011). This is the parent company of Belfius NV, which is, in turn, the parent company of Dexia Insurance Belgium (364,273 shares). The latter is the parent company of the companies DELP Invest (12,000 shares) and Dexia Life & Pensions (40,907 shares).*

3 *Registration with AG Insurance Belgium (5 May 2009) (359,000 shares). This is the parent company of AG Real Estate (58,000 shares) and AG Real Estate Management (1 share).*

Financial agenda

- **11-04-2012** — **Deadline for registration of shares for participation in Annual General Meeting of 25 April 2012**
- **19-04-2012** — **Deadline for confirmation of participation in Annual General Meeting of 25 April 2012 (bank certificate / proxy)**
- **25-04-2012** — **Board of Directors – optional dividend 2011* – Annual General Meeting**
- **30-04-2012** — **Ex-Date for 2011 dividend**
- **03-05-2012** — **Record Date for 2011 dividend**
- **15-05-2012** — **Publication of 1st quarter results 2012**
- **22-08-2012** — **Publication of interim results for 2012 and publication of 2012 interim report**
- **13-11-2012** — **Publication of 3rd quarter results 2012**
- **Week 8-9, 2013** — **Publication of annual results for 2012**

* *Dates for registration period, Payment Date and date of listing of new shares are determined during the Board of Directors meeting on 25 April 2012.*

For any changes, please refer to the Financial Agenda on our website, www.wdp.be.

Euronext Brussels
IPO: 28-06-1999
trading: continuous
ISIN-code: BE0003763779
liquidity provider: ING België NV

Property report
Review of the consolidated property portfolio

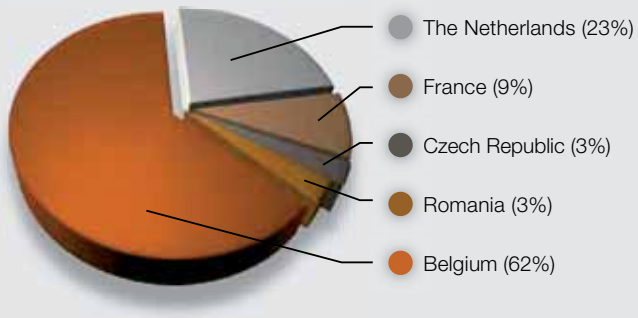
1. Description of the portfolio at 31 December 2011

The independent surveyors Stadim, Cushman & Wakefield, DTZ Zadelhoff and BNP Paribas Real Estate have estimated the fair value[1] of the WDP property portfolio (including assets held for sale and excluding solar panels) in accordance with IAS 40 at EUR 922.4 million as at 31 December 2011. The equivalent value at year-end 2010 was EUR 824.4 million.

A breakdown of the portfolio is shown below:

Fair value (x EUR million)	Belgium	Nether-lands	France	Czech Republic	Romania	Total
Existing buildings	525.7	201.1	80.7	24.3	3.8	**835.5**
Property investments under development for own account, designated for lease	19.0	9.1	0.0	0.0	0.0	**28.1**
Land reserves	20.0	0.0	1.9	0.9	21.6	**44.4**
Assets held for sale	14.3	0.0	0.0	0.0	0.0	**14.3**
Total	**579.1**	**210.2**	**82.6**	**25.2**	**25.4**	**922.4**

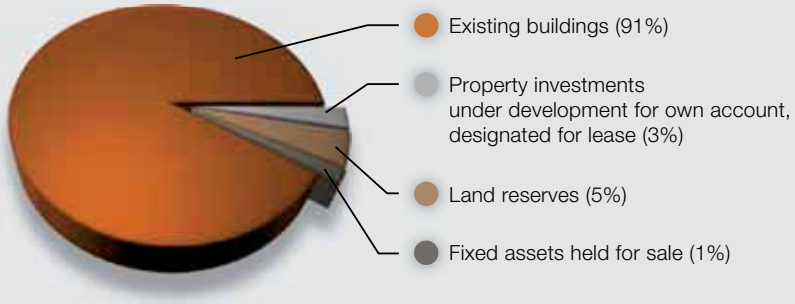
Geographic breakdown of the portfolio's fair value



1 *Impact on the fair value of estimated transfer duties and transfer fees based on the hypothetical sale of investment property (-): this refers to the transfer fees that must be paid for the hypothetical sale of the investment property. The fair value at which the investment property is valued consists of the investment value less transaction fees. The average theoretical local registration duties deducted from the investment value by country are as follows: Belgium: 2.5%, the Netherlands: 5.5%, France: 2.6%, Czech Republic: 2.0% and Romania: 3.0%.*

Property report
Review of the consolidated property portfolio

Breakdown of the portfolio's fair value based on use



Portfolio statistics by country	Belgium	Nether-lands	France	Czech Republic	Romania	Total
Number of lettable sites (#)	60	16	8	5	1	**90**
Gross lettable area (m²)	1,111,949	359,933	141,504	39,356	6,879	**1,659,621**
Land (m²)	2,277,190	703,295	308,354	131,224	861,441	**4,281,504**
Fair value (in EUR million)	579.1	210.2	82.6	25.2	25.4	**922.4**
% of total fair value	62%	23%	9%	3%	3%	**100%**
% change in fair value over 2011	-0.1%	1.8%	2.3%	4.0%	-7.7%	**0.4%**
Vacancy rate (EPRA)[1, 2]	4.3%	3.6%	0.7%	0.0%	0.0%	**3.6%**
Average lease length till first break (y)[2]	5.6	8.9	3.5	2.8	9.9	**6.2**
WDP gross initial yield[3]	7.7%	9.5%	8.0%	10.5%	9.4%	**8.3%**
Effect of vacancies	-0.3%	-0.3%	-0.1%	0.0%	0.0%	**-0.3%**
Adjustment gross to net rental income (EPRA)	-0.2%	-0.2%	-0.1%	-0.6%	0.0%	**-0.2%**
Adjustments for transfer taxes	-0.2%	-0.5%	-0.2%	-0.2%	-0.3%	**-0.2%**
EPRA net initial yield[1]	7.0%	8.6%	7.6%	9.7%	9.1%	**7.5%**

1 *Financial performance indicators calculated according to EPRA's (European Public Real Estate Association) Best Practices Recommendations. Please see www.epra.com.*

2 *Excluding solar panels.*

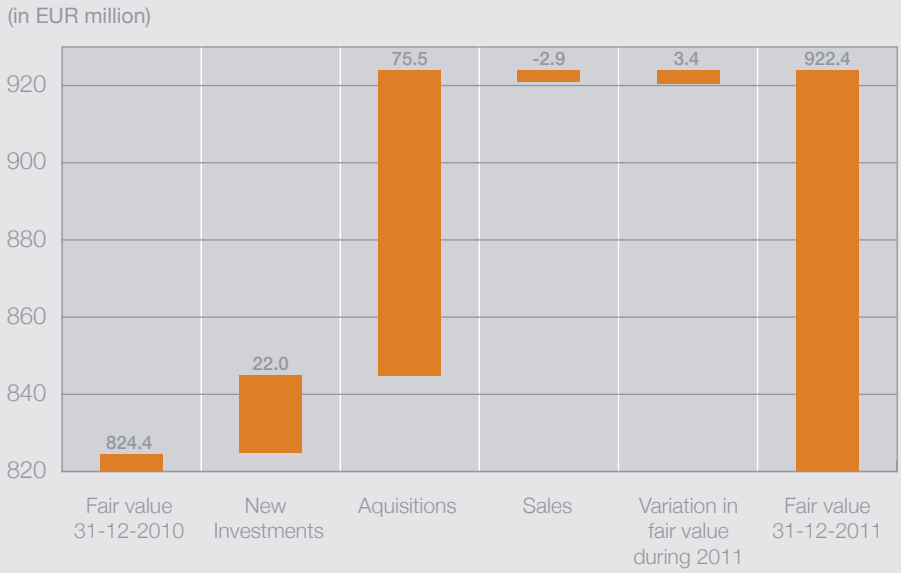
3 *Calculated by dividing annualised contractual gross (cash) rents by fair value. The fair value is the value of the property investments after deduction of transaction costs (mainly transfer tax).*

Property report
Review of the consolidated property portfolio

2. Changes in fair value during 2011

In 2011, WDP invested in new acquisitions at a total amount of EUR 75.5 million. In addition, the company spent EUR 22 million on completing pre-let projects for its own account and sold several smaller, non-strategic sites for a net amount of EUR 2.9 million.

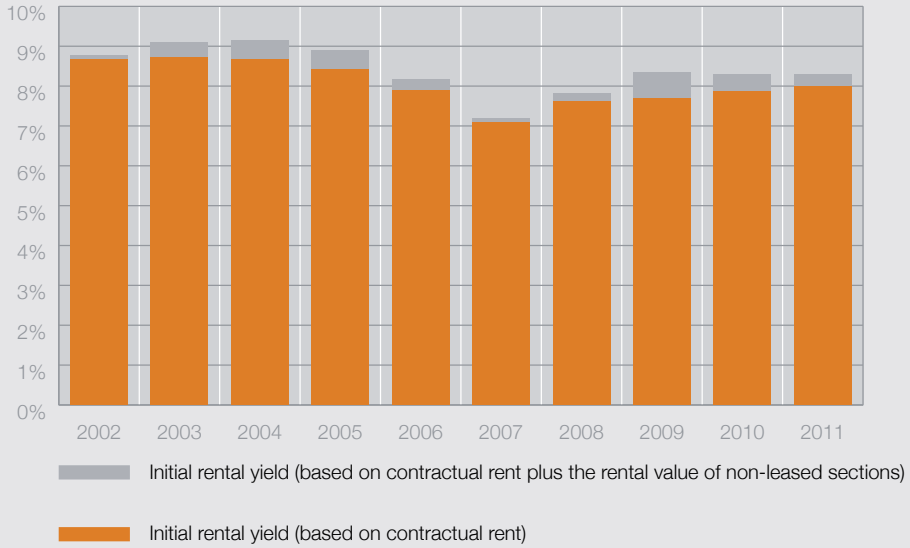
Changes in the property portfolio during 2011



Changes in the valuation of the EUR 3.4 million investment property are due to changes in rental income, for example as a result of indexation and an increase in the occupancy rate. Gross rental yield after addition of the estimated market rental value for the non-leased sections was 8.3% at 31 December 2011 – the same rate as at year-end 2010.

Property report
Review of the consolidated property portfolio

Historical gross rental yield of the WDP portfolio



3. Value and composition of the rental portfolio

Total surface area comprises 428.5 hectares, including 22.0 hectares granted in concession. The 406.5 hectares have an estimated sale value of EUR 350.7 million, equivalent to 38.0% of the total fair value. This results in an average land value of EUR 91.9/m² excluding transaction fees. This area also includes the land reserves, particularly in Belgium and Romania.

The total leasable surface of the buildings is 1.7 million m², with a total estimated rental value of EUR 66.1 million. Warehouses account for the bulk (77.0%) of this volume, with 1,333,005 m² and a total rental value of EUR 50.9 million. This brings their average rental value per square metre to EUR 38.2/m².

The offices, some of which are separate and some of which are adjacent to warehouses, account for a rental value of 137,473 m², equivalent to a rental value of EUR 11.5 million. Average rental value per square metre is EUR 83.2. Commercial space accounts for 32,879 m² and represents EUR 1.9 million in rent, with an average price per square metre of EUR 56.5. Finally, miscellaneous uses account for 156,284 m² (EUR 1.9 million), with an average rent of EUR 12.4/m².

Property report
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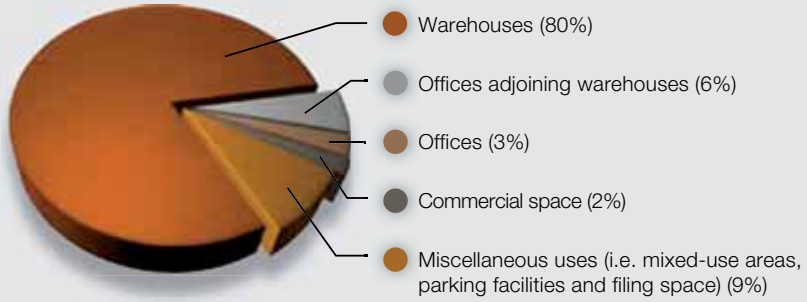
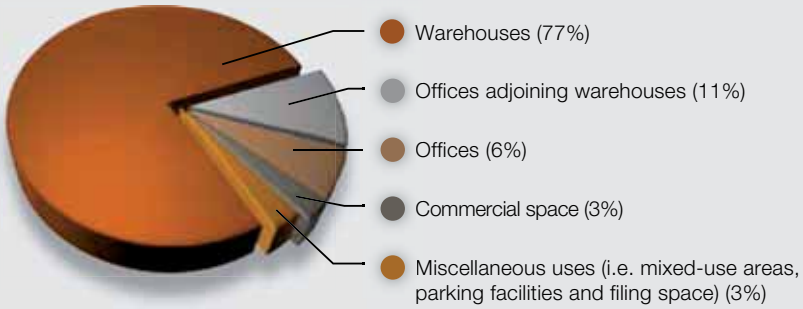
Designated use at 31-12-2011	Built-on area (m²)	Estimated rental value (in EUR million)	Estimated rental value per m² (EUR)	% of total rental value
Warehouses	1,333,005	60.0	38.2	77.0%
Offices adjoining warehouses	92,836	7.1	76.2	10.7%
Offices	44,637	4.4	97.6	6.6%
Commercial space	32,879	1.9	56.5	2.8%
Various uses (i.e. mixed-use areas, parking and filing space)	156,284	1.9	12.4	2.9%
Total	**1,659,621**	**66.3**	**39.8**	**100.0%**

Total built area broken down by designated use

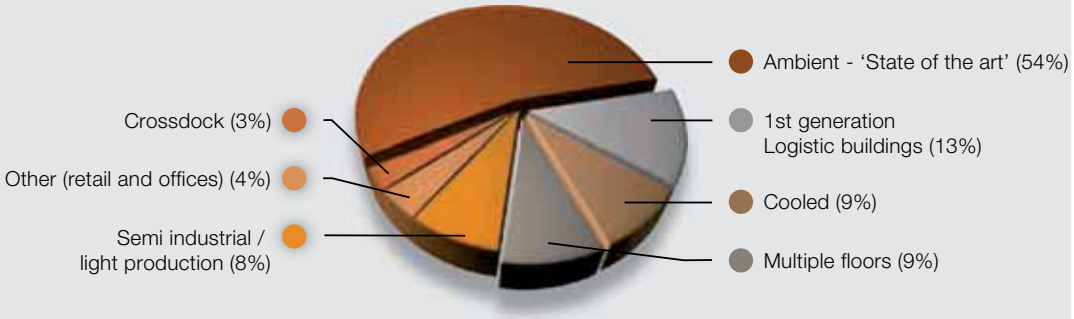


Total rental value broken down by designated use



Property report
Review of the consolidated property portfolio

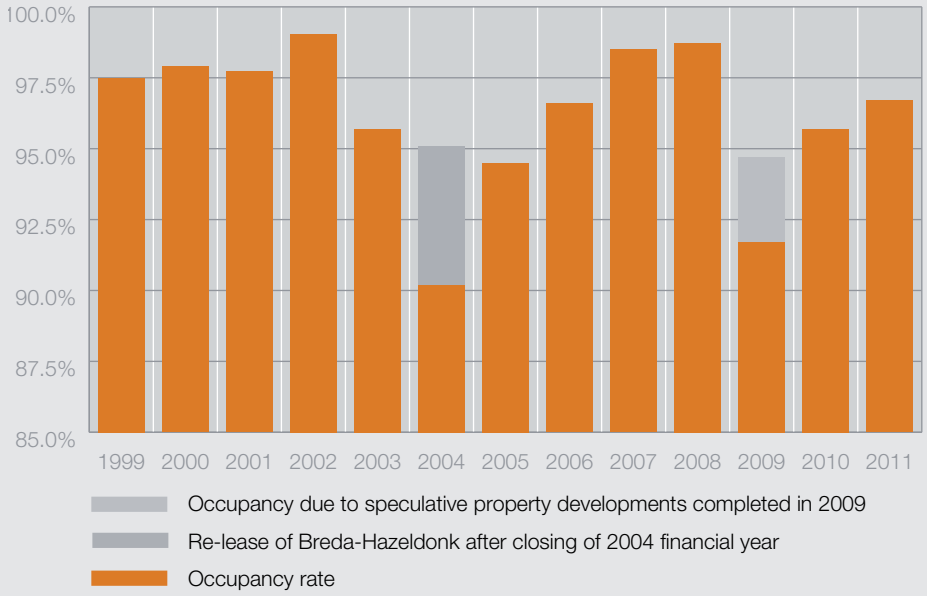
Diversification of property portfolio (based on rental income) broken down by property type



4. Rental situation of the available buildings

At year-end 2011, the occupancy rate of the WDP portfolio was 96.7% (including solar panels)[1]. This represents an implementation of WDP's commercial strategy, which is aimed at building long-term relationships with clients and supports the company's performance through a high operating margin.

Historical occupancy rate of the WDP portfolio (including solar panels)



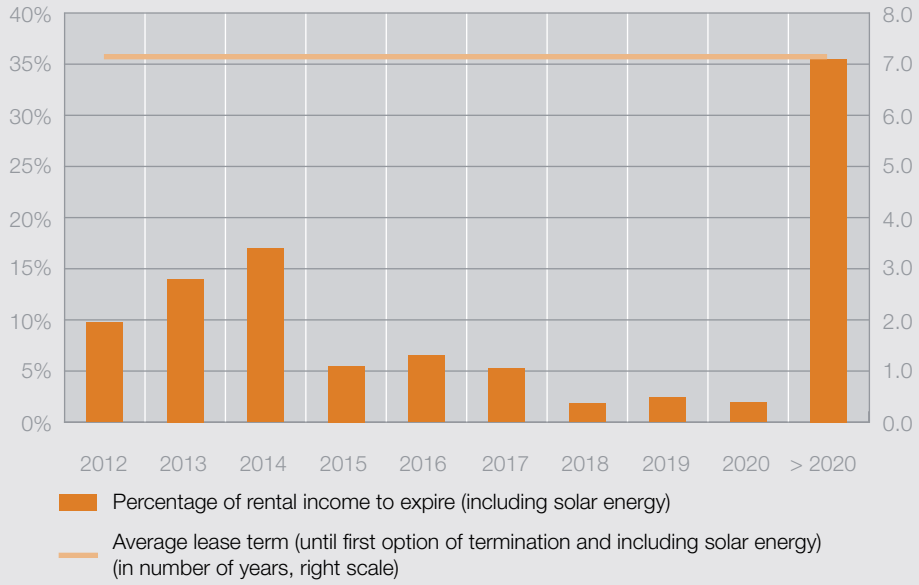
1 *The occupancy rate excluding solar panels is 96.4%.*

Property report
Review of the consolidated property portfolio

WDP's practice of building partnerships together with its clients is also reflected by the fact that the average remaining term until the expiry date of the leases is 8.9 years. Taking into account the first option to cancel, the average remaining term is 6.2 years.

If we include income from solar panels, the average remaining term of the solar panels until the expiry date is 9.7 years. Taking into account the first option to cancel, the average remaining term is 7.2 years.

Lease expiry dates (until the first option to cancel)



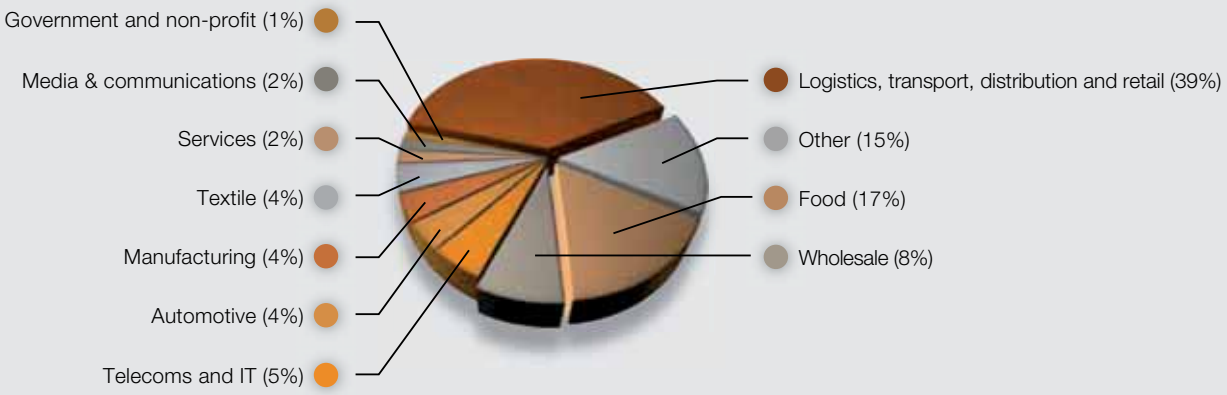
The main tenants are: Univeg Group, which accounts for 16.5% of rental collection, DHL (9.1%), Kuehne & Nagel (6.8%), Philips Lighting (5.2%), Distri-Log (3.7%), Lidl (3.8%), Colfridis (2.8%), Belgacom (2.7%), Berkhout Langeveld BV (2.2%) and ID Logistics (2.2%). The ten main tenants together account for 54.0%, with the 'Top 20' accounting for 68.5% and the 'Top 50' representing 88.0%.

Property report
Review of the consolidated property portfolio

Principal tenants (% of rental income)

1	Univeg Group	16.5%
2	DHL	9.1%
3	Kuehne & Nagel	6.8%
4	Philips Lighting	5.2%
5	Distri-Log	3.7%
6	Lidl	3.8%
7	Colfridis	2.8%
8	Belgacom	2.7%
9	Berkhout Langeveld BV	2.2%
10	ID Logistics	2.2%
Top 10 =		**54.0%**

Rental income for 2011 by tenants' industries



Property report
Review of the consolidated property portfolio

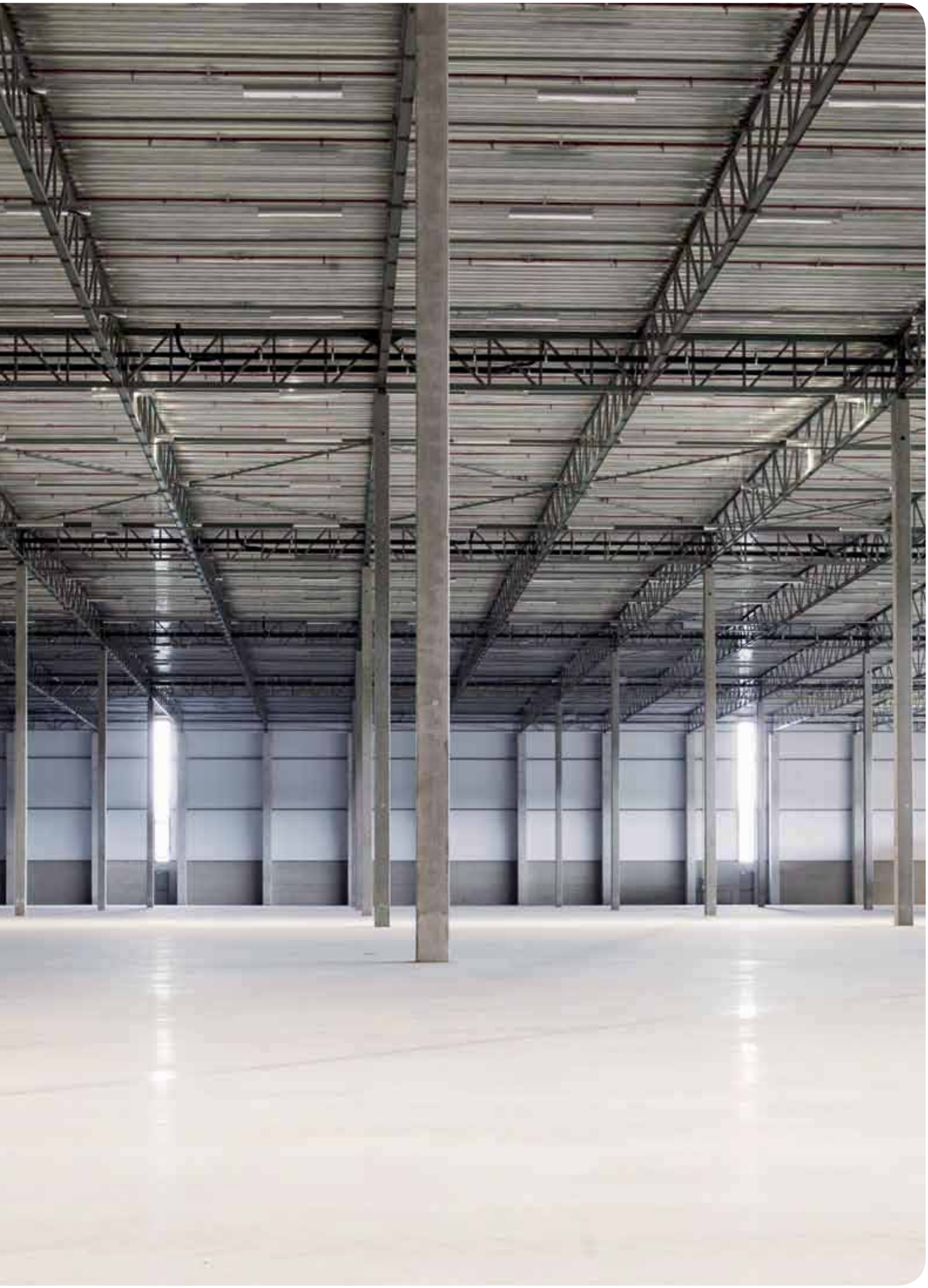
5. Overview of property investments under development for own account, designated for leasing[1]

	Country	Lettable surface area (m²)	Expected completion	Tenant	Balance sheet value as at 31 December 2011 (EUR 000)
Properties under development (pre-let)*					
Mollem (Asse)	Belgium	3,200	First quarter 2012	Lactalis (100%)	N/A
Willebroek	Belgium	15,000	Third quarter 2012	Distri-Log (100%)	N/A
Schiphol	The Netherlands	10,000	Third quarter 2012	Rapid Logistics (100%)	N/A
Subtotaal		**28,200**			**3,983**
Properties on hold (unlet)**					
Venlo	The Netherlands	15,000	Completion based on leasing	unlet	N/A
Ternat	Belgium	10,000	Renovation based on leasing	ATS, Bpost (40%)	N/A
Subtotal		25,000			16,412
Total		**53,200**			**20,395**

** The pre-let properties under development are expected to involve a total investment of around EUR 24 million.*

*** For the properties on hold, there is a limited cash-out required to complete the sites.*

1 See also '4.3. Management Report – Transactions & realisations' on page 31.



Property report
Review of the consolidated property portfolio

6. Key data of properties

The sites listed in the table below were all inspected on-site during the fourth quarter of 2011 by independent property surveyors Stadim, Cushman & Wakefield, DTZ Zadelhoff and BNP Paribas Real Estate.

		Rent income 2011	Occupancy rate at 31.12.2011
BELGIUM		**38,731,385.00**	**95.7%**
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.	214,992.00	100.0%
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.	300,882.00	100.0%
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.	969,846.00	100.0%
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. Equipped with solar panels.	645,400.00	100.0%
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.	372,360.00	100.0%
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 (1,680 m² of warehouses and 359 m² archive space).	890,655.00	100.0%
Antwerp, Lefebvredok – Grevendilf – Vrieskaai	A plot of 22,513 m² in concession from the Port Authority. Seven units comprising a total of 18,786 m² of warehouses and 64 m² of offices.	549,203.00	100.0%

Property report
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		Rent income 2011	Occupancy rate at 31.12.2011
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.	1,341,967.00	100.0%
Asse (Mollem), Terheidenboslaan 10	5,993 m² warehouse serving as an industrial building combined with 654 m² of offices on a site covering a total of 10,000 m².	250,654.00	100.0%
Beersel (Lot), Heideveld 3-4	A plot of 22,459 m² in the industrial estate Heideveld. A new construction built in 2001 with 6,703 m² of warehouses and 456 m² of offices and business areas. Equipped with solar panels.	385,040.00	100.0%
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. Equipped with solar panels.	446,996.00	100.0%
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.	1,513,589.00	100.0%
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.	303,454.00	75.1%
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.	651,718.00	100.0%
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 19.948 m² of warehouses and loading bays and 2,463 m² of offices, service areas and technical areas.	991,064.00	87.8%
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.	933,308.00	100.0%
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.	355,517.00	100.0%
Genk, Brikkenovenstraat 48	A 62,905 m² plot of land on the Hermes industrial estate. Logistics platform including a 16,619 m² storage facility (built in 2008), adjacent to a second storage space plus offices, covering a total of 16,700 m² (built in 2010). Equipped with solar panels.	1,255,078.00	100.0%
Genk, Brikkenovenstraat 50	A 36,000 m² site including a 19,000 m² building in Hermespark industrial estate in Genk. The estate includes 18,774 m² of warehouse space and 410 m² of office space.	675,110.00	100.0%

Property report
Review of the consolidated property portfolio

		Rent income 2011	Occupancy rate at 31.12.2011
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. Equipped with solar panels.	1,015,577.00	100.0%
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.	702,099.00	100.0%
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.	275,274.00	100.0%
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.	2,553,313.00	100.0%
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. Equipped with solar panels.	40,000.00	100.0%
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.	686,489.00	100.0%
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.	743,937.00	65.2%
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 25,770 m² of warehouses and 1,698 m² of offices and social areas.	1,134,742.00	69.9%
Liège (Flémalle) - rue de l'Arbre Saint-Michel	Cross-docking centre featuring a 5,137 m² warehouse and 464 m² of office space on a plot of land covering 25,549 m²	90,670.00	100.0%
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.	1,590,130.00	100.0%
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.	1,102,089.00	100.0%

Property report
Review of the consolidated property portfolio

		Rent income 2011	Occupancy rate at 31.12.2011
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.	481,641.00	100.0%
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.	166,191.00	100.0%
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.	174,996.00	100.0%
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 23,906 m² of warehouses and 3,093 m² of offices.	1,310,367.00	93.7%
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.	486,287.00	100.0%
Nivelles, rue Buisson-aux-Loups	A site with a surface area of 51,000 m², which WDP will demolish and redevelop in due course.	0.00	N/R
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.	207,648.00	100.0%
Puurs, Lichterstraat 31	A site measuring 24,134 m² is home to a 12,836 m² warehouse including 2,035 m² of office space built in the 1970s. The building is currently being renovated.	108,205.00	71.4%
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 20,020 m² are warehouses and workshops and 426 m² are offices and 743 m² of living area (3 units).	472,396.00	83.8%
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.	889,774.00	100.0%
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.	1,346,474.00	100.0%
Sint-Katelijne-Waver, Fortsesteenweg 19-27	Two plots of industrial land in a SME park with a total surface area of 39,783 m². An industrial building of 2,685 m² of warehouses and 565 m² of offices.	287,598.00	100.0%
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.	321,284.00	100.0%
Sint-Niklaas, Prins Boudewijnlaan	An industrial site of 50,773 m². For development. Located in the regional Europark Zuid II businesspark.	0.00	N/R

Property report
Review of the consolidated property portfolio

		Rent income 2011	Occupancy rate at 31.12.2011
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 13,913 m² of warehouses and 3,125 m² of offices and service areas.	321,377.00	40.0%
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 4,133 m² of warehouses, 42 m² of archive area and 1,003 m² of offices. In a second phase, with 7,875 m² of warehouses and 850 m² of offices. Equipped with solar panels.	864,829.00	100.0%
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. Equipped with solar panels.	490,090.00	100.0%
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.	485,520.00	100.0%
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.	377,201.00	100.0%
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.	628,771.00	94.7%
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.	805,693.00	100.0%
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. Equipped with solar panels.	1,211,106.00	100.0%
Willebroek, Victor Dumonlaan 4	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.	1,189,503.00	100.0%
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.	382,866.00	100.0%

Property report
Review of the consolidated property portfolio

		Rent income 2011	Occupancy rate at 31.12.2011
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.	1,468,071.00	84.4%
Zwevegem, Blokkestraat	A 43,650 m² warehouse including 732 m² of offices and related space for outdoor storage of 73,000 m² on a plot of land covering a total of 120,643 m².	99,461.00	100.0%
Property with a fair value lower than EUR 2.5 million	Twelve properties subject to rent collection, with a fair value lower than EUR 2.5 million. The properties include: Beersel - Stationsstraat 230, Boom - Groene Hofstraat 13, Aalst - Dendermondsesteenweg 75, Lebbeke - Kapittelstraat 31, Haacht - Dijkstraat 44, Sint-Jans-Molenbeek - Delaunoystraat 35-36 + 58-60, Willebroek - Breendonkstraat, Ternat - Industrielaan 24, Boortmeerbeek - Leuvensesteenweg 238, Anderlecht - Frans Van Kalkenlaan 9 (ASAR-toren), Moeskroen - rue du Pont Bleu 21 en Sint-Katelijne-Waver - Fortsesteenweg 44. The combined occupancy rate of these buildings is 93.5%	1,172,883.00	93.5%
FRANCE		**6,091,692.00**	**99.3%**
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.	761,911.00	100.0%
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.	1,286,473.00	100.0%
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.	514,614.00	91.8%
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.	459,101.00	100.0%
Lille – Templemars, route de l'Epinoy 16b	A 11,718 m² plot with an office building consisting of 2,935 m² of warehouses and 1,412 m² of offices.	280,296.00	100.0%
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 space.	768,931.00	100.0%
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.	602,539.00	100.0%

Property report
Review of the consolidated property portfolio

		Rent income 2011	Occupancy rate at 31.12.2011
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 potential for extension in the future.	1,417,827.00	100.0%
THE NETHERLANDS		**16,129,108.32**	**96.4%**
Alkmaar, Berenkoog 48	Logistics business space comprising 7,137 m² (including 555 m² of office space) in the Berenkoog industrial estate. The total plot covers 24,345 m².	252,688.00	100.0%
Alphen aan den Rijn, J. Keplerweg 2 	Plot measuring 21,235 m², located in the Molenwetering business park, including a distribution centre comprising 16,142 m2 of warehouse space and 1,656 m² of offices.	574,113.00	100.0%
Alphen aan den Rijn, Eikenlaan 32-34	A 30,170 m² site is home to a distribution centre consisting of factory warehouses, office space and a company house covering a total of 14,532 m².	0.00	100.0%
Amersfoort, Basicweg 1-3	A distribution complex consisting of 10,245 m² of distribution space, nearly 1,300 m² of office space, and a cafeteria were constructed on a 25,345 m² plot located in the De Brand industrial park.	454,068.00	100.0%
Amsterdam, Hornweg 64	This project comprises 12,519 m² of logistics business space and approx. 918 m² of office space. The complex is located on a 29,000 m² plot.	484,195.00	100.0%
Breda, Hazeldonk 6462 en 6464	A 49,487 m² plot in the industrial estate Hazeldonk, near Breda and the Belgian border. The complex built in the nineties comprises 35,977 m² of storage and logistics areas and 1,100 m² of offices.	1,061,691.00	100.0%
Nijmegen, Bijsterhuizen 2404	A 25,137 m² site located in the Bijsterhuizen industrial estate, featuring 13,000 m² of warehouses and 1,050 m² of office space completed in 2010.	1,356,072.00	100.0%
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.	428,815.00	100.0%
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 parking deck is to be constructed.	5,113,410.00	100.0%
Roosendaal, Borchwef 23	Office building located in the Borchwerf industrial estate. The building includes an industrial complex with a total area of 15,834 m². The plot measures more than 3ha 88a.	471,221.00	100.0%

Property report
Review of the consolidated property portfolio

		Rent income 2011	Occupancy rate at 31.12.2011
Tilburg, Pegasusweg 1 	A plot of 27,897 m² in the Loven industrial park. The old site has been redeveloped in view of a new construction project of 17,761 m².	1,104,517.32	100.0%
Utrecht, Rutherfordweg 1	A 12,600 m² distribution building including 850m² of office space, located in the Lageweide industrial park. The total plot covers 31,270 m².	468,623.00	100.0%
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.	2,699,788.00	100.0%
Venlo, Ampèrestraat 15-17 	A site of 50,400 m² in the industrial zone 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 facility, comprising 17,260 m² of warehouse space and 290 m² of office space, will be completed as soon as a tenant has been found.	0.00	0.0%
Venlo, Edisonstraat 9	A 70,000 m² plot in the industrial estate Venlo Trade Port, very near the German border. 'Sale and rent back' of buildings with a total surface area of 24,344 m² of warehouses and 4,849 m² of offices.	501,816.00	0.0%
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.	1,158,091.00	100.0%
CZECH REPUBLIC		**2,531,616.00**	**100.0%**
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.	1,848,832.00	100.0%
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.	444,240.00	100.0%
Property with a fair value lower than EUR 2.5 million	Two properties subject to rent collection, with a fair value lower than EUR 2.5 million. The properties are located in Hradec Kralove – Pilrackova 410 and Jablonec – Janovska 4633/3.	238,544.00	100.0%

Property report
Review of the consolidated property portfolio

		Rent income 2011	Occupancy rate at 31.12.2011
ROMANIA		**55,389.02**	**100.0%**
Aricestii Rahtivani	Plot measuring 250,000 m²		
Codlea	Plot measuring 227,500 m²		
Corbii Mari	Plot measuring 222,207 m²		
Oarja 	A semi-industrial 5,000 m² complex was built on a plot of land measuring 224,225 m². The second stage involved the completion of a nearby 7,000 m² complex.	55,389.02	100.0%
Property with a fair value lower than EUR 2.5 million	These are the six remaining sites, covering a total of 765,168 m².		
TOTAL		**63,539,189.43**	**96.7%**

WDP Warehouses Europewide


BUILDINGS
LAND
0 - 10,000 m²
0 - 50,000 m²
10,000 - 20,000 m²
50,000 - 100,000 m²
80,000 - 90,000 m²
400,000 - 500,000 m²
Jablonec nad Nisou
Mladá Boleslav
Prague
Průhonice
Hradec Králové
Codlea
Fundulea | Sarulesti
Mihail Kogalniceanu
Andrestii Ratului | Pauleasti
Ciurila
Corbii Mari
Bucharest
Agigea

Property Report

Review of the semi-industrial and logistics property market in Belgium, the Netherlands, France, the Czech Republic and Romania

1. Belgium

Overview

The Belgian semi-industrial property market consolidated its earlier recovery during the last few months of 2011. Take-up for the fourth quarter even exceeded the excellent Q3 results, making this quarter the year's strongest. Continued demand kept rents in top locations at a stable level. Returns from these sites were maintained as well, thanks to consistent investor interest in the Belgian semi-industrial property market. Confidence in Belgium has increased now that the country has a government again after an extended period of political negotiations – one that is committed to its austerity plans at that. As a result, positive sentiment continues to dominate the semi-industrial property market.

Demand

The logistics property sector experienced a boom in 2011, with take-up increasing by 118% from 2010 to 991,000 m². The boom was driven largely by demand from Flanders, which recorded a 246% increase in take-up from 2010, to 764,000 m² – more than the entire Belgian take-up in 2010. In line with a trend that has persisted all year, the majority of these properties are owner-occupied, since demand is driven in part by the belief of family businesses that owning logistics property represents a good investment in these turbulent economic times. One exceptionally large transaction was the acquisition of 61,000 m² of storage space by Stanley Black & Decker in Tessenderlo.

In the 'Brussels and the Flemish and Walloon Brabant provinces' area, activity declined by 29%, to 92,000 m². This is due primarily to the lack of take-up in Flemish Brabant. In Wallonia, take-up increased by 29%, driven by the strong performance in Liège. Henegouwen maintained the same level as 2010.

Supply

Rents in prime logistics locations have remained stable at EUR 45/m²/year, despite the limited availability of high-quality properties. Rents of semi-industrial properties have increased since the third quarter. The Kempen properties were let at EUR 53/m²/year, while rents in Flemish Brabant were EUR 58/m²/year. The latter is due primarily to the limited supply of high-quality properties in the vicinity of Brussels Airport, which has driven up rents.

There are currently very few speculative property developments in the pipeline, and the supply remains limited overall. Rents are relatively low, while it is also difficult for developers to secure financing for development projects that are not pre-let. Nevertheless, the outlook is positive.

Investments

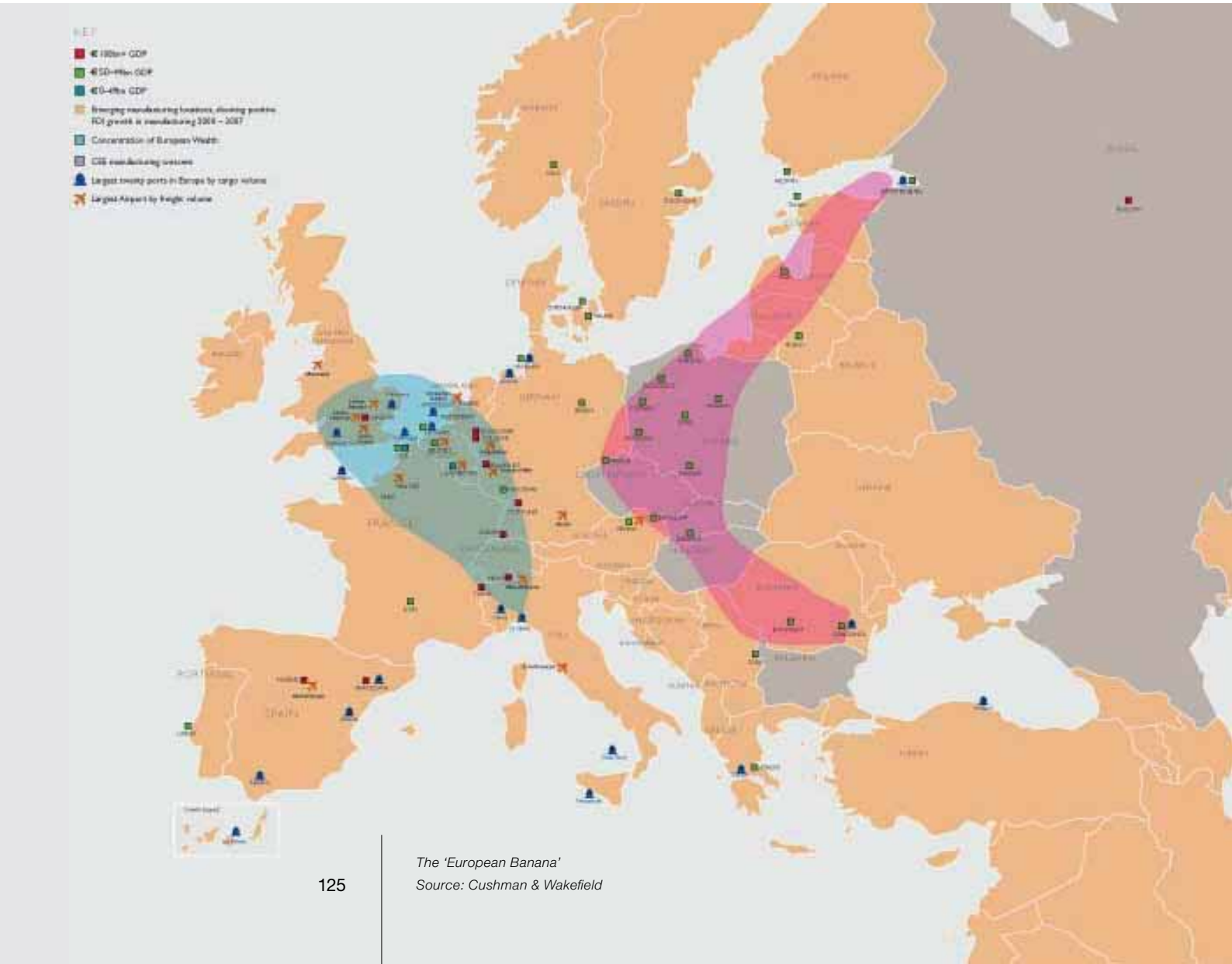
The continuing crisis in the eurozone has further dried up credit, causing industrial activity to further stabilise in the last quarter of 2011. Still, the semi-industrial investment volume for Q4 slightly exceeded that for the third quarter, bringing total investment for 2011 to just below EUR 150 million – still 20% less than at year-end 2010. WDP was responsible for the main transaction completed in the last quarter: the sale and rent back of the 78,000 m² Betafence distribution centre. The amount involved in the transaction was EUR 16.3 million (see also '4.3. Management report – Transactions and realisations 2. New acquisitions' on page 31). As a result of the limited growth in supply, yields remained at 7.50% for Brussels and Antwerp and 8% for Ghent, Liège and the Limburg region of Hasselt-Genk.

Property Report

Review of the semi-industrial and logistics property market in Belgium, the Netherlands, France, the Czech Republic and Romania

Outlook

The strong performance during 2011 is expected to continue in the near future. The continued demand will drive up rents, particularly in the logistics sector. The Antwerp-Brussels area, which is home to a number of large logistics distribution centres, will remain on focus in 2012. Since there is not much land available for new developments in the Antwerp-Limburg-Liège area, this region, too, is set to become more important. As well as being home to a large number of major logistics distribution centres, it provides a more affordable alternative. Land prices in the provinces of Limburg and Liège hover between EUR 30 and 40 EUR/m^2. Liège is enhancing its reputation as a multimodal location, while Limburg continues to possess a large amount of available land. It is therefore expected that the industrial property market will grow in this area, and that major transactions such as that involving Stanley Black & Decker in Tessenderlo (see above) will become more common in years to come. Future growth will also be boosted by a number of infrastructure works scheduled for 2012, which, once completed, will further put Belgium on the map as a logistics centre.



The 'European Banana'
Source: Cushman & Wakefield

2. The Netherlands

Overview

The Dutch economy grew by 1.5% during 2011 as a whole. However, the economy contracted in the fourth quarter, and is expected to shrink by 0.5% in 2012. Combined with the continued economic problems affecting the eurozone, this has also hurt the industrial property market in the Netherlands. Although demand declined in the second half of the year due to the economic uncertainty, rents in prime locations remained unchanged throughout the country. Prime yields remained stable as well – 7.6% in the Schiphol Airport area, for example.

Demand

Potential tenants are interested mainly in well located, high-quality properties in logistics hot spots, including Schiphol Airport and the Port of Rotterdam. For the latter, 2011 was the best year in its history. Although growth slowed down at the end of the year, investment in further growth continued.

The take-up of logistics space totalled 894,000 m² at year-end 2011 – up a substantial 67% from 2010. Several very large transactions were completed in 2011, which had been put on hold in 2010. Syncreon leased more than 43,000 m² and Timberland nearly 39,000 m² in Almelo, while Kuehne & Nagel leased 35,500 m² in Utrecht. TNT Fashion leased approximately 34,000 m² in Bergen op Zoom; Hitachi and DSV leased 30,000 m² in Zaltbommel and Venlo, respectively. It is worth noting that 55% of take-up occurred in the southern Dutch provinces, and a large number of the transactions were completed in built-to-suit buildings. The food, e-commerce and fashion industries account for the bulk of the growth in take-up.

Tenants currently tend to prefer shorter-term contracts, and the back-to-back leasing formula – a sale and rent back transaction – continues to gain in popularity.

Supply

Since demand remains focused on high-quality spaces, availability continues to decline. Consequently, the majority of available properties are obsolete and situated mainly in secondary locations. Developers remain risk averse due to the continuing economic uncertainty, and custom-built properties are the main method of property development. Speculative developments are virtually non-existent.

Investment

Investment volumes were very high overall in 2011. Investment volumes in Dutch property accounted for EUR 4.5 billion in 2011; approximately 10% of investments represented logistics space. This number was influenced strongly by the largest investment deal and portfolio deal completed in 2011: the sale of supermarket chain C1000's distribution centre to W.P. Casey, which involved a total of EUR 157 million.

Investors focus mainly on high-quality properties in good locations, preferably with long-term leases, whereas tenants (as noted) prefer shorter-term contracts. After a decline in the third quarter, prime yields were maintained in the midst of weaker investment activity.

Outlook

Although uncertainty in the eurozone will continue to slow down the market, the Netherlands will remain one of Europe's main logistics hubs, and the demand for well-located, state-of-the-art spaces will persist. Vacancy rates of high-quality logistics properties are expected

to drop, while rates in the non-prime segment will increase. Rents in the logistics market were under pressure in 2011, and we are already noticing a decrease in this pressure. Rents are even expected to rise in the key markets in the Amsterdam-Rotterdam-Venlo area during 2012. Rents in secondary markets will continue to decline, as the vast majority of available properties are hard to market. Investment activity is expected to remain strong.

3. France

Overview

After being badly affected by the economic crisis in 2008 and 2009, the French logistics property market stabilised in 2010. In 2011 it showed clear signs of a recovery, which resulted, among other things, in an increase in take-up. A total of 2.2 million m² of logistics property was marketed in 2011 – significantly more than in 2010. Although the year started out weak, the market gradually grew to 855,000 m² during the fourth quarter.

Demand

Although the strong results during the last quarter were lower than for the same period during the peak year 2006 (1,000,000 m²), they are higher than the average of 535,000 m² for the past seven years.

These strong results are driven by a) the renewed activity of logistics services providers and b) the improved economic situation for retailers. Around 50% of transactions completed in 2011 involved retailers looking for larger spaces. The year 2011 also saw a number of major transactions, including Conforama (67,000 m² in Saint Georges d'Espéranche, Isère) and Boulanger (comprising 50,000 m² in Maine-et-Loire).

High-quality storage facilities accounted for a take-up of 1,049,000 m². The main focus in this category was on previously used properties (654,000 m²) rather than on new ones (395,000 m²). Due to the crisis, these properties provided a good alternative for many companies that were unable to afford acquiring or leasing new buildings.

The regions outside Paris clearly gained in importance in 2011, particularly on the North-South axis, where supply declined by 17% between December 2010 and December 2011, while take-up increased by 27%. A reverse trend was recorded outside this axis, which means that top locations such as Lyon and Marseille were extremely active, while secondary markets like Orléans and Bordeaux had a hard time recovering.

Supply

The lack of available space confirms that demand has increased since early 2011. This applies to all logistics facilities, not just new, high-quality buildings. Since a number of owners relocated to new buildings during the crisis – taking advantage of the lower rents – a proportionately large number of previously used (but high-quality) properties entered the market.

Total supply on 30 June 2011 was 3.5 million m², compared to 3 million m² at the end of December – a decline of 20% from year-end 2010. The decrease is due in part to developers' cautious attitude. Several pre-let projects were launched. New properties represented only 17% of the total space available – the lowest figure since 2004. Nevertheless, there are a growing number of properties that are currently on hold, but for which all the required permits have been obtained. At year-end 2011, these properties accounted for a total of 1.8 million m².

Not all regions were equally affected by this lower supply. In Lyon, supply fell from 703,000 m² in 2010 to 548,000 m² in 2011. As many storage facilities are outdated, the supply of non-prime spaces remains high. Aix-en-Provence, Marseille and Lille performed better than all other French regional cities, with take-up increasing from 81,000 m² in 2010 to 194,000 m² in 2011. Supply fell from 216,000 m² to 147,000 m². In Lille, the decline was even a substantial 52%. These figures were mainly the result of several major transactions, including Geodis in Port-Saint-Louis-du-Rhône (64,000 m²) and Logistique Grimonprez in Lesquin (47,000 m²).

Rents for high-quality storage facilities were EUR 43-53/m²/year in the Greater Paris Area, EUR 40-43/m²/year in Lille, and EUR 40-42/m²/year in Lyon and Marseille.

Investment

In France, investment in logistics property is still considered less liquid than investment in other property. This explains why, in 2011, these investments accounted for only EUR 726 million, versus EUR 17.2 billion for offices and commercial space. A recovery is complicated by a combination of a large supply of obsolete space and a weak rental market. Meanwhile, developers continue to avoid all risk. The lack of new properties is slowing down investments.

The acquisitions of several portfolio have nevertheless boosted the market. For example, Carvall acquired 27% of Gecina's logistics portfolio for around EUR 120 million. Foncière des Régions acquired the 14.6% stake from a Morgan Stanley fund in Foncière Europe Logistique (FEL) for a total of EUR 47 million.

Risk funds accounted for 54% of investments in 2011, followed by REIT's (27%). Private investors also showed a growing interest in this segment of the property market. Since early 2010, yield for prime properties fell from 8.25% to 7.15%.

Outlook

The French logistics property industry is currently marked by uncertainty, due to the economic impasse and the impact this is having on industrial production. The industry is nevertheless expected to maintain its present level in 2012. Logistics operators are tapping new sources of income, including e-commerce. They are also benefiting from the trend of outsourcing the manufacture of high-quality products such as drugs and high-tech products. Although the number of available properties continues to decline, rents are expected to remain stable in 2012.

4. Czech Republic

Overview

The Czech economy continued to grow in 2011, albeit at a slow pace. Industrial production was up from 2010, while the property market also continued to perform well. Rents in top locations in Prague and most other locations remained stable.

Demand

Tenants continue to look for cost savings and aim to streamline their operations, while developers have been tightening their lease terms in order to reduce the risk of their investments, which has mobilised an even larger number of tenants. Take-up remained

high throughout the year, with demand for logistics properties in Prague being particularly high.

Supply

The number of available properties decreased gradually, and there was also a decline in the number of new buildings completed in the course of 2011 (the majority of these properties were pre-let). Developers are currently only constructing pre-let spaces, which will further reduce vacancy rates.

Investment

The industrial property market saw little investment activity for the most of the year. During the fourth quarter, a large property portfolio and a logistics park were sold in Stribro, which, combined with a number of deals in the first quarter, caused investment volume to be significantly higher in 2011 than in 2010 (a year that saw little activity). Investors remain interested in the Czech industrial market thanks to high occupancy rates and the limited supply of new properties. After yields declined during the largest part of the year they remained at the same level during the fourth quarter, with 10% for manufacturing space and 8% for logistics facilities.

Outlook

Although the Czech economy is slowing down, there are still signs of growth, which will have a positive impact on the overall industrial market. Although growth in industrial production will slow down as well, the demand for property is expected to remain substantial. The impact of the less favourable economic climate is offset by the lack of supply of new properties and the low vacancy rates. Rents in top locations will remain largely unchanged in 2012, with the exception of Prague and Brno, where they may increase slightly. Investment volumes may not be able to match the levels for 2011, and although investment interest remains significant, there are too few major property developments or portfolios available for sale.

5. Romania

Overview

The growth outlook for 2012 remains moderately positive, with growth driven mainly by domestic demand. Foreign demand is declining, which has resulted in lower exports and a decline in industrial production. After dropping sharply in 2011, rents have appeared to stabilise to approximately EUR 3.80/m²/month for manufacturing facilities and EUR 3.60 m²/month for logistics space. There are few differences within the various geographic areas.

Demand

The bulk of the new demand for buildings came from companies operating in the research and development industry. In the logistics market, the new contracts mainly involved renovations and limited extensions. Since there are only a limited number of deals in the pipeline, take-up will remain modest, although the economy is expected to see a revival, with a modest growth in take-up.

Supply

In Bucharest, the vacancy rate of high-quality properties declined to 4.7% – the lowest level recorded in the recent past. This decline is due in part to the absence of speculative developments, and in part to the take-up of 11,825 m². In 2011, WDP completed in Oarja a 5,000 m² semi-industrial complex for Röchling-Automotive, followed by a 7,000 m² complex for Pelzer-Pimsa at the end of the year (see also '4.3. Management report – Transactions and realisations - 3. Projects completed in 2011' on page 33). In addition, a small storage space (comprising 3,270 m²) was completed: the HTC Center, half of which is used by owner High Tec Clima and half of which is leased to GE LES.

The vacancy rate is expected to decline further, as most new developments are pre-let. It remains difficult in Romania to secure credit, with pre-let properties tending to be a conditio sine qua non. Demand for high-quality properties remains modest considering the long-term economic risks.

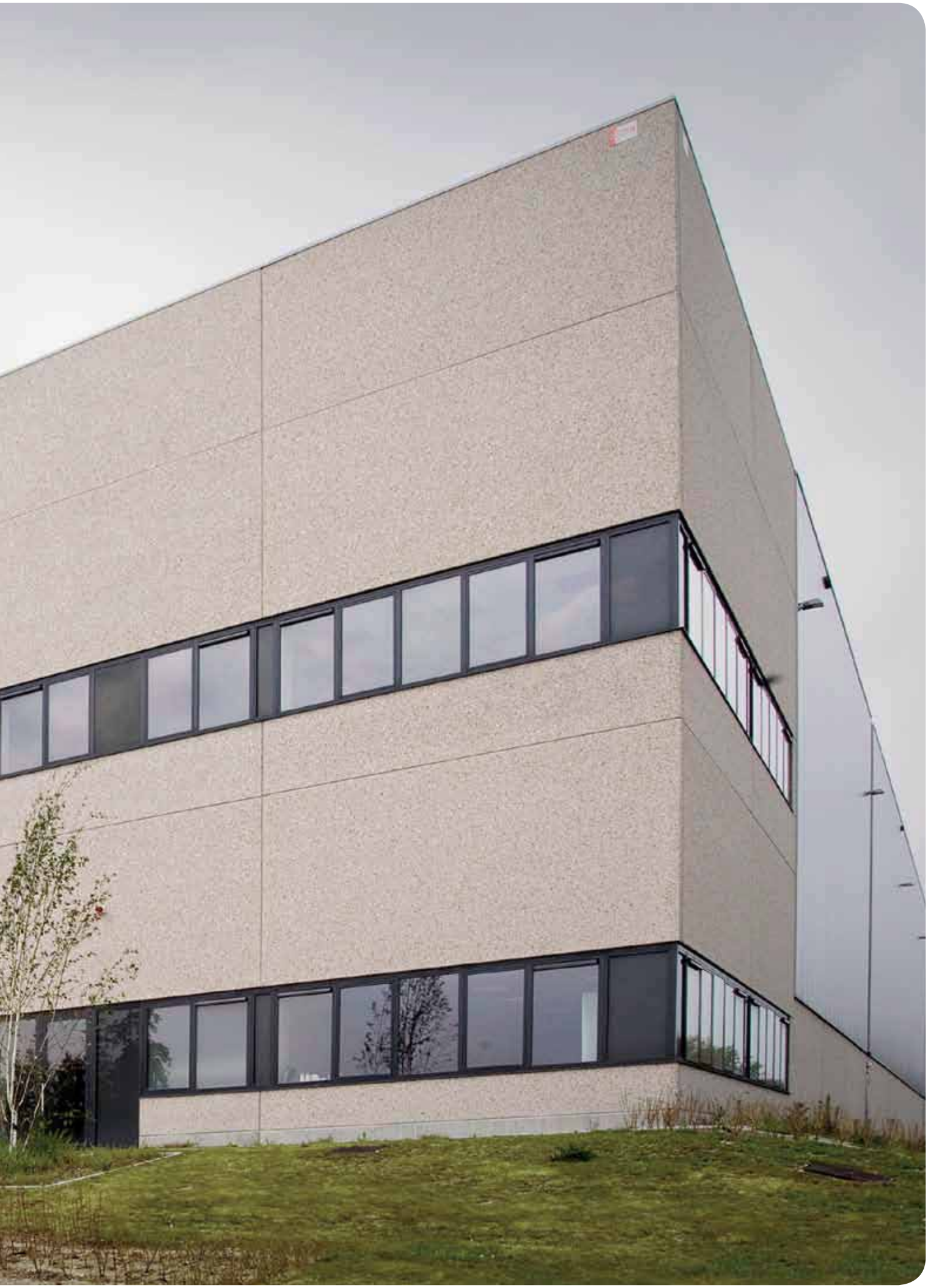
Investment

No new investment was recorded in the manufacturing industry during the second half of 2011, causing logistics prime yields to remain at 9.50% in Bucharest and 10.50% in the secondary cities of Brasov, Timisoara and Constanta.

Outlook

While the outlook for the Romanian semi-industrial property market is fairly limited, demand is expected to increase in the medium term, as the market stabilises and incentives gradually disappear, and tenants will start looking for a higher calibre of building. Many developers possess the required permits for properties, and as the economy improves they will start using those permits again, while remaining cautious and selective throughout. Land prices are expected to remain unchanged in 2012, since property developments are not expected to gain momentum before 2013. As a result, the investment market is set to remain slow, partly because superior properties are not available for sale.

Sources: BNP Paribas Real Estate, Cushman & Wakefield and DTZ Zadelhoff



Property Report
Conclusions of the independent surveyors

Dear Sirs,

We are pleased to present to you our estimate of the value of the property portfolio of WDP Comm. VA at 31 December 2011.

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 provided was assessed to be accurate and complete. Our estimates are based on the assumption that any components not included do not affect the value of the property.

Each independent surveyor is responsible for valuing the part of the portfolio that has been contractually assigned to him.

Property Report
Conclusions of the independent surveyors

On the basis of the statements in the preceding paragraphs, we can confirm that the Fair Value of WDP's real estate property (excluding solar panels) is EUR 908.516.874 (nine hundred eight million five hundred sixteen thousand eight hundred seventy-four euros) as at 31 December 2011.

Yours faithfully,

Koen Nevens
CEO
Cushman & Wakefield

Philippe Janssens
Managing director
Stadim

Leopold Willems
Associate director of international valuation advisory services
DTZ Zadelhoff

Jean-Claude Dubois
Chairman
BNP Paribas Real Estate

Corporate social responsibility

It is inherent to any industrial activity – including the property industry – that it can affect its environment – both the natural environment in all its facets and the people who live and work in and around the buildings. As a sustainable and responsible company, WDP aims to further develop its portfolio while at the same time consistently reducing its impact on the environment and natural resources as much as possible. By focusing on land usage and water consumption, waste streams, transport, sustainable materials and renewable energy, the company aims to reduce its environmental footprint each year.

Soil investigation

Before acquiring an existing building or plot of land, WDP always conducts a detailed investigation into any environmental risks or irregularities that might arise from previous, high-risk uses. As soon as there are suspicions of contamination, a study is conducted into the quality of the soil and the groundwater. If the soil does turn out to be contaminated, WDP does all that is necessary to control and eliminate this risk. For example, the land belonging to the Wereldhave NL properties was subjected to a detailed analysis, and a work plan is being prepared for the remediation of the recently acquired site in Heppignies. Potentially high-risk systems continue to be inspected regularly after a building is in use, in compliance with all the statutory standards and regulations. WDP also complies at all times with all national and regional regulations regarding soil certificates and other obligations relating to clean soil.

Environmental and town-planning permits

For all buildings and systems, WDP is in possession of the required official environmental and town-planning permits, in compliance with the statutory regulations in the countries concerned. If it is the tenant's responsibility to obtain specific permits – including a required environmental permit – WDP will urge the tenant to make the necessary arrangements as soon as possible. Local laws and regulations relating to buildings or systems are closely monitored and implemented. In the event of any changes in legislation – or to the technical systems – permits are updated immediately.

Inspection of technical and security systems

All the technical and security systems installed in the buildings that are included in WDP's portfolio are inspected on a regular basis, either at WDP's instigation or on the initiative of the tenant as obliged by WDP. In the latter case, WDP also closely monitors the quality of the inspection. As part of the monitoring process, we rely on independent and/or in-house specialists.

Reduction in greenhouse gas emissions

WDP fully supports the policy of deterrence pursued by European governments with regard to the use of synthetic refrigerants. In order to reduce greenhouse gas emissions (chlorofluorocarbons/CFCs) as much as possible, WDP therefore installs modern air-conditioning systems in the buildings where possible, based on natural, ozone-friendly refrigerants such as ammoniac and carbon dioxide. This includes the recently completed building in Mollem, Belgium, for dairy company Lactalis and the BREEAM-certified building in Wijchen, the Netherlands. All air-conditioning systems are also inspected on a regular basis. This is important, as a well-maintained machine remains highly efficient and keeps energy consumption at a low level, which, in turn, benefits the environment.

Corporate social responsibility

Asbestos removal

Although asbestos removal is effectively the operator's rather than the owner's responsibility, whenever an existing property is to be acquired, the building is always inspected by experts for the presence of asbestos. If there is a potential threat to the health of those using the building, the asbestos is removed in accordance with standard procedures and in compliance with all statutory standards and requirements. If the experts conclude that the asbestos, due to the type of usage, does not present any danger in the current situation, this is considered a latent risk, and, as such, it is assessed on a regular basis. As soon as the risk increases – for example due to the building's obsolescence or regulatory changes – the asbestos is removed immediately. Maintenance or repair work is performed to facilitate these types of cleaning operations.

Waste recycling

WDP encourages its employees to segregate waste: at all our sites, we sort items such as paper, organic waste, glass and residual waste in accordance with the rules of the local waste collection service. In addition, tenants of the various properties are also incited to sort – and reduce – waste.

For the buildings constructed in accordance with the BREEAM guidelines (see below), the waste on the sites is separated into four to six streams, which are processed by certified waste-processing companies. The company has opted for prefab structures that further reduce waste volumes on the construction sites. Besides arranging for a certified processing company to collect the waste, WDP also attempts to reuse its waste on the building site itself. For example, rubble from demolition works was reused for the foundation of the new development project in Willebroek.

Energy-efficiency and EPB regulations

WDP is committed to reducing energy consumption in the buildings included in its portfolio as much as possible. It does this by fully insulating walls and roofs (using a heat resistance value of at least 2.5 m^2K/W and 3.2 m^2K/W, respectively). In addition, we always opt for the most cost-effective and energy-efficient alternatives for heating, ventilation and air-conditioning systems.

WDP is pursuing a sustainable warehouse policy. The sustainable projects relating to areas such as electric power, heating and insulation are designed to reduce carbon emissions in the storage facilities within the portfolio, while at the same time substantially reducing tenants' energy bills. This focus on sustainability does not apply only to new projects; older sites in the portfolio, too, are upgraded to become state-of-the-art, efficient and sustainable buildings.

Since 1 January 2006, under a European Directive new development projects and renovation projects for which a town-planning permit is required in the European Union must comply with the Energy Performance of Buildings Regulations (known as the EPB Regulations). These regulations set the standards for energy performance and indoor climate (EPB standards). The EPB standards provide for such issues as the degree of thermal insulation and ventilation to be achieved. For new development projects, the technical systems are considered as well, which requires the calculation of the total energy performance level (E level). For existing buildings, too, the European Directive provides for the introduction of an EPB certificate specifying the building's energy performance.

All projects completed by WDP in 2011 comply with the standards set. WDP aims to achieve an E level lower than the level required by law, as it has done for the new building constructed in Mollem. The E level at this site is 72, while the minimum required by law is 100 – an improvement of around 30%.

A renovation strategy aimed at sustainability

WDP's property portfolio was expanded over the course of several decades, both through new development projects and through acquisitions, which means the various buildings vary significantly in age. This, naturally, affects their energy efficiency as well. Since it is impossible from a financial and practical perspective to renew the entire portfolio at once, WDP pursues a policy of gradual, targeted 'rejuvenation', based on energy efficiency, renewable energy and reducing CFC emissions.

In our renovations – as in new developments – we use the most solid materials for the main structural parts of the building, in order to avoid having to be replaced too soon in the future.

BREEAM

BREEAM (Building Research Establishment Environmental Assessment Method) is a sustainability certificate for the performance of buildings during their entire lifecycle. BREEAM, the leading and most widely used sustainability standard for buildings in Europe, differs from other standards in that it is based on a multi-criteria approach. During the certification process, a building's energy consumption is considered, along with land usage, environmental aspects, the construction process, water consumption, waste, pollution, transport, equipment and materials, health, and comfort. As a total score, buildings receive a rating of 'Pass', 'Good', 'Very Good', 'Excellent' or 'Outstanding'.

WDP currently operates sites with BREEAM ratings of 'Good' (Tilburg) and 'Very Good' (Nijmegen). The new building in Willebroek, scheduled for completion in September 2012, will be the first logistics site in Belgium to receive the BREEAM certificate. For the provisional certificate, it received a rating of 'Very Good'.

Solar energy and other renewable energy sources

WDP launched a solar energy project in 2007, as part of its goal to achieve a carbon-neutral property portfolio. At the end of 2011, the company was able to generate a total of 15 megawatt peak (MWp) of green energy through solar panels installed at 23 sites, with an additional 0.5 MWp to be added during the first quarter of 2012. WDP has also been exploring opportunities in Romania to equip the two new developments in Oarja with solar panels. Wind energy is currently also being considered as an energy source.

Solar energy is also put to good use through solar boilers, which produce hot water, and the company has also invested in heat pumps, including at the new development sites in Willebroek and at Schiphol.

Corporate social responsibility

Sustainable day-to-day operations at the leased buildings

The European Commission has banned the manufacture of the wasteful standard TL8 lights effective 2010, and as an alternative WDP is using the high-frequency TL5 ballasts, featuring battery voltage lamp ignition. In addition to being more energy-efficient, these bulbs also have a longer operating life and a higher light output. By connecting the bulbs to the motion detectors with a dimmer, their energy is used even more efficiently.

WDP is also investigating the large-scale applicability of LED lights in its warehouses. The recently completed new development project in Mollem has been fully equipped with LED lights: in the industrial building, in the offices, and for the outdoor lighting. Since the warehouse is air-conditioned, LED lighting – besides a longer operating life and energy efficiency – provides several other advantages over TL lighting, including the lack of start-up problems and a lower heat emission.

To reduce water consumption, WDP has been using resources such as infrared motion detectors on cranes and for urinals. This facilitates the collection and reuse of rainwater as rinse water for the lavatories. In addition, leak detection systems have also been installed to prevent water loss.

By monitoring the consumption of electricity, gas and water in various areas, it is possible to establish where this consumption might be reduced.

Sustainable day-to-day operations within the organisation

In its day-to-day operations, too, WDP has implemented measures to progressively reduce its environmental footprint, including our digital document management. By digitising all incoming documents and storing them electronically, paper volumes can be reduced dramatically. The use of the electronic Enterprise Resource Planning (ERP) system SAP Real Estate (see below) also helps reduce paper waste.

If paper consumption is necessary, we reduce it as much as possible through minor yet effective measures such as double-sided printing. An added benefit is that efficient, high-capacity printers and photocopiers generate less waste and reduce energy consumption. All paper used at the company is sourced from sustainably managed forests and is FSC-certified.

WDP has implemented this same green philosophy in the company's fleet, opting for the BlueMotion Technologies brand label, in which Volkswagen has integrated its energy-efficient and clean technologies. BlueMotion vehicles are fuel-efficient and emit less carbon dioxide, particulate matter and nitrogen oxide. The fleet now also includes hybrid vehicles, which combine the advantages of electric engines (for drive at low speeds), with that of a highly efficient diesel engine, as well as being fuel-efficient and reducing air pollution.

Sustainability and ERP

Sustainable business goes beyond the use of environmentally-friendly materials and technologies: it also involves optimising business processes, to ensure that maximum profitability can be achieved using a minimum of energy and equipment, thereby benefiting all the organisation's stakeholders. For this purpose, WDP uses the Enterprise Resource

Planning (ERP) system SAP Real Estate, an application that also improves transparency in business processes and sustainable operations.

WDP's carbon footprint

WDP assigned sustainable development company CO_2logic to calculate the carbon footprint of the principal places of business of the three WDP sites. The sites in Belgium, Romania and the Netherlands emitted 141.2 tonnes of CO_2e, 155 tonnes of CO_2e and 16 tonnes of CO_2e, respectively. Consequently, emissions per FTE were 6 tCO_2e, 8 tCO_2e and 31 tCO_2e, respectively.

The calculation of carbon emissions is based on a host of factors, ranging from emissions related to electricity and heating to transport and paper consumption. In technical terms, this is referred to as 'scopes' 1 to 3. All internal emissions, included under scope 1 (i.e. heating, coolants and company vehicles) are included in the calculation. This also applies to emissions from scope 2 (electricity). Scope 3 involves an analysis of emissions generated by commuter traffic, business travel and paper, taking into account all greenhouse gases, including indirect emissions.

Much of these emissions are due to transport, particularly for Romania, where a number of flights are necessary. A total of 82% of the Romanian emissions are the result of transport; for Belgium and the Netherlands, this percentage is 54%. The buildings account for approximately 45% of emissions, while the remaining, negligible portion is the result of paper consumption.

As noted above, WDP has already implemented measures to reduce emissions (please refer to www.wdp.be/sustainability of www.wdp.be/eco). These measures were incorporated into the current study. WDP will investigate what other measures might still be taken, and will draft a Carbon Reduction Action Plan together with CO_2logic. In so doing, WDP aims to further reduce carbon emissions by 20% by the year 2015.

Declarations by the statutory manager

WDP's statutory manager 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 manager 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 independent surveyor 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 independent surveyor, 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 manager is responsible for the information provided in this annual financial report.

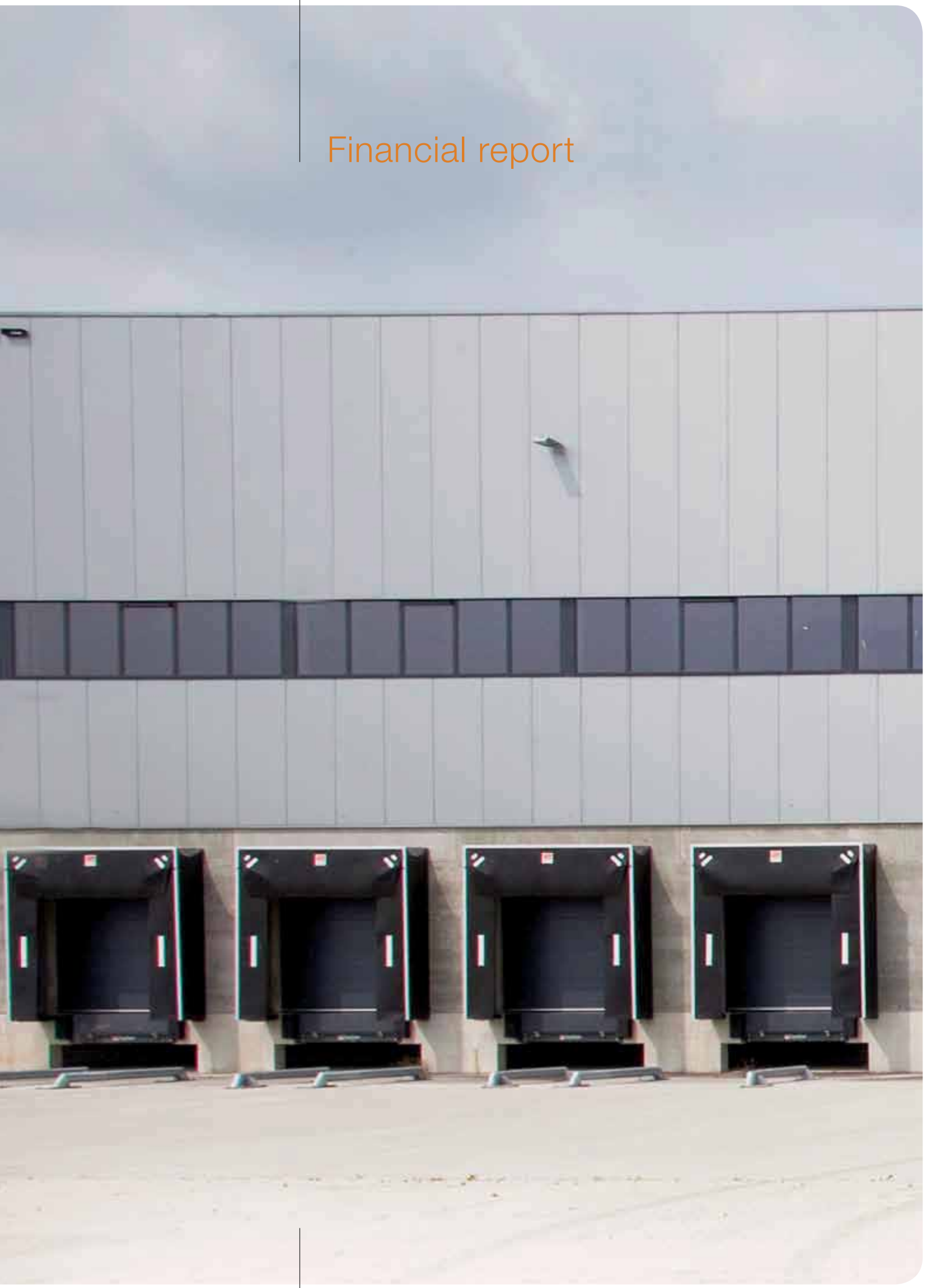
The statutory manager has made any reasonable efforts in order to verify this information. It declares that, to its knowledge, the data in this annual financial report are a fair presentation of reality, and that no information has been omitted which would, if reported, alter the effect of this annual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

WDP's statutory manager 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 manager of WDP declares that there have been no significant changes in the financial or commercial position of the group following 31 December 2011.

Financial report



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2011 Annual consolidated financial statements
Profit and loss account

EUR (x 1,000)	Note	31-12-2011	31-12-2010
I. Rental Income		**63,752**	**58,137**
Rents	XXIV	63,539	57,560
Indemnification for early termination of lease		213	577
III. Costs associated with rentals		**-649**	**-152**
Rent to be paid for leased premises		-341	-323
Reductions in value on trade receivables		-575	-54
Reversals and reductions in value on trade receivables		267	225
NET RENTAL RESULT		63,103	57,985
V. Recovery of rental charges normally paid by the tenant on let properties		**5,159**	**5,275**
Re-invoicing of rental charges normally paid by the owner		1,846	2,129
Re-invoicing of advance property levy and taxes on let property		3,313	3,146
VII. Rental charges and taxes normally paid by the tenant on let properties		**-5,946**	**-6,085**
Rental charges normally paid by the owner		-2,011	-2,203
Advance property levy and taxes on let property		-3,935	-3,882
VIII. Other income and charges related to leases		**6,778**	**5,490**
Property management fees		569	461
Income from solar energy		6,209	5,029
PROPERTY RESULT		69,094	62,665
IX. Technical costs		**-1,278**	**-963**
Recurrent technical costs		-1,335	-935
- Repairs		-1,047	-663
- Insurance premiums		-288	-272
Non-recurring technical costs		57	-28
- Major repairs (building contractors, architects, engineering firm, etc.)		0	1
- Accidents		-177	-207
- Claims paid by insurers		234	178
X. Commercial costs		**-271**	**-399**
Agency commissions		-68	-103
Publicity		-104	-60
Lawyers fees and legal charges		-99	-236
XII. Property management costs		**146**	**77**
Fees paid to external managers		-36	-42
(Internal) property management costs		182	119
PROPERTY CHARGES		-1,403	-1,285
PROPERTY OPERATING RESULTS		67,691	61,380
XIV. General company expenses		**-4,362**	**-3,831**
OPERATING RESULTS FOR THE RESULT ON PORTFOLIO		63,329	57,549

The comparative figures for the 2010 financial year have been adjusted to the new schedule in accordance with the Royal Decree of 7 December 2010.

2011 Annual consolidated financial statements
Profit and loss account

EUR (x 1,000)	Note	31-12-2011	31-12-2010
XVI. Profit from the sale of investment property	XXVI	**17**	**-69**
Net property sales (selling price – transaction costs)		2,893	20,380
Book value of the property sold		-2,876	-20,449
XVIII. Variations in the fair value of investment property	XXVII	**3,399**	**-5,538**
Positive variations in the fair value of investment property*		24,777	14,851
Negative variations in the fair value of investment property		-19,432	-19,710
Impairment of assets under construction (recognised and reversed)		-1,946	-679
OPERATING RESULT		66,745	51,942
XX. Financial revenues		**1,365**	**1,000**
Interest and dividends received		640	482
Remuneration of finance leases and related products		12	18
Other financial revenues		713	500
XXI. Net interest charges		**-20,066**	**-19,388**
Nominal interest on loans		-10,856	-7,046
Interest capitalised during construction		1,586	1,702
Costs of permitted hedging instruments		-12,337	-14,523
Income from permitted hedging instruments		1,768	527
Other interest charges		-227	-48
XXII. Other financial charges		**-216**	**-97**
Bank charges and other commissions		-60	-33
Other financial charges		-156	-64
XXIII. Movements in fair value of financial assets and liabilities		**-17,272**	**-2,256**
FINANCIAL RESULT	XXVIII	-36,189	-20,741
PRE-TAX RESULT		30,556	31,201
XXV. Corporate tax		**-156**	**2,482**
Corporate tax		-87	-865
Deferred taxes on market fluctuations		-183	-1,735
Positive deferred taxes on market fluctuations		317	3,269
Deferred tax on reversal of amortisation		-146	990
Deferred tax on major maintenance provisions		0	328
Future tax benefits resulting from recoverable losses		-57	-78
Other deferred taxes		0	573
XXVI. Exit tax		**-696**	**-1,081**
TAXES	XXIX	-852	1,401
NET RESULT		29,704	32,602
Attributable to:			
- Shareholders of the parent company		29,704	32,602

* *This relates only to the movements in the fair value of investment property. The movements in the fair value of solar panels are taken directly to shareholders' equity, included in the 'Reserves' column in compliance with IAS 16. See also Note 'III. Accounting rules' on page 155.*

The comparative figures for the 2010 financial year have been adjusted to the new schedule, in accordance with the Royal Decree of 7 December 2010.

Statement of overall result

EUR (x 1,000)	Note	31-12-2011	31-12-2010
I. NET RESULT		29,704	32,602
II. OTHER ELEMENTS OF OVERALL RESULT		-1,480	3,896
H. Other elements of overall result after tax		**-1,480**	**3,896**
Movements in the fair value of solar panels		-1,302	3,892
Currency exchange differences		-178	4
OVERALL RESULT		28,224	36,498
Attributable to:			
- Shareholders of the parent company		28,224	36,498

Other components of comprehensive income

EUR (x 1,000)	31-12-2011	31-12-2010
Net current result	44,268	39,023
Result on the portfolio	2,708	-4,165
IAS 39 result	-17,272	-2,256
NET RESULT	29,704	32,602

EUR (per share)*	31-12-2011	31-12-2010
Net current result/share	3.42	3.11
Result on the portfolio/share	0.21	-0.33
IAS 39 result/share	-1.33	-0.18
NET RESULT/share	2.29	2.60

* *Calculation based on the weighted average number of shares. Until 27 May 2011: 12,533,938 shares; from 27 May 2011 to 2 December 2011: 13,184,375 shares; after 2 December 2011: 13,638,521 shares.*

The comparative figures for the 2010 financial year have been adjusted to the new schedule, in accordance with the Royal Decree of 7 December 2010.

2011 Annual consolidated financial statements
Balance sheet – Assets

EUR (x 1,000)	Note	31-12-2011	31-12-2010
FIXED ASSETS		992,410	906,498
B. Intangible assets	IX	**310**	**422**
C. Investment property	X	**908,089**	**821,511**
- Property available for leasing		835,557	732,336
- Property developments		28,092	53,093
- Other: land reserves		44,440	36,082
D. Other tangible assets	XI	**68,185**	**65,773**
- Tangible assets for own use		1,185	916
- Other: solar panels		67,000	64,857
E. Financial fixed assets	XII, XIII	**11,418**	**12,535**
- Assets held until maturity		0	1,107
Permitted hedging instruments		0	1,107
- Loans and liabilities		11,418	11,428
Other		11,418	11,428
F. Financial lease receivables	XIV	**0**	**107**
G. Trade receivables and other non-current assets	XV	**4,408**	**6,150**
CURRENT ASSETS		26,474	15,883
A. Assets held for sale	XVI	**14,310**	**2,850**
- Investment property		14,310	2,850
C. Financial lease receivables	XIV	**0**	**88**
D. Trade debtors	XVII	**6,649**	**7,812**
E. Trade benefits and other current assets	XVIII	**1,431**	**1,824**
- Taxes		882	507
- Other		549	1,317
F. Cash and cash equivalents		**1,704**	**1,209**
G. Accruals and deferred income		**2,380**	**2,100**
TOTAL ASSETS		1,018,884	922,381

The comparative figures for the 2010 financial year have been adjusted to the new schedule, in accordance with the Royal Decree of 7 December 2010.

2011 Annual consolidated financial statements

Balance sheet – Liabilities

EUR (x 1,000)	Note	31-12-2011	31-12-2010
EQUITY		401,334	371,286
I. Equity attributable to the parent company's shareholders		**401,334**	**371,286**
A. Capital	XIX	106,336	97,853
- Subscribed capital		109,381	100,522
- Costs capital increase		-3,045	-2,669
B. Premiums on issue		94,168	63,960
C. Reserves		171,126	176,871
D. Net result for the financial year		29,704	32,602
LIABILITIES		617,550	551,095
I. Long term liabilities		**477,594**	**411,691**
A. Provisions	XX	1,112	1,115
- Other		1,112	1,115
B. Long term financial debts	XXI, XXII	422,536	373,415
- Credit institutions		390,123	337,913
- Financial leasing		23,947	27,434
- Other		8,466	8,068
C. Other long term financial commitments		51,978	35,315
- Permitted hedging instruments		51,978	35,315
F. Deferred taxes – Liabilities		1,968	1,846
- Other		1,968	1,846
II. Short term liabilities		**139,956**	**139,404**
B. Short term financial debts	XXI, XXII	126,187	127,501
- Credit institutions		122,701	123,633
- Financial leasing		3,486	3,368
- Other		0	500
D. Trade payables and other current debts		10,225	8,235
- Exit tax		0	1,081
- Other		10,225	7,154
Suppliers		8,149	5,555
Taxes, remunerations and social security contributions		2,076	1,599
E. Other short term commitments	XXIV	2,348	454
- Other		2,348	454
F. Accruals and deferred income		1,196	3,214
TOTAL LIABILITIES		1,018,884	922,381

The comparative figures for the 2010 financial year have been adjusted to the new schedule, in accordance with the Royal Decree of 7 December 2010.

2011 Annual consolidated financial statements
Cash flow statement

EUR (x 1,000)	31-12-2011	31-12-2010
CASH AND CASH EQUIVALENTS, OPENING BALANCE	1,209	2,204
NET CASH FROM OPERATING ACTIVITIES	63,583	56,301
1. Cash flows concerning operations	**61,746**	**56,557**
Profit / loss from company activities	51,567	54,506
Profit for the year	29,704	32,602
Interest charges	23,700	21,648
Interest received	-1,924	-609
Income tax	87	865
Adjustments to non-monetary items	14,586	4,712
Write-downs	356	440
Depreciations	308	-171
Increase (+) / decrease (-) in provisions	-3	-73
Variations in the fair value of investment property	-3,399	5,538
Increase (+) / decrease (-) in deferred taxes	69	-3,347
Variations in fair value of financial derivatives	17,272	2,256
Increase in sales	-17	69
Increase (+) / decrease (-) in working capital	-4,407	-2,661
Increase (+) / decrease (-) in assets	2,904	-2,095
Increase (+) / decrease (-) in liabilities	-7,184	-570
Other	-127	4
2. Cash flows concerning other operating activities	**1,837**	**-256**
Interest received classified by operating activities	1,924	609
Income tax paid / received	-87	-865
NET CASH FLOWS CONCERNING INVESTMENT ACTIVITIES	-73,414	-8,556
1. Purchases	**-76,307**	**-28,936**
Acquisition payments for property investments	-64,034	-21,711
Acquisitions through the purchase of shares	-8,791	0
Acquisitions of other tangible and intangible fixed assets	-3,482	-7,225
2. Disposals	**2,893**	**20,380**
Receipts from sale of investment property	2,893	20,380
NET CASH FLOWS CONCERNING FINANCING ACTIVITIES	10,326	-48,740
1. Loan acquisition	**175,320**	**125,073**
2. Loan repayment	**-127,013**	**-119,625**
3. Financing granted to WDP Development RO	**10**	**-284**
4. Interest paid	**-23,700**	**-21,648**
5. Dividends paid*	**-14,291**	**-32,256**
NET INCREASE IN CASH AND CASH EQUIVALENTS	495	-995
CASH AND CASH EQUIVALENTS, CLOSING BALANCE	1,704	1,209

* *This relates only to cash-out, since an optional dividend was offered in 2011, with 70% of the shareholders opting for distribution of dividend in shares rather than cash.*

2011 Annual consolidated financial statements

Consolidated statement of changes of the equity capital 2011

EUR (x 1,000)	01-01-2011	ALLOCATION OF RESULT DURING 2010 FINANCIAL YEAR				
		Profit in previous financial year	Transfer of result on portfolio	Transfer of deferred taxes relating to property located outside Belgium	Impact on the fair value of estimated transfer duties and fees for the hypothetic sale of investment property	Transfer of IAS 39 result
A. SUBSCRIBED CAPITAL	**97,853**	**0**	**0**	**0**	**0**	**0**
Subscribed capital	100,522					
Cost of capital increase	-2,669					
B. ISSUE PREMIUMS	**63,960**					
C. RESERVES	**176,871**	**32,602**	**0**	**0**	**0**	**0**
Statutory reserves (+)	149					
Reserves for the balance of movements in the fair value of the property (+/-)						
- Reserves for the balance of movements in the investment value of the property (+/-)	134,365		-5,538		502	
- Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment property (-)	-27,124				-502	
Reserves for the balance of movements in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS (+/-)	-32,452					-2,256
Reserves for the balance of translation differences in monetary assets and liabilities (+/-)	-174					
Reserves for translation differences arising from the conversion of a foreign activity	1,203					
Reserves for deferred taxes relating to property located outside Belgium	-2,938			1,442		
Other reserves	21,327					
Result brought forward from previous financial years	81,992	32,602	5,538	-1,442		2,256
D. NET RESULT FOR THE FINANCIAL YEAR	**32,602**	**-32,602**				
TOTAL SHAREHOLDERS' EQUITY	**371,286**	**0**	**0**	**0**	**0**	**0**

2011 Annual consolidated financial statements

Consolidated statement of changes of the equity capital 2011

		OTHER COMPONENTS OF COMPREHENSIVE INCOME				31-12-2011
	Net result for the previous financial year	Capital increases	Movements in the fair value of solar panels	Dividends distributed	Translation differences	
	0	**8,483**	**0**	**0**	**0**	**106,336**
		8,859				**109,381**
		-376				**-3,045**
		30,208				**94,168**
	0	**0**	**-1,302**	**-36,867**	**-178**	**171,126**
						149
						129,329
						-27,626
						-34,708
					-10	**-184**
					-168	**1,035**
						-1,496
			-1,302			**20,025**
				-36,867		**84,079**
	29,704					**29,704**
	29,704	**38,691**	**-1,302**	**-36,867**	**-178**	**401,334**

2011 Annual consolidated financial statements

Consolidated statement of changes of the equity capital 2010

EUR (x 1,000)	01-01-2010	ALLOCATION OF RESULT DURING 2010 FINANCIAL YEAR				
		Profit in previous financial year	Transfer of result on portfolio	Transfer of deferred taxes relating to property located outside Belgium	Impact on the fair value of estimated transfer duties and fees for the hypothetic sale of investment property	Transfer of IAS 39 result
A. SUBSCRIBED CAPITAL	**97,853**	**0**	**0**	**0**	**0**	**0**
Subscribed capital	100,522					
Cost of capital increase	-2,669					
B. ISSUE PREMIUMS	**63,960**					
C. RESERVES	**204,593**	**437**	**0**	**0**	**0**	**0**
Statutory reserves (+)	149					
Reserves for the balance of movements in the fair value of the property (+/-)						
- Reserves for the balance of movements in the investment value of the property (+/-)	156,138		-26,791		5,018	
- Reserves for the impact on the fair value of estimated transfer duties and transfer fees for the hypothetical sale of investment property (-)	-22,106				-5,018	
Reserves for the balance of movements in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS (+/-)	-21,528					-10,924
Reserves for the balance of translation differences in monetary assets and liabilities (+/-)	-127					
Reserves for translation differences arising from the conversion of a foreign activity	1,152					
Reserves for deferred taxes relating to property located outside Belgium	-7,043			4,105		
Other reserves	17,435					
Result brought forward from previous financial years	80,000	437	26,791	-4,105		10,924
D. NET RESULT FOR THE FINANCIAL YEAR	**437**	**-437**				
TOTAL SHAREHOLDERS' EQUITY	**366,843**	**0**	**0**	**0**	**0**	**0**

2011 Annual consolidated financial statements

Consolidated statement of changes of the equity capital 2010

	OTHER COMPONENTS OF COMPREHENSIVE INCOME				31-12-2010
	Net result for the previous financial year	Movements in the fair value of solar panels	Dividends distributed	Translation differences	
	0	0	0	0	97,853
					100,522
					-2,669
					63,960
	0	3,892	-32,055	4	176,871
					149
					134,365
					-27,124
					-32,452
				-47	-174
				51	1,203
					-2,938
		3,892			21,327
			-32,055		81,992
	32,602				32,602
	32,602	3,892	-32,055	4	371,286

I. GENERAL INFORMATION ON 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 2011 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 23 March 2012.

WDP is listed on Euronext.

II. REPRESENTATIONAL MODEL

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 2011.

The consolidated financial statements are presented in EUR thousands, rounded to the nearest thousand. The 2010 and 2011 financial years are presented in this report. We refer to the 2009 and 2010 annual reports for historical financial information on the 2009 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 2011

- Improvements to IFRS (2009-2010) (normally applicable to financial years commencing 1 January 2011).
- Amendment to IFRS 1 *First-time Adoption of IFRS* – Exemptions from IFRS 7 (applicable to financial years commencing 1 July 2010).
- Amendment to IAS 24 *Related Party Disclosures* (applicable to financial years commencing 1 January 2011). This standard has replaced IAS 24 Related Party Disclosures as issued in 2003.
- Amendment to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* (applicable to financial years commencing 1 February 2010).
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* (applicable to financial years commencing 1 July 2010).
- Amendment to IFRIC 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayment of a Minimum Funding Requirement* (applicable to financial years commencing 1 January 2011).

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 2011 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 2011 and the following years is presented below. The standards listed above have little or no impact on WDP.

- IFRS 9 *Financial Instruments and the Related Amendments* (applicable to financial years commencing 1 January 2015).
- IFRS 10 *Consolidated Financial Statements* (applicable to financial years commencing 1 January 2013).
- IFRS 11 *Joint Arrangements* (applicable to financial years commencing 1 January 2013).
- IFRS 12 *Disclosure of Interests in Other Entities* (applicable to financial years commencing 1 January 2013).
- IFRS 13 *Fair Value Measurement* (applicable to financial years commencing 1 January 2013).
- Amendment to IFRS 1 *First-time Adoption of IFRS – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (applicable to financial years commencing 1 July 2011).
- Amendment to IFRS 7 *Financial Instruments: Disclosures – No longer recognised in balance sheet* (applicable to financial years commencing 1 July 2011).
- Amendment to IFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Liabilities* (applicable to financial years commencing 1 January 2013).
- Amendment to IAS 1 *Financial Statement Presentation – Presentation of the other Elements of the Total Result* (applicable to financial years commencing 1 July 2012).
- Amendment to IAS 12 Income Taxes – *Deferred Tax: Recovery of Underlying Assets* (applicable to financial years commencing 1 January 2012).
- Amendment to IAS 19 *Employee Benefits* (applicable to financial years commencing 2013).
- Amendment to IAS 27 *Separate Financial Statements* (applicable to financial years commencing 1 January 2013).
- Amendment to IAS 28 *Investments in Associates and Joint Ventures* (applicable to financial years commencing 1 January 2013).
- Amendment to IAS 32 *Financial Instruments Presentation – Offsetting of Financial Assets and Liabilities* (applicable to financial years commencing 1 January 2014).
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (applicable to financial years commencing 1 January 2013).

III. 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 property CEIC 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.

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. In accordance with IAS 23, financing costs attributable directly to the creation of an investment property are also capitalised for the period during which the investment property is prepared for leasing.

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 ‘Assets 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.

Fees charged for leases terminated prior to the expiry date are included directly in the result for the financial year. Termination penalties of EUR 31,000 for the early termination of leases, which were previously included in the result on a spread basis, were fully recognised as income in the 2011 result.

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 property CEIC 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 property CEIC with a company that is not a property CEIC, 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.

IV. 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. The model is based on 950 'implicit number of sun hours' per year, based on meteorological statistics and the data for the number of sites in the park (23 at year end). By way of reference, the 'implicit number of sun hours' for 2008, 2009 and 2010 was 960, 1,020 and 950, respectively.

2. Green Energy Certificates are awarded by the Flemish Regulator for the Electricity and Gas Market (VREG) for each project based on a minimum price per certificate for a fixed period of 20 years. Price levels of the certificates for the operational sites range from EUR 270 to EUR 450 per MWh. This price is adjusted for new solar energy projects based on changes in legislation 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 2011 is based on the Cal 12, 13 and 14 published on 31 December 2011.

4. In 2010, the applicable efficiency requirement was the 30-year IRS swap rate plus a risk premium of 125 basis points (bp). In 2011, there was a strong decline in interest rates combined with an increase in risk premiums, which reflects the uncertainty in the financial markets. In order to translate this, an increase in the risk premium by 100 bp to 225 bp was taken into account, which compensated for the decline in IRS swap rate and which caused the discount rate to remain relatively stable.

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.

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

The appraisal of Lefebvredok is based on the assumption that the concession term will be extended. The property located on the Lefebvredok-Antwerp axis is built on a plot of concession land owned by the Port of Antwerp. The fair value was determined based on the assumption that the concession term would be extended, as is typically the case.

WDP has already been granted an official 5-year extension effective 1 January 2008. After this date, the site will be transferred to Wijngaard Natie, without listing the sale value.

WDP has accepted this proposal from the Port of Antwerp, notwithstanding any prejudicial acknowledgment and reserving all rights.

V. SEGMENTED INFORMATION – RESULT

EUR (x 1,000)	Belgium	Netherlands	France	Czech Republic	Romania	Non-allocated amounts	Total
	Financial year 31-12-2011						
I. Rental income*	38,913	16,129	6,123	2,532	55	0	**63,752**
III. Leasing-related costs	-578	-64	-5	-2	0	0	**-649**
NET RENTAL RESULT	38,335	16,065	6,118	2,530	55	0	63,103
V. Recovery of rental expenses normally payable by the tenant for leased buildings	4,572	41	521	25	0	0	**5,159**
VI. Rental expenses and taxes normally payable by the tenant for leased buildings	-5,098	-222	-558	-56	-12	0	**-5,946**
VII. Other leasing-related income and expenses**	6,685	19	73	0	1	0	**6,778**
PROPERTY RESULT	44,494	15,903	6,154	2,499	44	0	69,094
IX. Technical costs	-949	-138	-91	-80	-20	0	**-1,278**
X. Marketing costs	-158	-81	-28	-3	-1	0	**-271**
XII. Management costs for property	-90	257	24	-35	-10	0	**146**
PROPERTY CHARGES	-1,197	38	-95	-118	-31	0	-1,403
OPERATING PROPERTY RESULT	43,297	15,941	6,059	2,381	13	0	67,691
XIV. Corporate management costs	0	0	0	0	0	-4,362	**-4,362**
OPERATING RESULT FOR THE RESULT ON THE PORTFOLIO	43,297	15,941	6,059	2,381	13	-4,362	63,329
XVI. Result from the sale of investment property	16	0	1	0	0	0	**17**
XVIII. Movements in the fair value of investment property	-508	2,898	1,829	963	-1,783	0	**3,399**
OPERATING RESULT	42,805	18,839	7,889	3,344	-1,770	-4,362	66,745

* *There is only one tenant, namely the Univeg Group, which accounts for more than 10% of rental income, i.e. 16.8%.*

** *In 2011, income from solar energy totalled EUR 6.209 million; in 2010, this amount was EUR 5.029 million. This income was generated in Belgium and is included in the section 'VII. Other lease-related income and expenditure'.*

The basic segmentation for segment reporting within WDP is by geographical region. This basic segmentation reflects the five geographical markets in Europe in which WDP operates.

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).

EUR (x 1,000)		Belgium	Netherlands	France	Czech Republic	Romania	Non-allo-cated amounts	Total
		Financial year 31-12-2010						
I.	Rental income*	37,583	11,978	6,062	2,514	0	0	**58,137**
III.	Leasing-related costs	-96	-52	-8	4	0	0	**-152**
NET RENTAL RESULT		37,487	11,926	6,054	2,518	0	0	57,985
V.	Recovery of rental expenses normally payable by the tenant for leased buildings	4,380	103	760	32	0	0	**5,275**
VI.	Rental expenses and taxes normally payable by the tenant for leased buildings	-4,958	-243	-819	-52	-13	0	**-6,085**
VII.	Other leasing-related income and expenses**	5,422	0	68	0	0	0	**5,490**
PROPERTY RESULT		42,331	11,786	6,063	2,498	-13	0	62,665
IX.	Technical costs	-760	-85	-37	-74	-7	0	**-963**
X.	Marketing costs	-220	-164	-4	-5	-6	0	**-399**
XII.	Management costs for property	-122	169	69	-37	-2	0	**77**
PROPERTY CHARGES		-1,102	-80	28	-116	-15	0	-1,285
OPERATING PROPERTY RESULT		41,229	11,706	6,091	2,382	-28	0	61,380
XIV.	Corporate management costs	0	0	0	0	0	-3,831	**-3,831**
OPERATING RESULT FOR THE RESULT ON THE PORTFOLIO		41,229	11,706	6,091	2,382	-28	-3,831	57,549
XVI.	Result from the sale of investment property	49	0	-118	0	0	0	**-69**
XVIII.	Movements in the fair value of investment property	3,813	-10,690	2,397	280	-1,338	0	**-5,538**
OPERATING RESULT		45,091	1,016	8,370	2,662	-1,366	-3,831	51,942

VI. SEGMENTED INFORMATION – ASSETS

	Financial year 31-12-2011						
EUR (x 1,000)	Belgium	Netherlands	France	Czech Republic	Romania	Non-allo-cated amounts	Total
Investment property	**564,765**	**210,160**	**82,607**	**25,181**	**25,376**	**0**	**908,089**
Existing buildings	525,754	201,101	80,683	24,269	3,750	0	**835,557**
Property investments in development at WDP's expense for the purpose of leasing	19,033	9,059	0	0	0	0	**28,092**
Land reserves	19,978	0	1,924	912	21,626	0	**44,440**
Assets held for sale	**14,310**	**0**	**0**	**0**	**0**	**0**	**14,310**
Other tangible fixed assets	**67,768**	**70**	**0**	**314**	**33**	**0**	**68,185**
Solar panels	67,000	0	0	0	0	0	**67,000**
Other	768	70	0	314	33	0	**1,185**

	Financial year 31-12-2010						
EUR (x 1,000)	Belgium	Netherlands	France	Czech Republic	Romania	Non-allo-cated amounts	Total
Investment property	**536,726**	**157,220**	**80,379**	**24,170**	**23,016**	**0**	**821,511**
Existing buildings	493,255	141,258	75,089	23,284	0	0	**732,886**
Property investments in development at WDP's expense for the purpose of leasing	35,492	9,494	4,445	0	3,662	0	**53,093**
Land reserves	7,979	6,468	845	886	19,354	0	**35,532**
Assets held for sale	**2,850**	**0**	**0**	**0**	**0**	**0**	**2,850**
Other tangible fixed assets	**65,524**	**-55**	**0**	**277**	**27**	**0**	**65,773**
Solar panels	64,857	0	0	0	0	0	**64,857**
Other	667	-55	0	277	27	0	**916**

VII. 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 are recognised using the proportionate consolidation method, irrespective of the rate of participation. Since JB Top and WDP Comm. VA jointly control the company WDP Development RO SRL, the latter is consolidated proportionally for the participation rate of 51% of WDP Comm. VA.

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.

VIII. INFORMATION ON SUBSIDIARIES

	31-12-2011 Part of the capital	31-12-2010 Part of the capital
Fully consolidated companies		
Name and full address of the registered offices		
WDP CZ SRO – Hvězdova 1716/2b – 140 78 Prague – Czech Republic	100%	100%
WDP France SARL – Rue Cantrelle 28 – 36000 Châteauroux – France	100%	100%
WDP Nederland NV – Herenkantoor B Princenhagelaan 1-A2 – 4813 DA Breda – The Netherlands	100%	100%
- based on participation in WDP Development NL NV – Herenkantoor B Princenhagelaan 1-A2 – NL-4813 DA Breda – The Netherlands*	100%	
Royvelden Vastgoed BV – Herenkantoor B Princenhagelaan 1-A2 – 4813 DA Breda – 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%

* *WDP Development NL NV was founded in August 2011 as a permanent development company at its own expense belonging to WDP Nederland NV.*

** *Royvelden Vastgoed BV merged with WDP Nederland effective 28 October 2010, resulting in the dissolution of Royvelden Vastgoed. In addition, the legal form 'Private limited company with an ordinary structure' was converted into 'Public limited company with an ordinary structure' effective 29 October 2010.*

IX. STATUS OF THE INTANGIBLE FIXED ASSETS

EUR (x 1,000)	31-12-2011	31-12-2010
SOFTWARE		
ACQUISITION VALUE		
At the end of the preceding year	673	470
Changes during the year		
- Acquisitions, including produced fixed assets	18	247
- Sales and retirements	0	-44
AT THE END OF THE YEAR	691	673
DEPRECIATION AND AMOUNTS WRITTEN DOWN		
At the end of the preceding year	251	184
Changes during the year		
- Recognised or reversed in the income statement	130	111
- Sales and retirements	0	-44
AT THE END OF THE YEAR	381	251
NET BOOK VALUE AT THE END OF THE YEAR	310	422

X. INVESTMENT PROPERTY – STATEMENT OF CHANGES*

	Financial year 31-12-2011					
EUR (x 1,000)	Belgium	Netherlands	France	Czech Republic	Romania	Total
AT THE END OF THE PRECEDING YEAR	536,725	157,220	80,380	24,170	23,016	821,511
Investments	14,816	2,617	398	48	4,142	22,021
New acquisitions	11,742	47,425	0	0	0	59,167
Acquisition of investment properties by means of share-based payment transactions	16,301	0	0	0	0	16,301
Transfers to fixed assets held for sale	-14,310	0	0	0	0	-14,310
Variations in the fair value	-508	2,898	1,829	963	-1,783	3,399
AT THE END OF THE YEAR	564,766	210,160	82,607	25,181	25,375	908,089

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

EUR (x 1,000)	Belgium	Netherlands	France	Czech Republic	Romania	Total
			Financial year 31-12-2010			
AT THE END OF THE PRECEDING YEAR	**527,744**	**156,669**	**83,761**	**23,880**	**23,338**	**815,392**
Investments	8,050	11,241	314	10	1,016	20,631
Transfers to fixed assets held for sale	-2,850	0	0	0	0	-2,850
Sales and disposals	-32	0	-6,092	0	0	-6,124
Variations in the fair value	3,813	-10,690	2,397	280	-1,338	-5,538
AT THE END OF THE YEAR	**536,725**	**157,220**	**80,380**	**24,170**	**23,016**	**821,511**

The capital expenditure relates to investments made for WDP's own property developments and investments within the existing portfolio (for additional details, please refer to '4.3. Management report – Transactions and realisation' on page 31).

In 2011, a total of 9 sites were purchased or acquired. On 1 May 2011, WDP acquired the Dutch logistics portfolio from Wereldhave for EUR 42 million (see the press releases dated 3 March 2011 and 11 April 2011). The properties acquired were 6 logistics sites located in the Randstad conurbation. On 12 September, the acquisition of GDP NV was completed, making WDP the owner of an 18,000 m² property in the Hermespark business estate in Genk, Belgium, adjacent to the existing WDP site, which was consequently extended to an area of 50,000 m² (see the press release dated 15 July 2011). On 21 November, WDP acquired a 15,000 m² site in Alphen aan den Rijn in the Netherlands (see the press releases dated 24 August 2011, 15 November 2011 and 11 January 2012). On 1 December WDP acquired the Betafence distribution centre in Zwevegem. The acquisition was completed through a partial division and payment through the issue of new WDP shares (see the press releases dated 30 September and 1 December 2011). All the above-listed sites are fully leased.

The table below shows a comparison of the annual expected rental income for these properties and the rents actually achieved in 2011.

EUR (x 1,000)	Annual rental income	Actual rental income
Genk – Brikkenovenstraat 50	675	675
Zwevegem – Blokkestraat 7	1,194	99
Alkmaar – Berenkoog 48	379	253
Amersfoort – Basicweg 1-3	681	454
Amsterdam – Hornweg 64	726	484
Roosendaal – Borchweg 23	707	471
Utrecht – Rutherfordweg 1	703	469
Alphen aan den Rijn – J. Keplerweg 2	861	574
TOTAL	**5,926**	**3,479**

In addition, the company acquired two plots of land in Flémalle (BE) and Heppignies (BE). On the Flémalle land, a 5,700 m² cross-dock centre was completed in September on behalf of DPD.

For the 'Transfers to fixed assets held for sale' column (EUR -14.3 million), please refer to Notes 'XVI. Assets held for sale'.

The difference in the valuation of the property investments is the result of changes in rental income, including through indexation and the higher occupancy rate. As at 31 December 2011, gross return on rents after the addition of the estimated market rental value for the non-leased sections was 8.3%, the same rate recorded at year-end 2010. For the calculation of the change in fair

value, the theoretical, local registration rights are deducted from the investment value. These rates averaged 2.5% in Belgium, 5.5% in the Netherlands, 2.6% in France, 2.0% in the Czech Republic, and 3.0% in Romania.

XI. STATEMENT OF OTHER TANGIBLE FIXED ASSETS

	31-12-2011			31-12-2010		
EUR (x 1,000)	Solar panels	Other*	Total	Solar panels	Other*	Total
a) ACQUISITION VALUE						
At the end of the previous financial year	43,526	1,989	**45,515**	36,639	2,389	**39,028**
Movements during the financial year:						
- Capital expenditure (external suppliers)	3,347	463	**3,810**	6,740	88	**6,828**
- Capitalisation of own personnel costs**	88	0	**88**	103	0	**103**
- Interest during construction**/***	10	0	**10**	44	0	**44**
- Transfers and decommissionings	0	-268	**-268**	0	-488	**-488**
AT THE END OF THE YEAR	46,971	2,184	49,155	43,526	1,989	45,515
b) PROFITS FROM SALE						
At the end of the previous financial year	21,331	0	**21,331**	17,435	0	**17,435**
Movements during the financial year:						
- Recorded****	-1,302	0	**-1,302**	3,896	0	**3,896**
AT THE END OF THE YEAR	20,029	0	20,029	21,331	0	21,331
c) DEPRECIATION AND AMOUNTS WRITTEN DOWN						
At the end of the previous financial year	0	1,073	**1,073**	0	1,231	**1,231**
Movements during the financial year:						
- Taken to or reversed through profit and loss account	0	226	**226**	0	316	**316**
- Transfer from one item to the next	0	-65	**-65**	0	0	**0**
- Written off	0	-235	**-235**	0	-474	**-474**
AT THE END OF THE YEAR	0	999	999	0	1,073	1,073
d) NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	**67,000**	**1,185**	**68,185**	**64,857**	**916**	**65,773**

* *'Other' includes 'Systems, machinery and equipment', 'Furniture and rolling stock' and 'Other tangible fixed assets'.*

** *In line with IAS 23, costs related to the company's own staff and finance charges are capitalised for the period until the solar panels are ready for use.*

*** *For the calculation of capitalised borrowing costs, a capitalisation rate of 4.0% was used in 2011. In 2010, this rate was 4.5%.*

**** *Solar panels are revalued in accordance with IAS 16. The gains and losses are entered directly in a separate column included in shareholders' equity. If losses are incurred or if the fair value of the solar panels falls below the original investment value, these losses are taken to the profit and loss account. Please refer to Notes 'IV. Significant accounting estimates and key uncertainties affecting estimates' on page 163.*

XII. NON-CURRENT FINANCIAL ASSETS

The table below summarises the financial assets and liabilities as at 31 December 2011:

	31-12-2011 EUR (x 1,000)	31-12-2010 EUR (x 1,000)
Non-current financial assets	**11,418**	**12,535**
- Assets held until end of term	0	1,107
Permitted hedging instruments	0	1,107
- Liabilities and receivables	11,418	11,428
Other*	11,418	11,428

* *This represents a long-term liability relating to WDP Development RO.*

XIII. DERIVATIVE FINANCIAL INSTRUMENTS

For the company's risk management policy, please refer to '1. Risk factors' on page 4 and '4.4. Management report – Management of the financial resources' on page 40.

The Group uses derivative financial instruments in order to hedge interest rate risks on its financial debt with the purpose of reducing volatility of the net current profit (which forms the basis of the dividend) while at the same time keeping cost of debt as low as possible. WDP manages its interest rate exposure centrally through a macro hedging policy. The Group does not engage in any derivative contracts for speculative purposes nor does it hold any derivative financial products for trading purposes. These derivatives used by WDP do not qualify for hedge accounting. Consequently, changes on the fair value are recorded immediately in the income statement.

On 31 December 2011, WDP hedged its current and future financial liabilities for EUR 416 million, mainly by entering into Interest Rate Swaps (IRS) contracts. If we include only the contracts that had already been entered into on 31 December 2011, this means that approximately 76% of financial debt is hedged at a fixed interest rate of 3.7% (versus 4.1% in 2010) and with an average term of 6.3 years (versus 4.9 years in 2010).

WDP entered into various Callable Interest Rate Swaps. These instruments represent a combination of a traditional Interest Rate Swap, whereby the company pays a fixed interest rate and receives a floating interest rate, and an option sold by WDP to the financial counterparty that allows to cancel this Interest Rate Swap from a specific date. The sale of this option enables the fixed interest rate component of the Interest Rate Swap to decrease during the term of the contract.

Type of hedging instrument	Notional amount EUR (x 1,000)	Interest rate	Duration
Interest Rate Swap	15,000,000	1.148	2013
Interest Rate Swap	10,000,000	3.390	2013
Interest Rate Swap	5,000,000	3.390	2013
Interest Rate Swap (callable)	20,000,000	3.750	2014
Interest Rate Swap	5,000,000	4.110	2014
Interest Rate Swap	5,000,000	4.050	2014
Interest Rate Swap	20,000,000	3.190	2015
Interest Rate Swap	10,000,000	4.480	2016
Interest Rate Swap	10,000,000	3.883	2016
Interest Rate Swap	10,000,000	4.535	2016
Interest Rate Swap (callable)	10,000,000	3.600	2017
Interest Rate Swap	10,000,000	4.500	2017
Interest Rate Swap	20,000,000	4.560	2017
Interest Rate Swap	25,000,000	3.500	2017
Interest Rate Swap (callable)	15,000,000	4.160	2017
Interest Rate Swap (callable)	10,000,000	3.450	2018
Interest Rate Swap (callable)	10,500,000	3.750	2018
Interest Rate Swap (callable)	10,500,000	3.440	2018
Interest Rate Swap	10,000,000	4.250	2018
Interest Rate Swap	20,000,000	4.570	2018
Interest Rate Swap (callable)	10,000,000	2.800	2018
Interest Rate Swap	5,000,000	4.260	2018
Interest Rate Swap	5,000,000	4.175	2018
Floor KI / Cap KO	10,000,000	4.500	2018
Interest Rate Swap	20,000,000	3.590	2019
Interest Rate Swap	10,000,000	4.640	2019
Interest Rate Swap	10,000,000	2.996	2019
Interest Rate Swap	10,000,000	3.988	2020
Interest Rate Swap	15,000,000	3.620	2020
Interest Rate Swap	6,942,750	3.475	2020
Interest Rate Swap	6,504,000	3.480	2020
Interest Rate Swap	6,942,750	3.480	2020
Interest Rate Swap	25,000,000	3.613	2021
Interest Rate Swap	10,000,000	3.240	2021
Interest Rate Swap	15,000,000	3.390	2021
Forward Interest Rate Swap	15,000,000	3.080	2022

These contracts are valued at fair value at the balance sheet date, in compliance with IAS 39. This information is received from the various financial institutions and is verified by WDP by discounting future contractual cash flows based on matching yield curves.

Fair value is determined based on observable inputs; consequently, the IRS contracts are part of level 2 of the fair-value hierarchy, as provided in IFRS 7.

The table below shows the movements in fair value and valuations at fair value on the balance sheet date of the hedging instruments.

EUR (x 1,000)	31-12-2011	31-12-2010
Fair value at the balance sheet date	**-51,978**	**-34,708**
Non-current financial assets	0	1,107
Assets held until end of term	0	1,107
Other long-term financial liabilities	51,978	35,315
Permitted hedging instruments	51,978	35,315
Short-term financial liabilities	0	500
Other	0	500

EUR (x 1,000)	31-12-2011	31-12-2010
Movements in the fair value of financial assets and liabilities	**-17,272**	**-2,256**
Revenues	9,336	6,266
Costs	-26,608	-8,522

SENSITIVITY OF THE IRS FAIR VALUE VALUATION

The table below shows the impact of the fair value of the IRSs if the interest rate were to increase or decline by a maximum of 1%.

INTEREST RATE MOVEMENTS

EUR (x 1,000)	Impact of movements in the fair value of the IRses as at 31-12-2011
-1.00%	26,713
-0.75%	19,846
-0.50%	13,107
-0.25%	6,492
0.00%	-
0.25%	6,373
0.50%	12,628
0.75%	18,769
1.00%	24,797

XIV. RECEIVABLES FROM FINANCIAL LEASES

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.
The leasing contract was cancelled effective 31 December 2011.

EUR (x 1,000)	31-12-2011	31-12-2010
Less than one year	7	100
More than one year but less than five years	3	117
Minimum payments pursuant to lease	**10**	**217**
Financial returns not acquired	-10	-22
Current value of the minimum payments pursuant to lease	**0**	**195**
Long term finance lease debts	0	107
More than one year but less than five years	0	107
Short term finance lease debts	0	88

XV. TRADE RECEIVABLES AND OTHER FIXED ASSETS

EUR (x 1,000)	Financial year 31-12-2011	Financial year 31-12-2010
Receivables from tenants	4,186	6,132
Other	222	18
TOTAL	4,408	6,150

XVI. ASSETS HELD FOR SALE

EUR (x 1,000)	31-12-2011	31-12-2010
Belgium		
Assets held for sale at year-end 2011	14,311	0
Dijkstraat 44 in Wespelaar	0	1,975
Kapelstraat 46 in Boom	0	550
Frans Van Kalkenlaan 9 in Anderlecht (one floor)	0	325
TOTAL	14,311	2,850

At year-end 2011, WDP was in negotiations for the sale of four smaller, non-strategic sites for a total amount of EUR 14.3 million. The buildings were valued at the sale price in 2011, in line with the fair value.

EUR (x 1,000)	Full-year rental income	Actual rental income
Dijkstraat 44 in Wespelaar	166	163
Kapelstraat 46 in Boom	0	0
Frans Van Kalkenlaan 9 in Anderlecht (one floor)	0	0
TOTAL	166	163

SALES

The following properties were sold in whole or in part over the course of 2011:

Held for sale at year-end 2010; sold in 2011

Boom – Kapelstraat 46*
An agreement was entered into during the fourth quarter of 2011 to sell the land at Kapelstraat 46 in Boom. The 4,292 m² plot was included in the 'Assets held for sale' column at year-end 2010.
The deed was executed in 2011.

Anderlecht – Frans Van Kalkenlaan 9 (Asar Tower)*
WDP owns floors 3-8 of this 8-storey tower (comprising 2,016 m² of office space and 359 m² of storage space). In November 2010, the company signed a sales contract to sell the 8th floor (covering 336 m²), which was subsequently included in the column 'Assets held for sale'. The deed was executed in 2011.

Wespelaar – Dijkstraat 44*
The property at Dijkstraat 44 was divided into two sections (retail space and warehouses plus offices). The deed relating to the retail space was executed in the second quarter of 2009. The warehouses were included in the column 'Assets held for sale'. The deed was executed in 2011.

Assets held for sale at the end of December 2011

At the end of 2011, WDP was in negotiations regarding the sale of four smaller, non-strategic sites for a total amount of EUR 14.3 million.

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 'Assets held 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 'Assets held 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 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.

XVII. TRADE RECEIVABLES AND DOUBTFUL DEBTORS

EUR (x 1,000)	31-12-2011	31-12-2010
Customers	4,046	6,567
Write-downs booked on doubtful debtors	-1,513	-1,321
Invoices to be prepared/credit notes receivable	1,835	888
Other receivables	2,281	1,678
TRADE RECEIVABLES	**6,649**	**7,812**

Trade receivables due within less than one year declined from EUR 7.8 million at the end of 2010, to EUR 6.6 million at year-end 2011.

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

EUR (x 1,000)	31-12-2011	31-12-2010
Not past due and < than 30 days past due	900	3,525
30-60 days past due	928	919
60-90 days past due	82	39
> 90 days past due	2,136	2,084
TOTAL RESULT – CLIENTS	**4,046**	**6,567**

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

EUR (x 1,000)	31-12-2011	31-12-2010
Due > 90 days	2,136	2,084
Value reduction of dubious debtors	-1,629	-1,321
Due > 90 days but that do not form any problem of non-payment	507	763

DOUBTFUL DEBTORS – STATEMENT OF CHANGES

EUR (x 1,000)	31-12-2011	31-12-2010
AT THE END OF THE PREVIOUS FINANCIAL YEAR	1,321	1,482
Additions	575	54
Reversals	-267	-215
AT THE END OF THE YEAR	1,629	1,321

Compared to the previous financial year, the bad-debt provision increased from EUR 1.3 million to EUR 1.6 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 2011 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 (16.5% of rental income). Univeg group accounted for 16.8% in 2011. The properties are three different entities within the Univeg Group, which are leasing six properties across Belgium and the Netherlands. The second-largest tenant is DHL with 9.1%. Except Kuehne & Nagel (6.8%) and Philips Lighting (5.2%), the rest of the top 10 tenants account for less than 5% of rental income. For a list of main tenants, please see '6.1. Property report – Review of the consolidated property portfolio' on page 102.

XVIII. TAX BENEFITS AND OTHER CURRENT ASSETS

EUR (x 1,000)	Year 31-12-2011	Year 31-12-2010
Tax	882	507
Advance on property purchased	89	489
Loans to buyers	0	310
Other	460	518
TOTAL	1,431	1,824

XIX. CAPITAL

EUR (x 1,000)		Evolution of capital 31-12-2011	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
2010	Capital increase through the payment of a debt in relation to the optional dividend	5,025	650,437
2010	Capital increase following Betafence transaction	3,458	454,146
TOTAL		106,336	13,638,521

	Year 31-12-2011	Year 31-12-2010
Number of shares at the beginning of the financial year	12,533,938	12,533,938
Capital increase through the payment of a debt in relation to the optional dividend	650,437	0
Capital increase following Betafence transaction	454,146	0
Number of shares entitled to dividend	13,638,521	12,533,938
Net result of the financial year (in EUR x 1,000)	29,704	32,602
Net result per share (EUR)*	2.29	2.60

* *Calculation based on the average number of shares. Until 27 May 2011: 12,533,938 shares; from 27 May 2011 to 2 December 2011: 13,184,375; after 2 December 2011: 13,638,521 shares.*

WDP Comm. VA 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 Annual 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 2011. 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 100,521,811.63. This authorisation is valid for five years as from 16 May 2011. This authorisation can be renewed.

XX. PROVISIONS

Nature of the liabilities EUR (x 1,000)	31-12-2011 Belgium Environmental remediation	Total
OPENING BALANCE	**1,115**	**1,115**
Amounts used	-3	-3
CLOSING BALANCE	**1,112**	**1,112**
Expected payment date for use of provisions	< 5 years	

During the course of the 2011 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 2011 was still EUR 1.1 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.

Nature of the liabilities EUR (x 1,000)	31-12-2010 France Tax (exit tax)	Belgium Environmental remediation	Total
BEGINSALDO	**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	

XXI. STATUS OF LIABILITIES

EUR (x 1,000)	Included as of		< 1 year		1-5 years		> 5 years	
	31-12-2011	31-12-2010	31-12-2011	31-12-2010	31-12-2011	31-12-2010	31-12-2011	31-12-2010
Commercial paper	**110,750**	**112,000**	110,750	112,000				
Straight loans	**9,900**	**9,650**	9,900	9,650				
Roll-over credit	**2,044**	**1,964**	2,044	1,964				
Leasing liabilities	**3,486**	**3,368**	3,486	3,368				
Other	**7**	**519**	7	519				
Short-term financial debts	**126,187**	**127,501**	**126,187**	**127,501**	**0**	**0**	**0**	**0**
Roll over loans	**390,123**	**337,913**			330,686	226,384	59,437	111,529
Lease debts	**23,947**	**27,434**			13,737	14,336	10,210	13,098
Other	**8,466**	**8,068**					8,466	8,068
Non-current financial liabilities	**422,536**	**373,415**	**0**	**0**	**344,423**	**240,720**	**78,113**	**132,695**
TOTAL	**548,723**	**500,916**	**126,187**	**127,501**	**344,423**	**240,720**	**78,113**	**132,695**

General details (see also Part I – Financial Management Report)

Total financial debt at 31 December 2011 equated to EUR 549 million, versus EUR 501 million at year-end 2010. 23% of these debts represent short-term liabilities (mainly straight loans and debt entered into as part of the Commercial Paper Programme). The remaining 77% have a term of more than 1 year, 14% of which expire after more than 5 years.

The average term of the outstanding financial debt as at 31 December 2011 was 3.5 years. This includes the refinancing of existing credit facilities realised after the closing date and prior to the publication of the 2011 results. If only total drawn and undrawn long-term credit facilities are included, the weighted average term is 4.1 years. For some loans, the lender may decide to extend the loan through an extension option. If this option were to be exercised each time, the weighted average term of the long-term loans would be 4.9 years.

On 31 December 2011, virtually all debts were entered into at a floating short-term interest rate plus bank margin. In order to protect the company from volatility and an increase in short-term interest rates, WDP uses Interest Rate Swaps (IRSs). For example, the company currently has a notional amount in IRSs outstanding of EUR 416 million, which means that 76% of debts are hedged (versus 84% at year-end 2010). These hedging interests have an average remaining term of 6.3 years, while the average interest rate of the hedges was 3.71% at year-end 2011 (4.71% at year-end 2010). At 31 December 2011, these financial derivatives were EUR -52.0 million (versus EUR -37.7 million at year-end 2010).

WDP's weighted average cost of debt for the 2011 financial year was 4.0%, including credit margins, the reservation commission for unused and confirmed credit facilities and the cost of hedging instruments. Average cost of debt in 2010 was 4%.

As at 31 December 2011, the company complied with all contractually applicable bank covenants (for additional information on these covenants, please see 'XXXI. Rights and obligations not included in the balance sheet' on page 189).

Financial lease debts

At year-end 2011, WDP has lease debts amounting to EUR 27.4 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 6 years had already been settled as of 31 December 2011. The purchase option was EUR 204,507.76. The interest rate is Euribor 3M. The remaining lease debt at 31 December 2011 is EUR 17.8 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 7.5 years had been settled as of 31 December 2011. The interest rate is Euribor 3M increased by a margin from 0.62 to 0.90%, depending on the contracting financial institution. The remaining lease debt at year-end 2011 is EUR 4.0 million.

- During the first quarter of 2009, following the sale and rent back 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 13 years and 9 months had already been redeemed as of 31 December 2011. The purchase option is EUR 0.4 million. At year-end 2011, the leasing debt for the DHL site in Mechelen was still EUR 4.1 million. The contract for the DHL site in Willebroek, which has a term of 22 years and 9 months, will expire on 30 September 2022. At year-end 2011, the leasing debt for this site was EUR 1.5 million.

XXII. CALCULATION OF THE GEARING AND NOTES REGARDING CHANGES IN GEARING

EUR (x 1,000)		Financial year 31-12-2011	Financial year 31-12-2010
Non-current and current liabilities		617,550	551,095
To be excluded:			
- I. Non-current liabilities – A. Provisions		-1,112	-1,115
- I. Non-current liabilities – C. Other non-current financial liabilities – Permitted hedging instruments		-51,978	-35,315
- I. Non-current liabilities – F. Deferred taxes – Liabilities		-1,968	-1,846
- II. Current liabilities – B. Short-term financial liabilities – Other: Hedging instruments		0	-500
- II. Current liabilities – F. Deferred charges and accrued income		-1,194	-3,214
Total debt	**A**	561,299	509,107
Total assets	**B**	1,018,883	922,381
Debt ratio	**A / B**	55.09%	55.19%

FURTHER NOTES TO CHANGES IN THE COMPANY'S GEARING

Pursuant to Article 54 of the new Royal Decree issued on 7 December 2010, public closed-ended property investment funds are required to draft a financial plan, including an implementation schedule, describing the measures to be taken in order to prevent the gearing from increasing above 65% of consolidated assets, if the consolidated gearing exceeds 50% of consolidated assets. The statutory auditor must prepare a special report on this financial plan confirming that it has verified the preparation method used for the plan, particularly its accounting principles, and that the figures contained in the plan match those of the property CEICs accounts. The statutory auditor's special report will not be included in this Annual Financial Report, although a copy will be

filed with the Financial Services and Markets Authority (FSMA). The interim and annual financial reports must account for how the financial plan was implemented during the relevant period and how the property CEIC intends to implement it in the future.

1. Changes in gearing

Historically, WDP's gearing has exceeded 50% since 2007. With the exception of a single peak of 63% at the end of 2008, average gearing has since remained stable, hovering around 55%. Throughout WDP's history, its gearing has never exceeded 65%.

In 2011, the company's consolidated gearing remained level: 55.1% at 31 December 2011 versus 55.2% at 31 December 2010. This is based on a total investment volume of around EUR 100 million. In other words, given the stable gearing, the capital structure did not change as a result of the investments. This was facilitated by the fact that the new investments were funded at a debt/equity ratio of 45/55. This was because shareholders' equity was boosted by the success of the optional dividend: more than 70% of the shareholders opted for a share dividend for 2010, the acquisition of the Betafence distribution centre through a partial division for payment in new WDP shares and the retained profits.

Based on the current gearing of 55.1% at 31 December 2011, the company has additional investment potential of approximately EUR 275 million, without exceeding the maximum gearing of 65%. There is room for EUR 125 million in additional investments before the 60% gearing is exceeded.

Portfolio valuations also affect gearing. Based on the current capital base, the maximum gearing of 65% would only be exceeded if the value of investment property were to decline by approximately EUR 155 million (17% compared to the EUR 922 million property portfolio). WDP believes that the current gearing is at an acceptable level and provides sufficient margin to offset any decreases in the value of the property. Furthermore, in 2011 the surveyors' appraisal showed that the fair value of the portfolio had stabilised.

The new Royal Decree on Property CEICs provides that, if a property CEICs unconsolidated or consolidated gearing exceeds the 65% of its unconsolidated or consolidated assets (based on the individual case), it will be unable to distribute dividend to the shareholders until the gearing has dropped below 65% again. In that case, the reserves thus accumulated may only be used for repayments necessary to reduce the property CEICs consolidated or unconsolidated gearing below 65% of the consolidated or unconsolidated assets, depending on the case.

Each quarter, an update is made of a detailed financial model incorporating forecasts relating to the profit and loss account and the balance sheet, for a period of 3 years or longer if, for example, specific planned investments extend beyond this horizon. This takes into account all the company's current commitments and other parameters, both internal and external (internal might include lease renewals, while external refers, for example, to interest rates). This also incorporates an analysis of the expected changes in gearing and the sensitivity of the gearing (at the unconsolidated and consolidated levels) relating to investments and any value decreases in the portfolio. Based on the same frequency – unless circumstances require faster action – the analysis is submitted to the Board of Directors, which helps ensure that the gearing does not exceed 65%.

2. Expected changes in gearing in 2012

WDP's gearing should remain constant in the course of 2012, i.e. as compared to 55.1% at year-end 2011. This takes into account the following elements:

- The implementation of the current investment programme and the planned divestments*.
- Retained profits, taking into account expected profit for 2012 of EUR 49 million and dividend distribution for the 2011 financial year.
- An optional dividend where the investment potential created as a result (through shareholders' equity and borrowed capital) is used for new investments, based on a constant capital structure.

3. Decision

WDP therefore believes that the gearing will not exceed 65% and that, depending on current economic and property trends, the planned investments and expected changes in the company's shareholders' equity, no additional measures need to be taken.

The purpose is to maintain the gearing at a level ranging from 55% to 60%, and in this context the targets set by WDP are based on a capital structure maintained at the same level. This is justifiable considering the type of property in which WDP invests, with a consistent average return of 8%. This creates sufficient margin to pay the interest charges resulting from the liabilities. Additionally, WDP has a solid track record in attracting funding. On the one hand, it maintains strong relationships with its partner banks, which should make it possible to refinance the liabilities on the maturity date or to secure new loans for any additional acquisitions. On the other hand, the success of the optional dividend has shown that WDP has the confidence of investors as well as having access to the capital market in order to fund new projects in part with shareholders' equity, thereby ensuring that the gearing remains within the proposed range.

If specific events were to require an adjustment of the company's policies, this will occur immediately, and the company's shareholders will be informed through its periodic reports.

XXIII. OTHER CURRENT LIABILITIES

EUR (x 1,000)	Year 31-12-2011	Year 31-12-2010
Deferred payments relating to acquisitions	1,640	0
Deposits and rental guarantees received	296	66
Outstanding dividends	248	231
Other	164	157
TOTAL	2,348	454

* *See also 'Assets held for sale' in '4.3. Management report – Transactions and realisations' on page 31 and the 'Balance sheet' on page 147.*

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

EUR (x 1,000)	Year 31-12-2011	Year 31-12-2010
Rental income		
Within one year	66,930	55,477
More than one but less than five years	291,910	186,600
Over five years	319,969	216,652
TOTAL	**678,809**	**458,729**

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 1.6% and 2.5% for 2010 and 2011, respectively.

Future rental income increased by 48% from last year. This was driven mainly by the sharp growth in the portfolio (see also '4.3. Management report – Transactions and realisations' on page 31) and the longer term of the contracts (7.2 years on average until the next expiry date, versus 6.1 at year-end 2010).

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.

XXV. AVERAGE WORKFORCE AND BREAKDOWN OF MEMBERS OF PERSONNEL

EUR (x 1,000)	Year 31-12-2011	Year 31-12-2010
In fully consolidated companies		
Average workforce	**27,7**	**25,0**
a) Workers	6,6	5,9
b) Employees	21,1	19,1
- Administrative employees	14,3	12,9
- Technical employees	6,8	6,2
Geographical location of workforce	**27,7**	**25,0**
- Western Europe	24,9	23,0
- Central and Eastern Europe	2,8	2,0
Personnel costs	**1,872**	**1,538**
a) Remuneration and direct fringe benefits	1,245	963
b) Employer's national insurance contributions	406	328
c) Employer's supplementary insurance premiums	87	82
d) Other personnel costs	134	165

XXVI. PROFIT FROM THE SALE OF INVESTMENT PROPERTY

EUR (x 1,000)	Financial year 31-12-2011	Financial year 31-12-2010
Net property sales (sales price – transaction costs)	2,893	20,380
Book value of properties sold	-2,876	-20,449
PROFIT FROM THE SALE OF INVESTMENT PROPERTY	17	-69

XXVII. VARIATIONS IN THE FAIR VALUE OF INVESTMENT PROPERTY

EUR (x 1,000)	Belgium	Netherlands	France	Czech Republic	Romania	Total
	Financial year 31-12-2011					
Latent variations of existing property	601	3,735	1,829	963	-1,783	5,345
Impairment (recognised and reversed) on property assets under development, funded by WDP, for leasing purposes	-1,109	-837	0	0	0	-1,946
TOTAL	-508	2,898	1,829	963	-1,783	3,399

EUR (x 1,000)	Belgium	Netherlands	France	Czech Republic	Romania	Total
	Financial year 31-12-2010					
Latent variations of existing property	4,625	-10,822	2,396	280	-1,338	-4,859
Impairment (recognised and reversed) on property assets under development, funded by WDP, for leasing purposes	-811	132	0	0	0	-679
TOTAL	3,814	-10,690	2,396	280	-1,338	-5,538

Impairment on investment properties under development at WDP's expense, designated for leasing is due to the fact that the fair value is merely a random indication and does not take into account the building in its completed state and the eventual rental situation.

XXVIII. FINANCIAL RESULT

EUR (x 1,000)	Year 31-12-2011	Year 31-12-2010
Financial revenues	**1,365**	**1,000**
Interest and dividends received	640	482
Finance lease and other indemnities	12	18
Other financial income	713	500
Net interest charges	**-20,066**	**-19,388**
Nominal interest charges on loans	-10,856	-7,046
Interest capitalised during construction	1,586	1,702
Cost of permitted hedging instruments	-12,337	-14,523
Income from permitted hedging instruments	1,768	527
Other interest charges	-227	-48
Other interest charges	**-216**	**-97**
Bank charges and other commissions	-60	-33
Other financial charges	-156	-64
Movements in the fair value of financial assets and liabilities	**-17,272**	**-2,256**
FINANCIAL RESULTS	-36,189	-20,741

The financial result for 2011 (excluding IAS 39 result) was EUR -18.9 million – a slight increase from last year (EUR -18.5 million), including an increase in total financial liabilities to EUR 549 million (versus EUR 501 million at the start of the year. Average interest charges in 2011 were 4.0%, versus 4.3% in 2010. This decline is a result of the fact that WDP extended a portion of the interest rate hedges at a lower interest rate.

The impact of the IAS 39 result was EUR -17.3 million for 2011 (versus EUR -2.3 million for 2010). This negative impact is due to the movements in the fair value of the interest rate hedges contracted (mainly Interest Rate Swaps) at 31 December 2011 as a result of a sharp decline in long-term interest rates over the course of 2011. The impact of IAS 39 is calculated based on the mark-to-market (M-t-M) value of the interest rate hedges contracted. The fluctuations in the fair value of the hedging instruments represent a non-realised, non-cash item (if these products are held until maturity and are not settled prematurely).

WDP's risk policy with regard to the financial policy is detailed in '1. Risk factors' on page 4. The derivatives currently used by WDP do not qualify as hedging transactions, which is why movements in fair value are included directly in the result.

XXIX. TAXES

EUR (x 1,000)	Year 31-12-2011	Year 31-12-2010
Recorded in the consolidated profit and loss account		
Corporate tax	-87	-865
Negative deferred taxes on market fluctuations	-183	-1,735
Positive deferred taxes on market fluctuations	317	3,269
Latent tax on reversal of amortisation	-146	990
Latent tax on provision of major maintenance	0	328
Future tax saving on recoverable losses	-57	-78
Other deferred taxes	0	573
Exit tax	-696	-1,081
TOTAL TAXES	-852	1,401

Warehouses De Pauw Comm. VA is a limited company with share capital with the status of a property CEIC. This status is subject to a favourable tax regime, as the property CEIC 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 property CEIC status. As such, WDP Nederland qualifies as a fiscal investment institution, as specified in Section 28 of the 1969 Corporation Tax Act.

WDP France SARL 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 obligation in relation to the fair value of the property was EUR 2.0 million (versus EUR 1.8 million at 31 December 2010). This represents only the deferred tax obligation of WDP in the Czech Republic and WDP Development RO.

XXX. TRANSACTIONS BETWEEN AFFILIATES

Besides the management fee charged to WDP by the manager, De Pauw NV, there were no transactions between affiliates. For 2011, this fee has been set at EUR 925,000, while for 2010 it was EUR 850,000.

XXXI. RIGHTS AND OBLIGATIONS NOT INCLUDED IN THE BALANCE SHEET

On 31 December 2011, WDP and its subsidiaries provided a total amount of EUR 5,682,552.64 in bank guarantees. The beneficiaries can be classified in the categories stated below, along with the appropriate amounts.

in EUR	
Environmental	1,959,200.00
Rent & concession	230,679.65
Financial	2,707,694.29
Legal	750,000.00
Services	34,978.70

The parent company, WDP Comm. VA, has provided the following securities for its respective subsidiaries:

- Security for the agreements of WDP Nederland NV in the amount of EUR 23.7 million, provided to ING.
- Security for the agreements of WDP Nederland NV in the amount of EUR 105 million, provided to ABN AMRO.
- Line of credit at Belfius in the amount of at EUR 25 million maximum, provided by WDP Comm. VA and WDP Czech Republic (as joint debtors), partially guaranteed by surety in a joint and several obligation provided by parent company WDP Comm. VA. The total security is EUR 5 million (principal) plus interest, commissions and other fees and charges.
- Security for the agreements of WDP Development RO srl in the amount of EUR 75 million, provided to the EIB.

WDP has entered into the following commitments with the credit institutions under the bank covenants:

- Commitment for the credit institutions with which WDP typically conducts business in order not to burden the fixed assets with mortgages or power of attorney to mortgage (i.e. negative pledge).
- WDP has entered into a commitment with the various banks in order to remain eligible as a property CEIC. The conditions for property CEIC status are included in the Royal Decree of 10 April 1995, the Royal Decree of 21 June 2006 and the Royal Decree of 7 December 2010. For more information, please refer to the section titled 'General information regarding the property CEIC' on page 212.
- In order to fund the operations in the Netherlands through WDP Nederland NV, WDP has entered into a commitment to remain eligible as a *Fiscale Beleggingsinstelling*.
- For some financial institutions, WDP undertakes to maintain a minimum Interest Cover Ratio[1]. For WDP, this minimum is generally 1.5x, except for one particular loan, where it is 2.0x. For 2011, the rate was 3.1x.
- For some financial institutions, WDP undertakes to limit properties that have not yet been pre-let (i.e. speculative developments) to 15% of the book value of the portfolio (excluding land reserves). As at 31 December 2011, the rate was 1%.
- The Commercial Paper programme may not amount to more than EUR 150 million. As at 31 December 2011, this Programme had a total value of EUR 111 million.
- A solidary security guarantee for the commitments of WDP France SARL, provided to KBC Bank in connection with an outstanding loan of EUR 0.9 million.

As at 31 December 2011, WDP complied with all the applicable bank covenants.

1 *Defined as 'operating result before the result on portfolio 'divided by' interest charges – interest and dividends collected – fee for financial leasing and others'.*

XXXII. CHANGES IN WORKING CAPITAL REQUIREMENTS

EUR (x 1,000)	Financial year 31-12-2011	Financial year 31-12-2010
Increase (+) / decrease (-) in assets	**2,904**	**-2,095**
Financial leasing liabilities	195	83
Trade receivables	2,801	-3,945
Other fixed assets	-204	-375
Tax receivables	-375	1,493
Other current assets	768	-209
Costs to be transferred and revenues acquired	-281	858
Increase (+) / decrease (-) in liabilities	**-7,184**	**-570**
Trade receivables	-6,456	-2,549
Taxes, social charges and liabilities relating to remuneration	-604	1,485
Other current liabilities	1,894	-92
Costs to be allocated and revenues to be transferred	-2,018	586
Other	**-127**	**4**
TOTAL	-4,407	-2,661

XXXIII. WORKING CAPITAL REQUIREMENT

EUR (x 1,000)		Financial year 31-12-2011	Financial year 31-12-2010
Current assets – working capital components	**A**	**10,460**	**11,824**
Financial leasing liabilities		0	88
Trade receivables		4,046	6,567
Other fixed assets		2,603	1,245
Tax receivables		882	507
Other current assets		549	1,317
Costs to be transferred and revenues acquired		2,380	2,100
Current liabilities – working capital components	**B**	**13,769**	**11,903**
Trade receivables		8,149	5,555
Taxes, social insurance costs and liabilities relating fo remuneration		2,076	2,680
Other current liabilities		2,348	454
Costs to be allocated and revenues to be transferred		1,196	3,214
Working capital at end of financial year	**A-B**	**-3,309**	**-79**

Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2011 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 implemented by the Royal Decree on Property CEICs of 7 December 2010. 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 1,018,884 (000) and the consolidated income statement shows a consolidated profit for the year then ended of EUR 29,704 (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 2011, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as implemented by the Royal Decree on Property CEICs of 7 December 2010.

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 26, 2012

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 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

2011 Annual statutory financial statements*

Profit and loss account

EUR (x 1,000)	Year 31-12-2011	Year 31-12-2010
I. Rental income	**39,682**	**38,343**
Rents	39,500	37,766
Indemnification for early termination of lease	182	577
III. Rental charges	**-578**	**-97**
Rent to be paid for leased premises	-277	-271
Valuation allowances for trade receivables and reversals	-573	-47
Reversals of valuation decreases for trade receivables	272	221
NET RENTAL RESULT	39,104	38,246
V. Recovery of rental charges normally paid by the tenant on let properties	**4,635**	**4,441**
Re-invoicing rental charges paid out by the owner	1,753	1,719
Re-invoicing advance property levy and taxes on let buildings	2,882	2,722
VII. Rental charges and taxes normally paid by the tenant on let properties	**-5,161**	**-5,020**
Rental charges paid out by the owner	-1,892	-1,751
Advance levies and taxes on let properties	-3,269	-3,269
VIII. Other income and charges related to leases	**6,685**	**5,423**
Property management fees	476	394
Income from solar energy	6,209	5,029
PROPERTY RESULT	45,263	43,090
IX. Technical costs	**-953**	**-759**
Recurrent technical costs	-1,026	-732
- Repairs	-816	-521
- Insurance premiums	-210	-211
Non-recurrent technical costs	73	-27
- Major repairs (building contractors, architects, engineering firm, etc.)	0	1
- Accidents	73	-28
X. Commercial costs	**-158**	**-220**
Agency commissions	-42	-71
Advertising	-61	-58
Lawyers' fees and legal charges	-55	-91
XII. Property management costs	**-90**	**-121**
External management fees	0	0
(Internal) property management costs	-90	-121
PROPERTY CHARGES	-1,201	-1,100
PROPERTY OPERATING RESULTS	44,062	41,990
XIV. General company expenses	**110**	**-2,287**
OPERATING RESULTS BEFORE RESULT ON PORTFOLIO	44,172	39,703

* *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 7 December 2010.*

The comparative figures for the 2010 financial year have been adjusted to the new schedule, in accordance with the Royal Decree of 7 December 2010.

2011 Annual statutory financial statements*

Profit and loss account

EUR (x 1,000)	Year 31-12-2011	Year 31-12-2010
XVI. Result on disposals of investment property	**15**	**49**
Net property sales (sales price – transaction costs)	2,893	14,280
Book value of properties sold	-2,878	-14,231
XVIII. Variations in the fair value of investment property**	**509**	**4,183**
Positive variations in the fair value of investment property	10,725	11,355
Negative variations in the fair value of investment property	-9,107	-6,361
Impairment of assets under construction (recognised and reversed)	-1,109	-811
XIX. Other portfolio result	0	0
OPERATING RESULT	44,696	43,935
XX. Financial revenues	**9,467**	**7,209**
Interests and dividends received	9,241	7,007
Income from financial leases and similar	12	18
Other financial revenues	214	184
XXI. Net interest charges	**-19,919**	**-20,414**
Nominal interest on loans	-9,757	-6,763
Interest capitalised during construction	569	392
Cost of permitted hedging instruments	-12,337	-14,523
Revenue from permitted hedging instruments	1,768	527
Other interest charges	-162	-47
XXII. Other financial charges	**-57**	**-38**
Bank charges and other commissions	-57	-32
Other financial charges	0	-6
XXIII. Movements in the fair value of financial assets and liabilities	**-4,640**	**2,179**
Permitted hedging instruments	-17,272	-2,256
Permitted hedging instruments not subject to hedging accounting as defined in IFRS	-17,272	-2,256
Other	12,632	4,435
FINANCIAL RESULT	-15,149	-11,063
PRE-TAX RESULT	29,547	32,872
XXIV. Corporation tax	**-69**	**-66**
XXV. Exit tax	**44**	**0**
TAXES	-25	-66
NET RESULT	29,522	32,806

* *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 7 December 2010.*

** *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.*

The comparative figures for the 2010 financial year have been adjusted to the new schedule, in accordance with the Royal Decree of 7 December 2010.

2010 Annual statutory financial statements*
Profit and loss account

STATEMENT OF OVERALL RESULT*

EUR (x 1,000)	31-12-2011	31-12-2010
I. NET RESULT	**29,522**	**32,806**
II. OTHER ELEMENTS OF OVERALL RESULT	**-1,302**	**3,892**
H. Other elements of the overall result after tax	-1,302	3,892
Movements in the fair value of solar panels	-1,302	3,892
OVERALL RESULT	**28,220**	**36,698**
Attributable to:		
- Shareholders of the parent company	28,220	36,698

COMPONENTS OF NET RESULT*

EUR (x 1,000)	31-12-2011	31-12-2010
Net current result	**33,638**	**26,395**
Result on the portfolio	524	4,232
Movements in the fair value of participations	12,632	4,435
IAS 39 result	-17,272	-2,256
NET RESULT	**29,522**	**32,806**

EUR (per share)***	31-12-2011	31-12-2010
Net current result / share	**2.60**	**2.11**
Result on the portfolio / share	0.04	0.34
Movements in the fair value of participations / share	0.97	0.35
IAS 39 result / share	-1.33	-0.18
NET RESULT / share	**2.28**	**2.62**

* *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 7 December 2010.*

** *Calculated based on the weighted average number of shares. Until 27 May 2011: 12,533,938 shares; from 27 May 2011 to 2 December 2011: 13,184,375 shares; after 2 December 2011: 13,638,521 shares.*

The comparative figures for the 2010 financial year have been adjusted to the new schedule, in accordance with the Royal Decree of 7 December 2010.

2011 Annual statutory financial statements*

Balance sheet

EUR (x 1,000)	Year 31-12-2011	Year 31-12-2010
FIXED ASSETS	911,515	874,953
B. Intangible assets	**309**	**422**
C. Investment property	**575,602**	**546,546**
- Property available for leasing	536,496	502,996
- Property developments	19,033	24,108
- Other: land reserves	20,072	19,442
D. Other tangible fixed assets	**67,768**	**65,524**
- Tangible fixed assets for own use	768	667
- Other: solar panels	67,000	64,857
E. Financial fixed assets	**267,818**	**262,336**
- Assets held until maturity	0	1,107
Hedging instruments	0	1,107
- Loans and receivables	197,508	204,931
Other	197,508	204,931
- Other	70,310	56,298
Holdings in affiliated companies and companies with a participation	70,310	56,298
G. Finance lease receivables	**0**	**107**
H. Trade receivables and other non-current assets	**18**	**18**
CURRENT ASSETS	30,498	15,626
A. Assets held for sale	**14,310**	**2,850**
- Property investments	14,310	2,850
C. Finance lease receivables	**0**	**88**
D. Trade debtors	**6,423**	**3,753**
E. Tax benefits and other current assets	**8,058**	**7,340**
- Taxes	1	143
- Other	8,057	7,197
F. Cash and cash equivalents	**337**	**339**
G. Deferred active charges	**1,370**	**1,256**
- Completed, property returns not due	0	115
- Property costs paid in advance	159	178
- Interests and other financial costs paid in advance	390	251
- Other	821	712
TOTAL ASSETS	942,013	890,579

* *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 7 December 2010.*

The comparative figures for the 2010 financial year have been adjusted to the new schedule, in accordance with the Royal Decree of 7 December 2010.

2011 Annual statutory financial statements*

Balance sheet

EUR (x 1,000)	Year 31-12-2011	Year 31-12-2010
EIGEN VERMOGEN	**400,985**	**370,929**
I. Shareholders' equity attributable to the parent company's shareholders	**400,985**	**370,929**
A. Capital	106,336	97,853
- Subscribed capital	109,381	100,522
- Costs of capital increase	-3,045	-2,669
B. Premiums on issues	94,168	63,960
C. Reserves	170,959	176,310
D. Net result for the financial year	29,522	32,806
LIABILITIES	**541,028**	**519,650**
I. Non-current liabilities	407,386	393,091
A. Provisions	1,112	1,115
- Other	1,112	1,115
B. Non-current financial liabilities	339,024	341,390
- Credit institutions	318,000	318,000
- Financial lease	21,024	23,390
C. Other non-current financial liabilities	51,978	35,314
- Other	51,978	35,314
E. Other non-current liabilities	15,272	15,272
II. Current liabilities	133,642	126,559
B. Current financial liabilities	122,815	118,311
- Credit institutions	120,450	116,013
- Financial lease	2,365	2,298
D. Trade payables and other current debts	5,982	4,005
- Suppliers	4,794	3,396
- Tax, salary and social security	1,188	609
E. Other current liabilities	4,563	2,728
- Other	4,563	2,728
F. Other current liabilities	282	1,515
- Property returns received in advance	88	656
- Completed, not due interests and other costs	175	425
- Other	19	434
TOTAL LIABILITIES	**942,013**	**890,579**

* *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 7 December 2010.*

The comparative figures for the 2010 financial year have been adjusted to the new schedule, in accordance with the Royal Decree of 7 December 2010.

2011 Annual statutory financial statements*
Balance sheet

STATUTORY APPROPRIATION OF RESULTS

EUR (x 1,000)	Year 31-12-2011	Year 31-12-2010
A. Net result	**29,522**	**32,806**
B. Addition/withdrawal of reserves	170,959	176,308
1. Addition to/withdrawal of reserves for the (positive or negative) balance in movements in the fair value of property	143,114	143,929
- financial year	508	4,183
- previous financial years	143,929	139,746
- construction of property	-1,323	0
2. Addition to/withdrawal from the reserve of the estimated transaction duties and fees for the hypothetical sale of investment property	-14,410	-14,317
3. Addition to the reserve for the balance of the movements in fair value of permitted hedging instruments that are subject to hedging accounting as defined in IFRS	0	0
- financial year	0	0
- previous financial years	0	0
4. Withdrawal of the reserve for the balance of the movements in fair value of permitted hedging instruments that are subject to hedging accounting as defined in IFRS	0	0
- financial year	0	0
- previous financial years	0	0
5. Addition to the reserve for the balance of the movements in fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS	-51,978	-34,708
- financial year	-17,270	-2,256
- previous financial years	-34,708	-32,452
6. Withdrawal of the reserve for the balance of the movements in fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS	0	0
- financial year	0	0
- previous financial years	0	0
7. Addition to/withdrawal from the reserve for the balance of the translation differences on monetary assets and liabilities	0	0
8. Addition to/withdrawal from the deferred taxes reserve in relation to the property located outside Belgium	0	0
9. Addition to/withdrawal from the reserve for the dividends received designated for the repayment of financial liabilities	0	0
10. Addition to/withdrawal from other reserves	20,025	21,327
11. Addition to/withdrawal from results transferred from previous financial years	74,208	60,077
C. Compensation for the capital in accordance with Article 27, §1, paragraph 1	**27,426**	**21,262**
D. Compensation for capital, other than C	**12,626**	**15,603**
E. Result to be transferred	**160,429**	**172,249**

* *The statutory auditor has issued an unqualified report regarding the WDP Comm. VA financial statements. These financial statements are prepared in accordance with IFRS, as accepted within the European Union in accordance with the Royal Decree of 7 December 2010.*

DISTRIBUTION OBLIGATION IN ACCORDANCE WITH THE ROYAL DECREE ON PROPERTY CEICs OF 7 DECEMBER 2010

EUR (x 1,000)	Financial year 31-12-2011	Financial year 31-12-2010
NET RESULT	**29,522**	**32,806**
Depreciation and amortisation (+)	345	357
Write-downs (+)	572	47
Reversals of write-downs (-)	-272	-221
Reversals of transferred and incorporated rents (-)	0	0
Other non-monetary components (+/-)	4,640	-2,179
Result from property sales (+/-)	-15	-49
Movements in the fair value of property (+/-)	-509	-4,183
Adjusted result (A)	**34,283**	**26,578**
Gains and losses from property realised during the financial year (+/-)	1,323	0
Gains realised during the financial year exempt from mandatory distribution, subject to their reinvestment within a period of 4 years (-)	-1,323	0
Gains realised on property previously exempt from mandatory distribution that were not reinvested within a period of 4 years (+)	0	0
Net gains from properties completed not exempt from mandatory distribution (B)	**0**	**0**
TOTAL (A+B) X 80%	**27,426**	**21,262**
REDUCTION IN LIABILITIES (-)	**0**	**0**
DISTRIBUTION OBLIGATION	**27,426**	**21,262**

* *The statutory auditor has issued an unqualified report regarding the WDP Comm. VA financial statements. These financial statements are prepared in accordance with IFRS, as accepted within the European Union in accordance with the Royal Decree of 7 December 2010.*

NON-DISTRIBUTABLE SHAREHOLDERS' EQUITY IN ACCORDANCE WITH ARTICLE 617 OF THE COMPANIES CODE

EUR (x 1,000)	Financial year 31-12-2011	Financial year 31-12-2010
Paid-up capital, or, if this is higher, called-up capital	106,336	97,853
Issue premiums unavailable under the articles of association	94,168	63,960
Reserve for the positive balance of the movements in the fair value of the property	153,479	143,930
Reserve for the impact on the fair value of estimated transfer duties and costs for the hypothetical sale of investment property	-14,410	-14,317
Reserve for the balance of the movements in the fair value of permitted hedging instruments that are not subject to hedging accounting as defined in IFRS	-51,978	-34,708
Other reserves declared unavailble by the Annual General Meeting	20,025	21,325
Non-distributable shareholders' equity in accordance with Section 617 of the Companies Code	**307,620**	**278,045**
Net asset	400,985	370,929
Proposed dividend payment	-40,052	-36,865
Net asset after distribution	**360,933**	**334,064**
REMAINING MARGIN AFTER DISTRIBUTION	**53,313**	**56,019**

The statutory auditor has issued an unqualified report regarding the WDP Comm. VA financial statements. These financial statements are prepared in accordance with IFRS, as accepted within the European Union in accordance with the Royal Decree of 7 December 2010.

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 publication[1]

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 Financial Services and Markets Authority (FSMA) as a 'Belgian closed-end property investment company', abbreviated to 'property CEIC' 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 property CEICs ('the Royal Decree on Property CEICs'). The Royal Decree of 7 December 2010 replaced the previously applicable Royal Decree on Property CEICs 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 18 May thereafter under number 20010518-652.

WDP's Articles of Association have since been amended repeatedly, most recently on 1 December 2011. This deed was published in the Appendices to the Belgian Official Gazette of 19 December 2011 under number 11189571.

The Articles of Association of WDP and its manager, De Pauw NV, were amended to comply with the new Royal Decree on Property CEICs on 27 April 2011.

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 manager without amending the Articles of Association, provided the language laws are duly respected.

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 *See Section '7. Key Dates in WDP's history' on page 210.*

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)

Article 4 of the Articles of Association provides that the sole object of the company is the collective investment of publicly raised funds in property in accordance with the applicable regulations related to property CEICs.

Property within the meaning of the Royal Decree on property CEICs is defined as:

- 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 exclusively or jointly supervised by the property CEIC;
- options on properties;
- shares in public or institutional property CEICs, on condition that, in the latter case, supervision is conducted jointly or exclusively;
- participation rights in property investment companies registered in the list drawn up by the FSMA of public institutions for collective investment under foreign law;
- participation rights in institutions for collective property investment whose registered office is located in another Member State of the European Economic Area (EEA) and that are not registered in the list drawn up by the FSMA, to the extent that they are subject to equivalent regulation as public property CEICs;
- property certificates as described in the applicable financial legislation;
- rights arising from contracts giving the company leasehold of one or several properties, or other, equivalent rights of use.

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 property CEICs, the company may involve itself in:

- the acquisition, alteration, fitting out, letting, sub-letting, management, exchange, sale, dividing up, and inclusion of properties as described above into a system of joint ownership, the granting of construction rights, usufruct and long leases;
- the acquisition 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 only occasionally act as a property developer in the sense of the applicable legislation relating to property CEICs.

In accordance with the Royal Decree on property CEICs, 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;
- provide loans to subsidiaries (excluding the amounts they owe to the company in relation to the sale of property, provided these amounts are paid within the standard periods);
- transactions involving authorised hedging instruments (as defined in the Royal Decree on property CEICs), to the extent that such transactions are part of a policy established by the property CEIC to hedge financial risks, not including speculative transactions.

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 property CEICs, 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 FSMA.

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 information on our investment policy and strategy, please refer to Section 3, 'Strategy' on page 16.

In accordance with the Royal Decree on Property CEICs, 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. Locations 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 internet **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 FSMA 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 109,380,548.04 and is represented by 13,638,521 ordinary shares, each representing 1/13,638,521 of the capital.

2.2. Authorised capital (Article 7 of the Articles of Association)

The manager 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 100,521,811.63. This authorisation is valid for five years effective 16 May 2011 and 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 any profits and issue premiums transferred, as well as any of the company's assets that are eligible for conversion in capital under the company's separate IFRS financial statements, in accordance with the rules stipulated in the Companies Code, applicable legislation relating to property CEICs and the current Articles of Association.

In the event of an increase in capital decided on by the manager, the issue premiums should, where appropriate, be placed by the manager in an unavailable account after deduction of any charges. This account will constitute the guarantee for third parties in the same way as the capital, and can only be reduced or closed through a decision of the General Meeting regarding the amendment of the Articles of Association, except in the event of a capital conversion as provided for above.

Notwithstanding the application of sections 592 to 598 and 606 of the Companies Code, the manager is authorised to restrict or cancel the pre-emptive right, including when this occurs for the benefit of one or more individuals specified other than employees of the company or any of its subsidiaries, to the extent that the current shareholders are granted a priority allocation right for the allocation of new shares. Notwithstanding the application of sections 595 to 599 of the Companies Code, the special provisions under the Royal Decree on Property CEICs relating to the cancellation or restriction of the pre-emptive right do not apply to cash subscription with a restriction or cancellation of the pre-emptive right, in addition to cash subscription relating to the distribution of an optional dividend, to the extent that this is made payable to all shareholders.

The issue of shares based on cash subscription is subject to compliance with the special conditions relating to cash subscription (see '2.4. Modification of the capital' on page 208), including the option to deduct an amount matching the portion of the non-distributed gross dividend. However, these special rules regarding capital increases in kind do not apply 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.

2.3. Buyback of shares (Article 10 of the Articles of Association)

The manager is authorised to acquire, accept as security and sell its own shares without prior resolution of the General Meeting if this is necessary to protect the company from serious and imminent loss. This authorisation is valid for three years effective 16 May 2011 and can be renewed on condition of a resolution of the General Meeting in accordance with the requirements stipulated in Section 559 of the Companies Code regarding quorum and majority.

In addition, the manager may, for a period of five years from 27 April 2011, acquire, 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 number of shares issued.

The manager of WDP, De Pauw NV, used the aforementioned authorisation under the Articles of Association on 3 July 2009 and acquired 1,490 shares in the company's own capital on Euronext. These shares were transferred on 6 July 2009 to personnel of WDP as part of an incentive programme. These shares were purchased for EUR 28.11 per share.

On 31 December 2011, WDP Comm. VA did not own any of its own shares. The manager De Pauw NV held 1,438 shares. 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)

Except for the option to use the authorised capital by a manager's decision, the increase or decrease in subscribed capital can only be decided on by an Extraordinary General Meeting with the manager's consent. The company should also observe the rules stipulated by the applicable legislation relating to property CEICs.

In accordance with the Royal Decree on Property CEICs, in the event of a share issue in exchange for a contribution in kind, the following conditions should furthermore be respected:

- 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 property CEIC, 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.

These rules regarding contribution in kind apply *mutatis mutandis* to mergers, demergers and similar transactions.

In compliance with the Royal Decree on Property CEICs, in the event of cash subscription and without prejudice to sections 592 to 598 of the Companies Code, the pre-emptive right can be restricted or cancelled if the current shareholders are granted a priority allocation right for the allocation of new shares.

The General Meeting of 27 April 2011, in compliance with a relevant statutory option, declared the special restrictions of the Royal Decree on Property CEICs 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)

The controlling interest in WDP Comm. VA is held by the De Pauw NV manager, 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 Tony De Pauw.

For an explanation of the notion of control, see '1.1. A few words about the context: the limited partnership with share capital', in the '4.7. Management report – Corporate Governance and structures' section on page 59.

3. Statutory auditor (Article 20 of 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. Edouard Lhomme, 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 Diana Rogerová, with offices at Karolinská 654/2, 186 00 Prague 8, was appointed as statutory auditor of the subsidiary WDP CZ SRO.

In the Netherlands, Deloitte Accountants BV, represented by Jef Holland and having its registered office at Orlyplein 1, NL-1040 HC Amsterdam, was appointed statutory auditor of the subsidiaries WDP Nederland NV and WDP Development NL NV.

The fees for the mandate of the statutory auditor of WDP Comm. VA and its subsidiaries for the 2011 financial year amounted to EUR 94,155 (ex. VAT). During the 2011 financial year, fees were paid for other statutory audits and other consultancy work (including due diligence work) for a total amount of EUR 51,627 (ex. VAT).

4. Depository bank

Under the new Royal Decree on Property CEICs, WDP is no longer required to appoint a custodian. WDP has therefore terminated its contract with BNP Paribas Fortis as the depository bank effective 1 June 2011, paying a fee of EUR 2,500 for these months.

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

The fees paid to the financial agent totalled EUR 108,015 in 2011.

6. Chartered surveyor

Under the applicable regulations regarding property CEICs, the expert appraises all the buildings operated by the property CEIC and its subsidiaries at the end of each financial year. The book value of the buildings listed in the balance sheet is adjusted to these values.

Furthermore, at the end of the first three quarters of the financial year, the expert updates the total valuation prepared at the end of the previous year based on market trends and the specific features of the property in question. The expert also appraises the property of the property CEIC and its subsidiaries if the property CEIC wishes perform a transaction such as the issue of shares or a merger. Each property to be acquired or to be transferred by the property CEIC or any of its subsidiaries is appraised by the chartered surveyor prior to the transaction. The surveyor's appraisal will serve as a minimum price (in the event of sale) or maximum price (in the event of acquisition) for the property CEIC if the other party is an individual closely involved in the property CEIC (as provided under the applicable laws regarding property CEICs) or if the proposed transaction would benefit such individuals in any way.

The surveyors appointed by WDP Comm. VA are:

- Stadim CVBA, Marialei 29 in B-2018 Antwerp, Belgium, represented by Philippe Janssens;
- Cushman & Wakefield Inc, Kunstlaan 58, Box 7, in B-1000 Brussels, Belgium, represented by Kris Peetermans;
- DTZ Zadelhoff, Apollolaan 150, NL-1077 BG Amsterdam, the Netherlands, represented by Frans Van Hoeken;
- BNP Paribas Real Estate, 167 quai de la Bataille de Stalingrad, 92867 Issy-Les-Moulineaux Cedex – France, represented by Jean-Claude Dubois.

These natural persons are legal representatives of the legal entities with which the contracts were entered into.

Total fees paid to chartered surveyors in 2011 amounted to EUR 254,295 (ex. VAT) in 2011.

7. Key dates in WDP's history

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.

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 property CEIC 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 SRL and WDP CZ SRO.

2000

WDP entered the French market through the acquisition of a project in Aix-en-Provence. Formation of WDP France SARL.

2001

The company name was changed to 'Warehouses De Pauw', its current name. Merger following the takeover of Caresta NV. Start of activities in the Netherlands through a sale and rent back operation at Hazeldonk (Breda). Creation of WDP Nederland. 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 rent back 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 operation 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. Also refer to section 2.3. Buyback of shares (page 207).

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 Nederland 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.

2011
Acquisition of the Dutch logistics portfolio of Wereldhave NL (six leased sites) on 11 April 2011 for an amount of EUR 42 million. As part of its growth plans, WDP arranged a EUR 85 million funding package from ABN AMRO.

WDP is the first Belgian property CEIC to offer an optional dividend to its shareholders (resolution adopted by the Annual General Meeting of 27 April 2011). The shareholders agreed to exercise their dividend rights for new shares (for more than 70% of their shares) in lieu of a cash dividend. This brought the total number of shares on 26 May 2011 to 13,184,375.

Acquisition of a property adjoining the existing WDP site in the Hermespark industrial estate in Genk through the acquisition of all shares in GDP NV on 15 July 2011, followed by the merger through absorption of GDP NV on 1 December 2011.

Acquisition of the Betafence NV distribution centre in Harelbeke through a partial division and payment through the issue of new WDP shares on 1 December 2011.

General information concerning closed-end property investment companies and fiscal regimes

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 property investment;
- is subject to the provisions of the Royal Decree on Property CEICs;
- 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 FSMA 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 '4.7. Management Report – Corporate Governance and structures' on page 59 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 FSMA 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.

1 *See Article 39 of the Royal Decree of 7 December 2010.*

General information concerning closed-end property investment companies and fiscal regimes

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.

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 FSMA.

Tax system

Both public and institutional closed-end property investment companies are subject to corporate income 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%.

Property CEICs are investment vehicles comparable to Fiscale Beleggingsinstellingen (FBIs) in the Netherlands, Sociétés d'Investissement Immobilier Cotées (SIICs) in France, and REITs (Real Estate Investment Trusts) in various countries, including the United States.

Fiscale Beleggingsinstelling (FBI)

WDP Nederland NV has been subject to the regulation for Fiscale Beleggingsinstellingen (FBIs) since 1 November 2010, which means it has been subject to a corporate income tax rate of 0% since that date. In order to be eligible for these regulations, the company must meet the following conditions:

- WDP Nederland NV must be a Private Limited Company under Dutch law (BV), a Public Limited Company under Dutch law (NV), or a mutual fund.
- WDP Nederland NV's corporate object under the Articles of Association and its actual activities may solely be the investment of capital.
- The funding of the assets to be invested may not consist for more than 60% of borrowed capital (i.e. of the fiscal book value) in the case of immovable property. Other investments (not including immovable property) may only be funded with borrowed capital for 20% of their fiscal book value.
- From the date of application of the FBI regime, the operating profit of WDP Nederland NV must be placed at the disposal of WDP Nederland's shareholder within eight months following the end of the financial year.
- The profits distributed must be spread evenly among all shares.
- At least 75% of the shares in WDP must be held by an entity that is not subject to profit tax.
- It is not permitted for 5% or more of shares to be held, either directly or indirectly, by natural persons.
- It is not permitted for 25% or more of shares to be held by individuals residing in the Netherlands or legal entities established in the Netherlands through funds located outside the Netherlands.

Société d'Investissement Immobilier Cotée ('SIIC')

Since 2005, WDP has been subject to the SIIC (Société d'Investissement Immobilier Cotée) regime through its permanent establishment in France and its subsidiary WDP France. This means it has also been subject to the 0% corporate tax rate since that date.
In order to be eligible for this regime, the company must satisfy the following conditions:

- The parent company must have the structure of a public limited company or any other form of company limited by shares that is eligible to be listed on the stock exchange. This parent company must be listed on an exchange under EU law.
- The SIIC's main activity must be restricted to the leasing of property. Property developments must not exceed 20% of the gross book value of the portfolio.
- Shares in WDP must not be held for more than 60% by a single investor or group of investors acting by mutual agreement.
- Profit generated from the leasing of buildings, the excess value realised from the sale of buildings, the excess value realised from the sale of securities in the partnerships or subsidiaries that are subject to corporate income tax and have opted for SIIC status, proceeds paid by subsidiaries that have opted for the SIIC status, and the shares in the profit in partnerships that are exempt from corporate income tax.
- The distribution obligation for the result is 85% of the exempt profit from rental income, 50% of exempt profit from the sale of buildings and from securities of partnerships and subsidiaries subject to the SIIC status, plus 100% of the dividends distributed to them by their subsidiaries that are subject to corporate income tax and that have opted for SIIC status;
- Payment of a 19% exit tax on the latent capital gain on the buildings owned by the SIIC or its subsidiaries that are subject to corporate income tax and that have opted for SIIC status, and on the securities held by partnerships not subject to corporate income tax.

Glossary

Acquisition price
This refers to the price of the property on acquisition. If a transfer fee is payable, this is included in the acquisition price (see also 'Transfer fee').

BREEAM (Building Research Establishment Environmental Assessment Method)
BREEAM is a sustainability certificate for building performance during the building's complete lifecycle. BREEAM, the leading and most widely used sustainability standard for buildings in Europe, is different from other standards in that it is based on a multi-criteria approach. During the certification process, a building's energy consumption is considered, along with land use, environmental aspects, the construction process, water usage, waste, pollution, transport, equipment and materials, health, and comfort. As a total score, buildings receive a rating of 'Pass', 'Good', 'Very Good', 'Excellent' or 'Outstanding'.

Bullet loan
A debt instrument with the designation 'bullet' means that interest charges are payable for the principal drawn down during the term of the loan and that capital must be repaid on the final maturity date.

Property CEIC (Closed-end property investment company)
The closed-end property investment company is a special tax status for listed companies in Belgium. Eligibility is based on compliance with specific requirements.

Compliance Officer
Compliance Officers are responsible for monitoring compliance with the code of conduct for financial transactions included in the Corporate Governance Charter (see also 'Dealing Code').

Contractual rents
Gross rents, as contractually provided in the leases on the date the lease is entered into.

Corporate Governance Code 2009
Belgian Code drafted by the Corporate Governance Committee, including procedures and provisions relating to corporate governance, which must be complied with by companies under Belgian law whose shares are traded in a regulated market. The Belgian Corporate Governance Code is available on the website www.corporategovernancecommittee.be.

Dealing Code
Code of Conduct containing rules that must be complied with by the members of the Board of Directors, the members of executive management, and all employees of WDP Comm. VS and De Pauw NV who, by virtue of their position, possess information of which they are aware, or should be aware, that it constitutes inside information.

Derivatives
As a lender, WDP aims to hedge itself against a possible increase in interest rates. This interest rate risk can be partially hedged through the use of derivative financial instruments (i.e. derivatives, including IRS contracts).

Distribution rate
Percentage of net current profit that is distributed as dividend in a specific tax year.

Glossary

Dividend return
Gross dividend divided by the share price.

Due diligence
Extensive research conducted as part of any acquisition and/or funding operation relating to the following areas: property, economics, tax, legal issues, accounts and administration – in some cases combined with specialised external consultants.

'E'-level
The 'E' level is a measure for buildings' energy performance and the fixed systems located in these buildings under regular circumstances. The lower the 'E' level, the more energy-efficient the building.

EPIC
Acronym for Energy Performance & Indoor Climate. This index reflects a building's energy performance, expressing the amount of energy necessary to meet the requirements based on normal usage. The index takes into account various factors that affect energy consumption (e.g. insulation, heating system, ventilation, alternative energy sources, etc).

EPRA (European Public Real Estate Association)
A pan-European association of listed property companies dedicated to promoting the industry, implementing best practices for accounting, reporting and corporate governance, delivering qualitative data to investors and a think tank dedicated to key issues facing the industry (www.epra.com).

ERP (Enterprise Resource Planning)
An integrated control software package for businesses.

Estimated rental value
Estimated rental value is the rental value determined by independent property experts.

Ex-Date
Date from which shares are traded on the stock exchange without entitlement to forthcoming dividend payment, i.e. the day the coupon is redeemed.

Exit tax
Companies that apply to be recognised as a property CEIC or that merge with a property CEIC are subject to the 'exit tax'. This tax is equivalent to a liquidation tax on the deferred latent capital gain on the tax-free reserves and is charged at 16.995% (i.e. the basic rate of 16.5% plus the additional 3.0% crisis tax).

Fair Value
Under the IAS 40 standard, fair value is defined as the amount at which the assets would be transferred between two well-informed parties, on a voluntary basis and without any special interests, either mutual or otherwise. The IVSC (see 'International Valuation Standards Council') considers these conditions fulfilled provided that the definition of market value listed above is respected. In addition, market value must also reflect current leases, the current gross margin of self-funding (or cash flow), the reasonable assumptions regarding potential rent income, and expected costs.

Glossary

FBI (Fiscale Beleggingsinstelling)
A special tax status in the Netherlands. Eligibility for this status is based on compliance with all the requirements.

Free float
Percentage of shares held by the public. According to the definition of EPRA and Euronext, this refers to all shareholders who individually own less than 5% of the total number of shares.

FSMA (Financial Services and Markets Authority)
On 1 April 2011, the FSMA became the successor of the Banking, Finance and Insurance Commission (CBFA). Along with the Belgian National Bank (NBB), the FSMA regulates the Belgian financial industry. According to the new regulatory model implemented in 2011, the FSMA's competence covers the following six areas: regulation of the financial markets and listed companies, market conduct regulation, product regulation, regulation of financial services providers and agents, regulation of supplementary pensions, and the promotion of better financial education.

Gearing
Debt ratio calculated in accordance with the regulations governing property CEICs by dividing the financial and other liabilities by the total assets. For the method used to calculate the gearing, please refer to the Royal Decree on Property CEICs of 7 December 2010.

GEC (Green Energy Certificates)
These are awarded for alternative energy projects, including solar energy, by the Flemish Regulator for the Gas and Electricity Markets (VREG; see also 'VREG') for each with a minimum price per certificate for a fixed period of 20 years, expressed in EUR/MWh.

GPR 250
Global Property Research 250 is the stock market index consisting of the 250 most liquid shares of listed companies.

Gross dividend
Gross dividend per share is the dividend before deduction of withholding tax (income from movable assets). See also 'Withholding tax'.

Hedge ratio
Percentage of debt at fixed interest rate or hedged against interest rate fluctuations by derivative financial products (derivatives).

IAS/IFRS
International accounting standards (IAS, International Accounting Standards/IFRS, International Financial Reporting Standards) used to prepare the financial statements, drawn up by the International Accounting Standards Board (IASB).

IAS 39
IAS 39 is an IAS/IFRS that determines how a company must categorise and value the financial instruments in its balance sheet. This standard provides for the obligation that all derivatives must be entered in the balance sheet at fair value.

Glossary

- **Initial yield**

The ratio of the (initial) contractual rent of an acquired property and the acquisition price (see also 'Acquisition price').

- **Inside information**

'Inside information' is defined as any information that has not been disclosed, that is accurate, and that relates directly or indirectly to one or more issuers of financial instruments or to one or more financial instruments and that, if it were to be disclosed, could significantly affect the price of these financial instruments (or derivatives of such financial instruments).

- **Interest rate hedging**

The use of derivative financial instruments (i.e. derivatives) to protect existing debt positions from interest rate increases.

- **Investment value**

The value of the portfolio determined by independent property experts, including transaction fees. Fair value (see also 'fair value') within the meaning of the IAS/IFRS reference scheme can be calculated by deducting an adjusted quote from the registration rights and/or VAT from the investment value.

- **IRS (Interest Rate Swap)**

An IRS is an interest rate swap whereby the parties swap interest rate decreases with each other during a specific term. WDP uses Interest Rate Swaps to convert current interest payments into fixed interest payments, in order to hedge itself against interest rate increases.

- **IVSC (International Valuation Standards Council)**

An independent entity that sets global standards for valuation, on which investors and other third parties/stakeholders must rely.

- **Lease expiry date**

Date on which there is an option of termination of a lease.

- **LED lights**

LED lights consist of a group of LEDS (light-emitting diodes). They provide a number of advantages over traditional light bulbs, energy-efficient lights and neon lights.

- **Liquidity**

The average number of shares traded per trading day, measured over a specific period.

- **Market capitalisation**

Closing price on the stock market, multiplied by the number of shares outstanding on that date.

- **NAV**

Net Asset Value for profit distribution for the current financial year.

- **Net current result**

Net result excluding the portfolio result and the IAS-39 result.

Glossary

Net dividend
This is equivalent to the gross dividend after deduction of 21% withholding tax. See also 'Withholding tax'.

Occupancy rate
The occupancy rate is calculated based on the rents of the leased properties and the non-leased spaces and includes income from solar panels. Properties under construction and/or renovation are not included in the occupancy rate.

Operating margin
The operating margin is deducted by dividing net property result by the property result.

Optional dividend
For optional dividends, the dividend receivable linked to a specific number of existing shares entitles the owner to a single new share, at an issue price per share that may involve a discount in relation to the share price (based on an average share price for a specific period or otherwise). The issue of shares as part of the optional dividend is subject to the general company law regarding capital increases. If payment is in money, in addition to payment in kind as part of the payment of an optional dividend, the special provisions of Section 13, paragraph 1 of the Royal Decree of 7 December 2010 on capital increases in money are declared not applicable under law if this optional dividend is made payable for all shareholders. The special rules regarding payment in kind in a property CEIC, as provided for in Section 13, paragraph 2 of the Royal Decree of 7 December 2010 also do not apply, provided that special conditions are satisfied.

Partial demerger
The partial demerger is the legal act whereby a portion of a company's capital, including both the rights and the obligations, is transferred to an existing or new company (without the company being dissolved) by transferring the shares in the transferee to the partners of the transferer (Article 677 of the Companies Code).

Payment in kind
Assets contributed on the establishment of a company or when its capital is increased other than by depositing funds.

Portfolio value
Portfolio value consists of investment property, investment property in development funded by the company for the purpose of leasing, assets held for sale, and the fair value of the solar panels.

Project Management
The management of construction or renovation projects. WDP employs an internal team of project managers who work exclusively on behalf of the company.

Property expert
Independent property experts who perform the valuation of the property portfolio.

Property Management
Day-to-day management of the property portfolio, specifically developing the policy for managing existing buildings (i.e. maintenance, renovation and improvement works). WDP employs an internal team of facility managers who work exclusively on behalf of the company.

Glossary

- **Property portfolio**
Investment property including the buildings designated for leasing, investment property under development for the purpose of leasing, and assets held for sale.

- **PV system**
'Photovoltaic' or solar panel system. WDP has invested heavily in solar energy, installing solar panels on the roofs of a number of buildings.

- **Record Date**
Date on which the positions are closed in order to identify the dividend-entitled shareholders; this date follows shortly on the Ex-Date.

- **REIT**
Real Estate Investment Trust. Listed property investment fund with a special tax status in the United States and other countries.

- **Result on the portfolio**
Realised and non-realised changes in the value in relation to the expert's most recent valuation, including the effective or deferred capital gain tax payable in the countries where WDP does not have a special tax status (as it does in Belgium, the Netherlands and France through the property CEIC, FBI and SIIC status, respectively).

- **Risk management**
Identification of the main risks facing the company, including their potential impact and the development of a strategy used to reduce this potential impact.

- **Royal Decree of 10 April 1995**
The original Royal Decree on Property CEICs.

- **Royal Decree of 21 June 2006**
Royal Decree regarding the accounts, financial statements and consolidated financial statements of public property CEICs, and the amendment of the Royal Decree of 10 April 1995.

- **Royal Decree of 7 December 2010**
Royal Decree to amend the provisions of the Royal Decree of 10 April 1995 and the Royal Decree of 21 June 2006.

- **Sale value**
The fair value at which a specific immovable property was sold.

- **SIIC (Société d'Investissement Immobilier Cotée)**
A special tax status in France for listed companies. Eligibility is based on compliance with specific requirements.

- **Sustainable business**
Environmentally friendly policy of 'sustainable warehouses' designed to reduce carbon emissions from the storage spaces included in the portfolio while at the same time significantly reducing tenants' energy bills.

Glossary

- **Take-up**

Total take-up of surfaces by users in the rental market during a specific period.

- **Transfer fee**

The transfer of the ownership of an immovable property is generally subject to collection by the State of transfer duties that constitute the largest part of the transaction costs. The amount of these duties depends on the method of transfer, the buyer's position and the geographic location of the immovable property. The first two conditions, and therefore the amount to be paid for the transfer, are known only after the transfer of ownership is completed.

- **Velocity**

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

- **VREG (Vlaamse Regulator van de Elektriciteits- en Gasmarkt)**

VREG is responsible for the administration and monitoring of the deregulated electricity and natural gas market in Flanders.

- **Withholding tax**

Tax deducted by a bank or financial agent in the payment of a dividend. The tax measures arising from the Di Rupo federal budget agreement of 1 December 2011 that are relevant to WDP's shareholders relate to the increase in the withholding tax on the dividend from 15 to 21% and, if the shareholder is a private Belgian resident and receives more than EUR 20,020.00 in withholding income (i.e. interest and dividend) that have not been subjected to the 25% withholding tax, the levying of a 4% solidarity payment on the portion of the withholding income exceeding EUR 20,020.00.

Find your WDP warehouse on our **MOBILE APP**

mobile.wdp.be

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This annual financial report is a registration document in the sense of Article 28 of the Law of 16 June 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 FSMA in accordance with Article 23 of the aforementioned Law, on 20 March 2012.