WDP Warehouses De Pauw

SUPPLYING SPACE

Interim Report 2004

Warehouses De Pauw: supplying space

Warehouses De Pauw (WDP) is the leading player in the Belgian semi-industrial property market. True to its motto "We give you the space to invest", WDP, the closed-end property investment company specialises in:

- development of storage and distribution premises;
- customised projects at the user’s request;
- investment in spaces for customers who wish to engage in sale and leaseback trans actions.

The multifunctional nature of the building plays a crucial role for each investment. It is the potential for re-letting after the departure of the current tenant which in fact determines the building’s lifetime. Furthermore, after completion, WDP retains the projects within its portfolio, so that the added value achieved by it remains within the Closed-end Property Investment Company.

Most of the properties and projects are in prime locations in Belgium, mainly in the Breda-Antwerp-Brussels-Lille logistical heartland. But WDP is also present in several western and central European countries, always at strategic intersections for storage and distribution.

On 30th June 2004, WDP had 56 sites in its portfolio, spread over five countries: Belgium, France, Italy, the Netherlands and the Czech Republic. The total surface area of land at the sites in the portfolio was 1.4 million m^2, along with 704,940 m^2 of buildings, to which 49,382 m^2 has to be added for buildings under construction. The total value of the property portfolio was 343.5 million EUR at that time, including transaction costs.
WDP’s ultimate goal is to achieve European assets to the value of 500 million EUR.

WDP has grown up out of the personal assets of the family firm, Jos De Pauw Group of Merchtem, and will continue to pursue its successful investment strategy of recent decades.

The WDP Closed-End Property Investment Company has been listed on the Euronext Brussels Premier Marché since 28th June 1999, and forms part of the "next prime" segment of the European mid-caps and the VLAM21 index. Mid 2004, the closed-end property investment company’s market capitalisation amounted to almost 250 million EUR.

NP
euronext
NextPrime

Table of contents

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

General meeting 2004	Wednesday 28 April 2004 at 10 a.m. (annually on the last Wednesday in April)
Payout of dividend on coupon no 7:	from Wednesday 5 May 2004
Publication of half-yearly results	7 September 2004
Publication of 3rd quarter results	week 49
Publication of 2004 annual results	week 10 (2005)
General meeting 2005	Wednesday 27 april 2005 at 10 a.m. (annually on the last Wednesday in April)
Payout of dividend on coupon no 8:	from Wednesday 4 May 2005

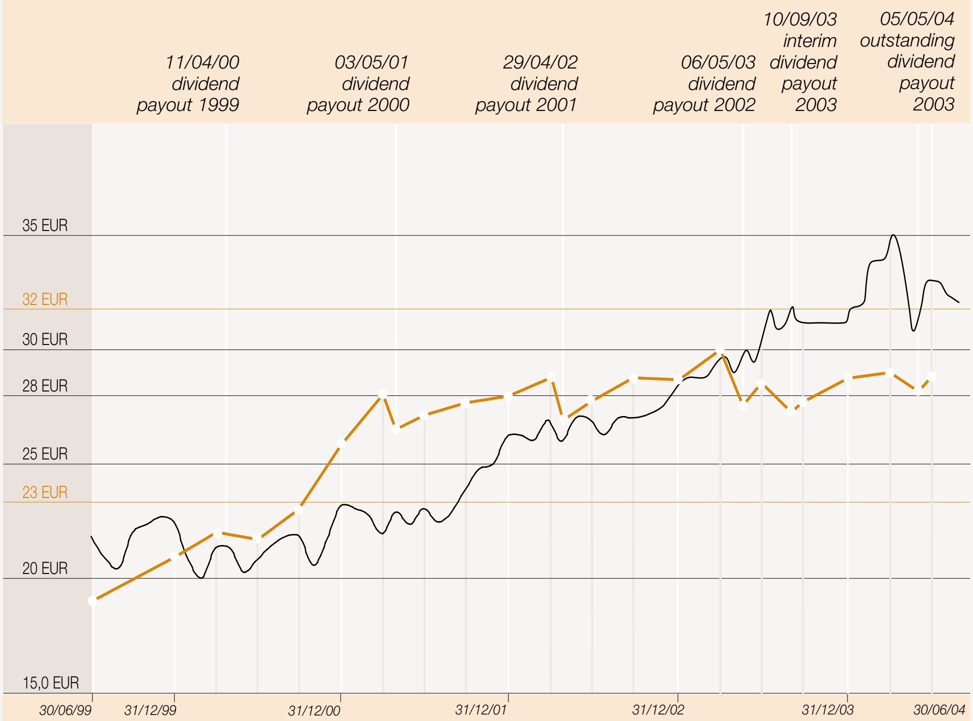
For the most recent information on WDP, please consult the website www.wdp.be. Apart from the information about the property portfolio, you will also find financial analyses and specific information on the performance report.

EURONEXT BRUSSELS
quotation: continuous
codes: - BEL: 376377
- ISIN: BE0003763779
liquidity provider: Petercam

Figures per share (in EUR)	30/06/2004	31/12/2003	31/12/2002
Number of shares	7.885.249	7.885.249	6.899.593
Free float	50%	50%	49%
Market capitalisation (op basis van de slotkoers)	258.241.872	247.596.819	192.843.624
Average daily volume in EUR	5.413	4.863	3.158
Velocity*	17,16%	15,67%	12,19%
Stock exchange price			
highest	35,00	32,50	29,00
lowest	30,75	28,10	25,35
closing	32,75	31,40	27,95

** The number of shares traded during the financial period, divided by the total number of shares at the end of the financial period (where appropriate, extrapolated from the annual figure).*

WDP share price since IPO (28/06/99) versus NAV



■ Price of WDP share

■ NAV WDP (incl. dividend up to date of payout and incl. interim result of current financial year)

Key figures

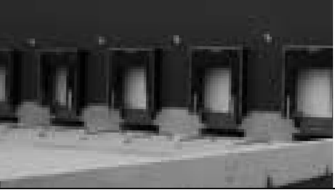
Consolidated annual accounts

	million EUR 30/06/2004	million EUR 31/12/2003	million EUR 30/06/2003
ASSETS			
LAND AND BUILDINGS * (including assets under construction)	343,48	333,56	324,66
LIQUID ASSETS	2,50	2,45	0,62
OTHER CURRENT ASSETS	7,41	5,88	10,04
TOTAL ASSETS	**353,39**	**341,89**	**335,32**
LIABILITIES			
EQUITY CAPITAL	227,35	214,53	196,74
PROVISIONS AND DEFERRED TAXES	4,99	4,66	4,60
DEBTS	121,05	122,70	133,98
TOTAL LIABILITIES	**353,39**	**341,89**	**335,32**
NAV**/SHARE before profit distribution	28,83	29,52	28,52
after profit distribution	-	27,21	-
PRICE	32,75	31,40	30,00
PREMIUM/DISCOUNT before profit distribution	13,59%	6,37%	5,21%
DEBT RATIO ***	35,67%	37,25%	41,33%

**: NAV = Net Asset Value*
***: valuation including transaction costs*
****: provisions and deferred taxes included*

	in 1000 EUR 1e sem. 2004	in 1000 EUR 2003	in 1000 EUR 1e sem. 2003
OPERATING INCOME	13.851,33	26.697,30	13.023,94
OPERATING PROFIT	12.334,26	23.663,60	11.489,22
FINANCIAL RESULTS	-1.852,68	-4.002,22	-1.846,74
INCOME TAXES	-30,25	-47,67	-24,13
OPERATIONAL RESULTS	**10.451,33**	**19.613,71**	**9.618,35**
UNREALISED NET GAIN ON THE PORTFOLIO	**2.338,10**	**4.063,24**	**4.908,76**
EXTRAORDINARY RESULTS	**0,00**	**-681,68**	**0,00**
PROFIT FOR THE FINANCIAL YEAR	**12.789,33**	**22.995,27**	**14.527,11**
NUMBER OF SHARES AT THE END OF THE FINANCIAL PERIOD	7.885.249	7.885.249	6.889.593
OPERATING PROFIT/SHARE	1,33	2,75*	1,39
% operating profit compared with NAV at end of previous financial year**	9,74%	10,39%	10,56%
at end of previous financial year**	11,92%	12,18%	15,94%

**: based on a survey (first three quarters: 6.889.593 shares; fourth quarter: 7.885.249 shares).*
***: for half-yearly figures, extrapolation on an annual basis from the results for the first half of the year*



For WDP, 2004 was a pivotal year during which the closed-end investment company was confronted with a series of major challenges. The first half of the year has demonstrated that even though WDP is a newcomer to the stock market, it is mature enough to face up to these challenges. Allow me to present them to you.

After the successful increase in capital in September 2003, which enabled the level of debt to be significantly reduced, the closed-end investment company regained the margin for manoeuvre it required to undertake new investments. High quality projects which would be suitable for the portfolio are however not so easy to find. The uncertain economic climate is of course partially responsible for this state of affairs, but the current high level of prices in the property sector is also having a negative influence.

In the mean time, we are continuing to explore all possibilities. WDP is constantly analysing new projects, notably in the emerging markets. It was no coincidence that in the first half of the year, we decided to double the surface area of the Mlada Boleslav site, in the Czech Republic. After successfully completing the first semi-industrial complex on this site, WDP is now hoping to launch one or perhaps several new projects on the additional 4 hectares it has acquired, before the end of the year.

The search for new opportunities is not WDP's main challenge, however: this lies instead in the existing portfolio and the projects in progress.

During the first half of 2004, WDP finalised three projects – on time and successfully – and five others are also scheduled over the coming months. Most of them are in progress and will be completed for the end of the year, or early 2005 at the latest. These projects jointly represent a surface area of 56.000m^2. At the end of June, 80% of the completed space was already rented out and 35% of the 31.000m^2 currently under construction were pre-let. The excellent occupancy rate* figures are encouraging: no less than 95%.

However, we now have to maintain this figure. Until July, this posed no problem. Rentals, notably of 24.000m^2 to Renault at the Boom site for a fixed five-year term enabled WDP to announce a 95% occupancy rate for the whole of 2004. In July however, we were confronted with the bankruptcy of Deventer Logistic Services. DLS, which rented 37.000m^2 in Breda, represented 1,8 million EUR per year, i.e. 6,8% of annual rental income, making it our second largest tenant.

**: The occupancy rate is calculated using the ratio between the rental value of m^2 rented out and the rental value of rentable m^2. Projects under construction and/or being renovated are not included in this calculation.*


As the news was widely publicised in the press, I shall only mention here that WDP will use all existing legal means to attempt to make the German Deventer Group respect its commitments. In the mean time, we are keeping ourselves busy: the search for new tenants has already begun. In this respect, WDP is working closely with a Dutch property agency which specialises in logistics properties and has excellent references and numerous contacts in the Netherlands. In the most pessimistic scenario, i.e. the impossibility to find another tenant quickly, the portfolio's occupancy rate will rise to 6%. As soon as further developments arise in this issue, WDP will inform its shareholders through the press and on the website www.wdp.be.

If the bad news from the Netherlands has undeniably cast a shadow over short-term prospects, it has in no way affected WDP's confidence for the future. Our objectives remain the pursuit of portfolio growth and an excellent occupancy rate. To achieve them, WDP is continuing to implement the strategy it has always followed: acquiring buildings and undertaking projects in attractive locations at realistic prices, in order to be able to charge reasonable rents without affecting the return.

Marc Duyck
Chairman of the Board of Directors

1. Introduction

The projects planned for the first half of 2004 have been completed on schedule. Everything was accomplished according to plan, in terms of quality, price, timing and progress of work. The projects scheduled for the remainder of 2004 are also progressing on time. WDP has also managed to maintain occupancy rates* at 95%, owing to the prolongation of various leases and the conclusion of new rental contracts.

2. Projects

2.1. Projects completed in the first half of the year

Asse (Mollem), Assesteenweg 25

The existing warehouses have been completely renovated and split up, and the offices have also been fitted out, through an overall investment worth 1.7 million EUR. As of May 2004, Vemoflex is renting 6.300m^2 of warehouses and 1.400m^2 of new offices. As of 1st April 2004, AMP is renting 5.000m^2 of the warehouses and offices. A surface area of 3.500m^2 remains to be let. The unoccupied land alongside the buildings offers an area of 2 hectares for potential extension.

Vilvoorde, Jan Frans Willemsstraat 95

Half of the 6.000 m^2 building which became vacant at the end of 2003 has been demolished and replaced by a new construction, and the remaining halls have been renovated. The project represented an investment of 1 million EUR. Walon Nellessen has rented 3.000m^2 and has installed a photography studio for Toyota and Lexus, since 1st April 2004. Since 1st April also, Heytrans has rented 1.000m^2 of the remaining renovated warehouses and even currently occupies 1.500m^2.

Mlada Boleslav, Neprevazka (Czech Republic)

On the 4 hectares of land acquired last year, an initial semi-industrial complex of 4.000m^2 of warehouses and 1.000m^2 of offices has successfully been completed. These include a "Just In Time" warehouse for SAS, a subsidiary of Siemens which supplies automobile cockpits to the car industry. The complex is in an excellent location, between the Skoda factories at Mlada Boleslav and a new factory that the manufacturer PSA Peugeot Citroën Group and Toyota are jointly constructing at Colin. The lease runs for 10 years and includes an initial possibility for termination after 7^2 years. The total investment cost, including the acquisition of the land, amounts to 2,5 million EUR.
Given this region's potential, WDP has already decided to expand the site by an additional 4 hectares, with a view to undertaking various other projects.

2.2. Projects planned for the second half of 2004 and beyond

Asse (Mollem), Assesteenweg 25

AMP has singed a contract with WDP for the construction of a new 7.000m^2 building between now and the end of 2005.

Boortmeerbeek, Leuvensesteenweg 238

An existing 10.699m^2 warehouse will be transformed, alongside the road, into 1.800m^2 commercial premises with a car park and behind it, 2.500m^2 of warehouses with offices. The total investment is worth 600.000 EUR. Work has already begun and completion is scheduled for the end of 2004.

Nivelles, Rue de l'Industrie 30

WDP is undertaking a new construction project on this site for WEG, a company which works for the automobile sector. This initially involves a 4.860m^2 building, at an investment cost of 1.6 million EUR. It could then be subsequently enlarged up to 6.000m^2. At the end of June, work on the first phase of the project had almost been completed.

Rumst-Terhagen, Polder 3

In spring 2004, the older part of the site – the former Landuyt brickworks – were demolished. The area thus made available is used by Stefka to store cranes. WDP is also building a 2.800m^2 multi-functional area on this site, at an cost of 500.000 EUR. The soil remediation imposed by the OVAM was completed at the end of 2002. Completion of the new building is scheduled for the end of 2004.

Zele, Lindestraat 7

After the renovation of part of the building in 2003, 13.000m^2 of warehouses are now being renovated. The entire work, which will be completed at the end of 2004, cost 1.25 million EUR. The plot still has potential for extension.
The areas renovated in 2003, following the bankruptcy of the lessee Bioblue Comfort NV, were rented once again during the first half of 2004 in a long-term lease to VLOS. The contract involves 7.000m^2 which will be occupied in successive stages between September 2004 and June 2005. In addition, 5.000m^2 have been rented in a flexible short-term lease to Goodwill. Therefore 3.000m^2 of the renovated areas still remains unoccupied.

3. Leases

During the first quarter, 25.000m^2 of space became vacant in the existing portfolio. At the same time, new contracts were concluded for the same surface area. Thus whilst the Boom building became vacant, the Wieze and Alost – Wijngaardveld properties were entirely let out to the Balta group, VPK and Ziegler. At the Zele site, an initial long-term lease contract was signed with VLOS (see above).

During the second quarter, a short-term lease (for 8 months) was signed with Goodwill for the rental of 5.000m^2 in Zele. Frans Maas rented an additional 3.000m^2 at the Roncq site for 4 months, a provisional contract was signed until it is possible to combine all the leases with Frans Maas in Roncq in a single long-term lease. At the former Boomse Metaalwerken site, which was entirely renovated by WDP in 2001, the car manufacturer Renault will lease 24.000 m^2 as from 1st September 2004 for a fixed term of 5 years.

At the end of June, 80% of the new projects completed in the first half of the year were already leased.

The overall occupancy rate* thus stood at 95% at the end of the first half of the year.

**: The occupancy rate is calculated using the ratio between the rental value of m^2 rented out and the rental value of rentable m^2. Projects under construction and/or being renovated are not included in this calculation.*

Prospects

Leases which were already running at the start of the year as well as the contracts signed for projects completed during the first half of the year form the basis of the operating results in 2004. Subsequent increases in rental income will depend mainly on the following three factors:

1. 2004 Projects

The projects completed on 30th June generated a considerable capital gain. Barring unforeseen complications, this will also be the case for those which still have to be completed or are currently in progress.

The completed projects will contribute to operating profits as from the second half of 2004. The remainder will only contribute as from 2005, or even 2006 for the new building in Asse (Mollem).

In practical terms, there are essentially eight projects with a total surface area of 56.000m^2. During the first half of the year, they represented an investment cost of 7,4 million EUR. An additional investment of 4 million EUR has been allocated for the projects which still have to be completed (see also the Report on Activities).

Projects completed during the first half of 2004

- the complete renovation and splitting of the existing warehouses at Asse (Mollem);
- the renovation and construction of a new building at Vilvoorde – Jan Frans Willemsstraat;
- the construction of a semi-industrial complex at Mlada Boleslav (Czech Republic).

Projects which will be completed during the second half of 2004 or later

- the new building at Asse (Mollem);
- the transformation of a warehouse into a commercial property and warehouses with offices at Boortmeerbeek;
- the completion of a new construction project at Nivelles;
- the demolition of buildings and the construction of a new, multi-purpose space at Rumst (Terhagen);
- the renovation of warehouses at Zele – phase II.

At the end of June, 80% of the completed projects were already rented out. 35% of the 31.000m^2 of projects under construction have already been pre-let.

2. The scale and speed of new rentals

A second crucial factor determining rental income is the surface area which WDP manages to rent out in properties which have become vacant in new projects.

In this context, the bankruptcy of Deventer Logistic Services (DLS) in early July posed an additional challenge. DLS was the tenant of a logistics platform in Breda, acquired by WDP during the first half of 2001 as part of a "sale and rent back" operation. In order to be able to relet the premises as quickly as possible, WDP is proposing various flexible options, working jointly with Storematch, a property agency in Leiden which specialises in logistics properties and which has numerous references and excellent contacts in the Netherlands.

But for the bankruptcy of DLS, WDP would have been able to maintain the occupancy rates of its available portfolio at an average of 95% for the whole of 2004. Given this bankruptcy however, the percentage of vacant space at the end of the year will increase from 5% to 10,5%. Various leases representing a total surface area of 18.000 m^2 are also coming to an end in 2004, and 13.000m^2 of new properties will become available with the completion of phase II at Zele – Lindestraat. Excluding new leases, the percentage of vacant spaces should thus increase by 3,5%.

The signing of new lease contracts is clearly the main challenge for the months ahead. A point in WDP's favour: In 2005 there will be significantly fewer leases maturing than in 2004. During the entire year, 40.000m^2, i.e. scarcely 5% of the total portfolio, will become vacant. It should also be remembered that they are quality constructions with excellent locations. Two clients, jointly representing 10.000m^2, have already stated their intention to prolong their contracts.

3. Future investments

The capital increase in the autumn of 2003 has provided WDP with the necessary margin for manoeuvre to pursue its new investments. WDP is constantly looking out for interesting projects, but until now these have been limited to the extension of 4 hectares on the Neprevazka site, in the Czech Republic (see also the Report on Activities).

As property process are currently high, it is difficult to find interesting opportunities, especially since WDP is standing by the strategy it has followed from the outset: acquiring properties and undertaking projects in attractive locations at realistic prices, in order to be able to charge reasonable rents without affecting the return.

Finally, the additional investment potential of 60 million EUR also offers WDP the instruments it requires to pursue its profit growth. In the medium term, it thus offers the prospects for an additional contribution of around 0,35 EUR per unit of operational profit per share.

4. Operational result

Quite soon after the capital increase, 2004 will in some way constitute a transition year. Furthermore, it is difficult to envisage what the future holds in store for us with regard to the aforementioned factors. The Board of Directors nevertheless envisages the potential achievement of a total consolidated operating result of 19 millions EUR, even considering the bankruptcy of DLS or 2.41 EUR per unit.

1. Trends in the rental properties market

Generally speaking, the semi-industrial properties market has remained buoyant until now, in spite of the recent economic slow-down. Distribution and logistics companies were largely able to offset the fall in activity in the production sector through an increase in the demand from the wholesale distribution sector, which is targeting new markets in Eastern Europe.

Impact of the economic climate

Persistent economic difficulties nevertheless also affected the semi-industrial property market. Rental prices are therefore under pressure, more specifically in the Western European logistical "heartland", i.e. along the axis connecting the Southern Netherlands to Northern France through Belgium. There are various reasons for this situation:

- the weak economy still often makes company bosses postpone their strategic decisions, including property investments. As there is generally a delay in the property market's reaction to the economic situation, an overall recovery in demand is still some way off;
- the abundant supply of both old and new warehouses which, combined with the previous point, results in increasing vacancies. According to Cushman & Wakefield Healey & Baker™ and King Sturge, the vacancy rate in Belgium is just over 8%;
- distributors are exerting greater pressure on their divisions and logistical service providers to keep their stocks as low as possible and thus the warehouses they require.

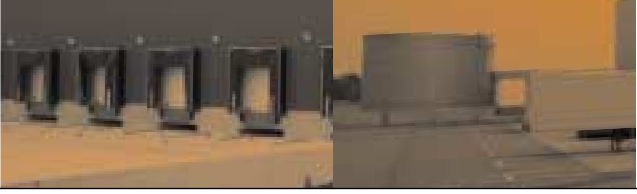
Certain owners are currently even going as far as to offer their customers exemptions from rental during certain periods. The pressure on rents is also slowing down the number of new projects, as project developers prefer to wait and see how the sector will evolve in the future.

The economic climate also has an impact on the duration of leases. Owing to the economic uncertainty, companies are where possible opting for short-term leases and flexible conditions.

Geographic shift

Although the main European logistics intersections remain the same, owing to their ability to service current markets, the growth in the logistics sector in the East is continuing. Generally speaking, the Central European market is growing, especially in the Czech Republic, which had already begun to emerge as a logistical heartland for Central Europe, is gradually confirming its reputation. A stable rental market has thus developed there. As supply has until now been limited, no vacancies have occurred as yet.

In contrast to what is happening in the "former" Western Europe, there is a highly active market in the Czech Republic for the development of new construction projects, especially around Prague. One characteristic of the Czech market is that new projects are not generally initiated until a tenant has been found.



2. Investment trends

In apparent contradiction to the trends in the rental properties market described above, the demand to purchase "state of the art" logistics properties has increased dramatically. The main interest is found among institutional investors, in spite of the lower inital returns – between 8 and 9% - and consequently higher prices, and also in spite of the continued shortening duration of leases.

There are various reasons for this development:

- investors' increasing interest in semi-industrial property as a means of diversification. In the currently unfavourable economic climate, semi-industrial property is once again proving its worth as a safe investment;
- the persistent relative weakness of share prices, generating interest in semi-industrial properties;
- the continued stagnation of interest rates, which is enhancing the attractiveness of high quality property as an investment;
- the shortfall in the supply of projects for purchase, as numerous project developers prefer to wait until the rental properties market returns to normal.

Another trend: final users – i.e. SMEs and major European groups – are once again read to invest in their own properties. These categories of businesses do not explicitly emphasise that property is not part of their core business. The persistent low interest rates, and thus the low financing costs, incite them to once again envisage the acquisition of properties.

Valuation of the portfolio as at 30th June 2004 by the chartered surveyor, Philippe Janssens, Stadim CVBA

On 30th June 2004, the value of WDP's property portfolio increased to 343,5 million EUR including transaction costs, or 313 million EUR excluding transaction costs. This 343,5 million EUR is a 4,1 million (+1,2%) increase compared with the end of March 2004, and a 9,9 million (+3%) increase compared with the end of 2003. Since the floatation, in June 1999, growth of 148,6% has been recorded, i.e. a cumulative annual increase of 20%.

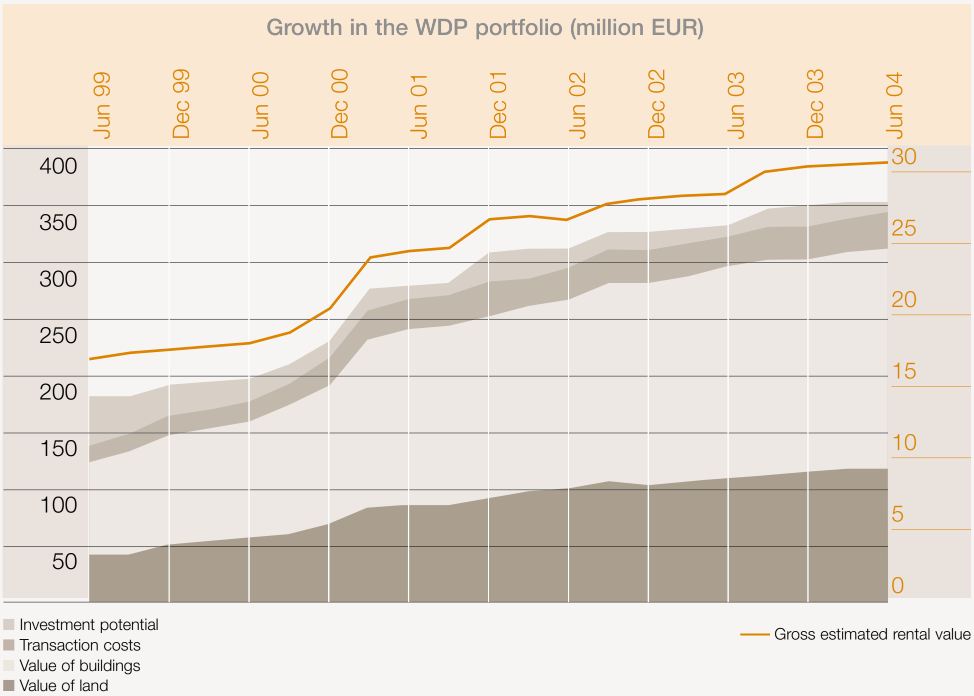
Since the end of 2003, 70% of the recorded increase is the result of additional investments. The main investment items are Mlada Boleslav II, in the Czech Republic (2 million EUR), Nivelles (1,35 million EUR), Vilvoorde - J.F. Willemsstraat (1,1 million EUR), Asse-Mollem (830.000 EUR), Zele (750.000 EUR), Boortmeerbeek - Leuvensesteenweg (500.000 EUR) and Rumst-Terhagen (280.000 EUR).

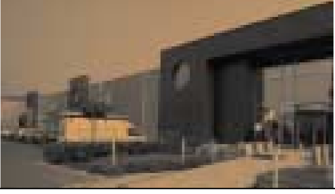
In addition to this, the departure of two major tenants resulted in a capital loss for Molenbeek Saint-Jean (-360.000 EUR), where the KVS lease matured, and for Hazeldonk, in the Netherlands (-670.000 EUR), following the bankruptcy of DLS SA. This capital loss takes into account a reasonable interval required to find new tenants.

When a favourable opportunity arose, two small plots of land were sold for a total sum of 185.000 EUR, i.e. 26% higher than their estimated value.

The first half of the year thus resulted in an increase of 4,3 million EUR (+1,28%). This growth broadly ties in with the increase of the consumer price index (+1,18%).

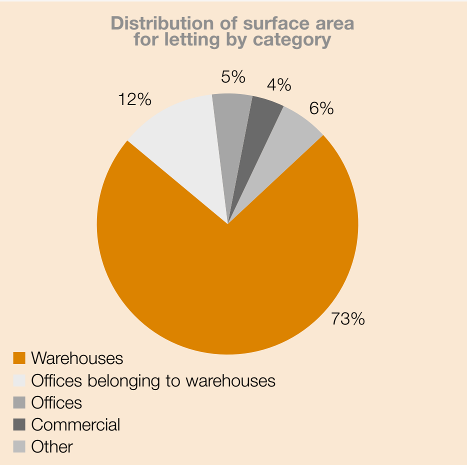
The gross return on rents – i.e. the ratio between the estimated gross rental value in accordance with the market and the value of the properties including transaction costs and planned investments – has remained at 8,72% since the beginning of 2001. This has resulted in the revision of expected net revenue flows to 6,92%, i.e. the government bond (17-year OLO = 4,73%) plus a 2,19% margin. We have taken into account here a moderate future inflation rate of 0,75%, or in other words, a real interest rate (interest minus inflation) of 6,17%.

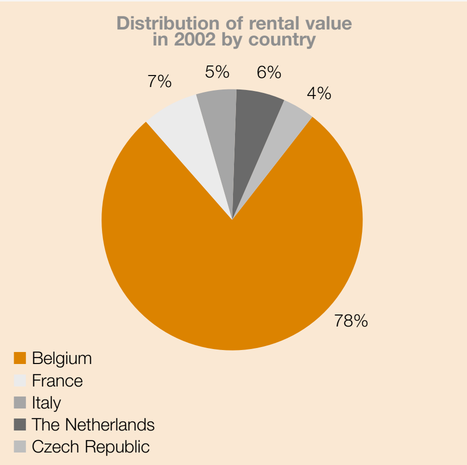




The rental value of unoccupied premises is currently estimated at 29 million EUR.
As at 30th June, the vacancy rate was 4,90%, i.e. valued at 1,42 million EUR. This situation is therefore stable compared with March 2004 and has increased by 0,85% compared with the end of 2003. If no new tenant is found, the bankruptcy of DLS SA will increase the vacany rate to 10,50%, i.e. 3 million EUR.

Use	**Built surface (m^2)**	**Estimated rental value (million EUR)**	**Estimated average rental value per m^2 (EUR)**	**% of total value**
Warehouses	576.154	21,23	36,85	72,7
Offices belonging to warehouses	43.679	3,57	81,66	12,2
Offices	17.223	1,48	85,89	5,1
Commercial premises	23.332	1,28	54,99	4,4
Other (multi-use premises, car parks and archives)	44.552	1,63	36,55	5,6
Total	**704.940**	**29,19**		**100%**





Balance sheet 30-06-2004 – Assets

	30-06-2004 EUR (x 1.000)	31-12-2003 EUR (x 1.000)	30-06-2003 EUR (x 1.000)
FIXED ASSETS	**343.982**	**334.082**	**325.163**
I. Formation expenses	**3**	**5**	**15**
II. Intangible assets	**39**	**38**	**40**
IV. Tangible assets	**343.930**	**334.029**	**325.098**
A. Land and buildings	331.372	309.494	316.189
B. Plant, machinery and equipment	275	284	296
C. Furniture and vehicles	151	160	119
E. Other tangible assets	26	27	27
F. Assets under construction and advance payments	12.106	24.064	8.467
V. Financial assets	**10**	**10**	**10**
B. Other enterprises	10	10	10
2. Amounts receivable	10	10	10
CURRENT ASSETS	**9.407**	**7.805**	**10.161**
VI. Amounts receivable after one year	**225**	**285**	**723**
B. Other amounts receivable	225	285	723
VIII. Amounts receivable within one year	**5.155**	**4.868**	**7.347**
A. Trade debtors	2.320	2.074	2.780
B. Other amounts receivable	2.835	2.794	4.567
IX. Investments	**6**	**5**	**5**
B. Other investments	6	5	5
X. Cash at bank and in hand	**2.496**	**2.448**	**612**
XI. Deferred charges and accrued income	**1.525**	**199**	**1.474**
TOTAL ASSETS	**353.389**	**341.887**	**335.324**

Balance sheet 30-06-2004 – Liabilities

	30-06-2004 EUR (x 1.000)	31-12-2003 EUR (x 1.000)	30-06-2003 EUR (x 1.000)
CAPITAL AND RESERVES	**227.350**	**214.534**	**196.743**
I. Capital	**79.498**	**79.498**	**51.900**
A. Issued Capital	79.498	79.498	51.900
III. Revaluation surplus	**107.526**	**105.273**	**106.166**
IV. Consolidated reserves (+)(-)	**40.326**	**29.763**	**38.677**
PROVISIONS AND DEFERRED TAXATION	**4.994**	**4.655**	**4.602**
IX.A. Provisions for liabilities and charges	**4.683**	**1.531**	**1.533**
2. Taxation	4.064	881	890
3. Repair and maintenance costs	444	445	383
4. Other liabilities and charges	175	205	260
IX.B. Deferred taxes and future taxation	**311**	**3.124**	**3.068**
DEBTS	**121.045**	**122.698**	**133.979**
X. Amounts payable after one year	**88.707**	**87.348**	**77.796**
A. Financial debts	88.707	87.348	77.796
4. Credit institutions	88.707	87.348	77.796
XI. Amounts payable within one year	**30.500**	**32.754**	**53.630**
A. Current portion of amounts payable after one year	2.234	2.294	32.560
B. Financial debts	21.371	16.090	12.866
1. Credit institutions	21.371	16.090	12.866
C. Trade debts	3.673	2.446	4.481
1. Suppliers	3.673	2.446	4.481
E. Taxes, remuneration and social security	2.420	2.035	2.551
1. Taxes	2.342	1.968	2.476
2. Remuneration and social security	78	67	75
F. Other amounts payable	802	9.889	1.173
XII. Accrued charges and deferred income	**1.838**	**2.596**	**2.553**
TOTAL LIABILITIES	**353.389**	**341.887**	**335.324**

Formation expenses and intangible assets

The formation expenses and intangible assets amount to 41.818 EUR. The 2.632 EUR of formation expenses mainly relate to the setting up of the Italian subsidiary in 1999 and the start-up phase of the building project there. They are being systematically written off at 20% using the straight-line method.

The 39.186 EUR of intangible assets are on the one hand for the specific tax levied on the loan taken out in Italy which is gradually being written off over the period of the loan, i.e. 10 years, (19.367 EUR), and on the other hand for the activation of management and accounting software (19.819 EUR).

Tangible assets

The value of property is based on the estimated values, including transaction costs, determined by the independent chartered surveyor, Stadim CVBA on 30th June 2004.
The entire property portfolio is thus valued at 343.478.431 EUR, compared with 333,557,979 EUR at the end of 2003. The geographic distribution of this value is as follows:

The portfolio’s overall value has increased by 9,920 million EUR. For further details, see the chapter "Valuation of the portfolio by the chartered surveyor", page 14.

After setting off investments made during the last financial year, amounting to 7,384 million EUR, and after registering the deferred tax for the 2004 financial year (0,234 million EUR), the net unrealised increase in value is 2,302 million EUR.

This relates to a net increase in value which is the balance of the unrealised capital gains (4,261 million EUR) and unrealised losses (1,725 million EUR) recorded on properties in the portfolio, minus deferred tax of 0,234 million EUR.

This net increase is reflected in the equity capital of the closed-end property investment company under the "Revaluation surpluses" item.

The construction and/or renovation projects in progress on the balance sheet date and therefore unavailable for lease are included under a separate item: "Assets under construction and advance payments". During the first half of the year, several projects were completed, leading to a reduction in the estimated value of assets under construction, which thus fell from 24,064 million EUR on 31st December 2003 to 12,106 million EUR on 30th June 2004, including transaction costs.

Investments and cash at bank and in hand

On 30th June 2004, investments, cash at bank and in hand amounted to 2,502 million EUR. This is accounted for notably by the fact that WDP owns several separate companies in each country where it operates. The negative implications of this situation are nevertheless offset through the international cash management system set up jointly with Fortis Bank.

Provisions for liabilities and charges

The provision for taxation mainly involves an additional 0,704 million EUR exit tax payable when WDP was floated on the stock market and approved as a closed-end property investment company.

The provision for major maintenance is used to cover potential remediation, the main risk being the remediation of land in Vilvoorde - Willem Elsschotstraat.

Further provisions of 0,175 million EUR have also been made for current disputes.

Financial debts

Warehouses De Pauw has a transparent, simple debt structure. The general structure of loans, both in Belgium and abroad, has remained unchanged compared with the situation at the end of December 2003.

In terms of long-term financial debts contracted in Belgium, a bullet loan of 22,310 million EUR which matured at the end of May 2004 was replaced by a further bullet loan for 25 million EUR over 5 years.

On 30th June 2004, the level of debt was 35,67%. Given the legal provisions applicable to closed-end property investment companies which envisage a maximum debt ratio of 50%, following the accomplishment of its current commitments, the company still has additional investment and loan capacity of some 60 million EUR.

On 30th June 2004, WDP at consolidated level had 35,5 million EUR worth of unused lines of credit.

Summary of the results

	in 1000 EUR 1e sem. 2004	in 1000 EUR 2003	in 1000 EUR 1e sem. 2003
OPERATING INCOME	**13.852**	**26.697**	**13.024**
Net rental income	13.261	25.546	12.199
Other operating income	591	1.151	825
OPERATING CHARGES	**-1.517**	**-3.033**	**-1.535**
Property management costs	-542	-962	-501
General operating costs	-975	-2.071	-1.034
Management and administration	-643	-1.281	-666
Costs related to listing	-153	-244	-123
Communication costs	-125	- 295	-120
Other charges	-54	-251	-125
OPERATION PROFIT	**12.335**	**23.664**	**11.489**
Financial income	57	154	82
Financial charges	-1.911	-4.156	-1.929
Income tax	-30	-48	-24
RESULT FOR THE PERIOD (available for appropriation)	**10.451**	**19.614**	**9.618**
RESULT ON THE PORTFOLIO	**2.338**	**4.063**	**4.909**
Of which:			
- realised capital gains less reversal of	85	140	140
a provision for previously recorded latent capital gains	-49	-48	-48
- latent capital gains or losses			
• on new acquisitions	0	1.468	0
• on existing portfolio (incl. projects)	2.536	2.964	5.221
• latent taxation	-234	-461	-404
EXTRAORDINARY RESULT	**0**	**-682**	**0**
Reversal of a provision for extraordinary liabilities and changes	-	63	-
Expenses in relation to the increase in capital	-	-745	-
TOTAL RESULT	**12.789**	**22.995**	**14.527**

Operating income

In the first half of 2004, recurrent rental income – i.e. rental income less the advance property levy and charges for concessions payable by WDP – increased to 13,3 million EUR, up by 8,7% compared with the same period in the previous year.

WDP also receives two other types of income:
- recurrent management fees and rental supplements paid by way of compensation for specific works undertaken (together worth 311.120 EUR for the first half of 2004);
- non-recurrent fees, such as various payments for cancellation and termination of contracts, and the payment of fees for studying new projects. During the first half of 2004, these fees amounted to 279.310 EUR.

The combined result was a 6% increase in net operating income, compared with the first half of 2003, amounting to 13,852 million EUR.

Operating charges

Worth 1,517 million EUR for the first half of the year, operating charges remained virtually unchanged compared with the same period during the previous year.

Operating charges fall into two categories: the portfolio management fees relating to property on the one hand, and general operating expenses on the other.

Compared with the first half of the previous year, portfolio management fees related to property increased by 9% in the first half of 2004, totalling 542.115 EUR. This increase is mainly accounted for by the portfolio's growth and by a faster and more effective management of buildings.

General operating charges fell in the first half of 2004 to 974.676 EUR, a 6% decrease compared with the first half of 2003. This reduction is mainly the result of a fall in costs for property surveying, accounting, taxation and legal assistance services.

Financial charges

On a half-yearly basis, the proportion of total operating charges accounted for by financial charges remained at the same level as in the first half of 2003, i.e. 56%. Financial charges are also affected by WDP Comm VA's cautious interest rate strategy. WDP strives to optimally combine short and long term interest rates, in order to gain the maximum benefit from the interest rate curve.

This led to an overall net (pre-tax) operating result of 10,481 million EUR, i.e. a further 9% increase on a half-yearly basis compared with the same period of the 2003 financial year.

Portfolio result

During the first half of 2004, two small properties which formed part of two sites in the portfolio were sold for a total of 185.000 EUR. Compared with the estimate conducted at the time of WDP's floatation, these sales resulted in a capital gain of 85.098 EUR.

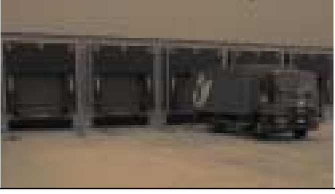
The positive result of the impact of market fluctuations on the portfolio, worth 2.301.812,45 EUR, can be broken down as follows (see also "Valuation of the portfolio as at 30th June 2004 by the chartered surveyor", page 14):

The part of the existing portfolio including a new construction or renovation project

Latent capital gains of 975,927.76 EUR on the existing buildings in which WDP undertook renovation work or a new construction during the first half of the year, in its capacity as the owner-investor. This was notably the case for the buildings at Rumst - Kardinaal Cardijnstraat, Zele - Lindestraat, Vilvoorde - J.F. Willemsstraat, Nivelles – Rue de l'Industrie, Mollem - Assesteenweg, Boortmeerbeek - Leuvensesteenweg and the Czech Republic - Mlada Boleslav. These latent net capital gains result mainly from the internal margin achieved as an investor. They increased by 2,12% compared with the market value at the end of 2003, plus agreed investments.

The remainder of the existing portfolio

Net capital gains of 1.325.884,67 EUR on the remainder of the existing property portfolio. The proportion of this figure accounted for by net latent capital gains on property in Belgium is 1.459.073,35 EUR, i.e. 0,65%, compared with the market value at the end of 2003 plus agreed investments. The value of foreign property assets also remained virtually unchanged: it recorded latent capital gains of 68.266,40 EUR. After deduction for latent tax liabilities of 201.455,08 EUR, the foreign balance is nevertheless a latent net capital loss of 117.116 EUR.



Declaration of the Statutory Auditor on the interim consolidated balance sheet and profit and loss account as of 30 june 2004 of Warehouses De Pauw Comm. V.A.

We have carried out a limited audit of the consolidated interim financial statements of Warehouses De Pauw Comm. V.A. as of 30 June 2004, which show a balance sheet total of EUR 353.389(000) and a profit of the current period, before transfer to reserves not available for distribution, of EUR 12.789(000).

Our audit has been performed applying the audit-recommendation of the Institute of Chartered Auditors with regard to the limited audit. This audit consisted mainly of the analysis, comparison and discussion of the financial information and was, consequently, less profoundly than a complete audit of the consolidated annual accounts.

Our examination did not reveal anything which would suggest significant adaptations of the interim consolidated financial data.

Brussels, 26 August 2004
L. Van Couter, Statutory Auditor

Warehouses De Pauw SCA is currently working to implement the IAS/IFRS norms.

The sector is now examining the issue of the conformity of portfolio estimates including transaction costs with the IFRS framework, in order to determine whether this practice can be continued as an estimation method when using IAS/IFRS norms. WDP SCA will comply with the position adopted by the sector.

On the basis of an estimate excluding transaction costs, the value of the property portfolio on 30-06-2004 was 312,974 million EUR.

Impact of the implementation of IAS/IFRS norms

Apart from this possible modification of the property valuation method, WDP SCA has also signalled the following two differences in relation to current reporting:

Cessation of the accounting of the latent tax burden

For property located abroad and owned by a foreign subsidiary, latent tax is recorded, calculated on the basis of the difference between the estimated value of the property on the reporting date and its fiscal value, using the average present value of the tax burden of 17,5%.

As the IAS/IFRS does not allow the recording of any latent tax burden, the calculation will be made on the basis of the real tax rate in each country. On 30-06-2004, the impact on equity capital was -2,795 million EUR.

Implementation of latent tax benefits

IAS/IFRS allows the recording of future tax benefits resulting from retrievable tax losses as revenue. According to the latest fiscal declarations, the tax losses currently recorded for foreign subsidiaries should result in an impact on equity capital of 0,167 million EUR, as at 30-06-2004.

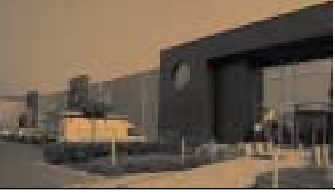
The above information are the result of an initial examination of the situation and are therefore provisional. Further modifications may be made during the financial period prior to the first report prepared using the IAS/IFRS framework (first quarter figures for 2005).

Reporting

The sector is currently working in the preparation of a new, harmonised reporting method for income statements in accordance with the IAS/IFRS framework.

WDP Comm. VA intents to use geographic distribution (per country) as the first criterion in the breakdown of its segmented reporting and maintain the distinction between the various types of properties (warehousing, offices and commercial areas) as the second segment.

As from the first quarter of 2005, all reporting will be in line with the IAS/IFRS framework.



A closed-end investment company is a company with fixed capital. It can be set up as a limited company (BV) or in the form of a partnership limited by shares (Comm.VA). Thus closed-end investment companies have the same structures as traditional companies.
In particular, these have a General Meeting of Shareholders, a Board of Directors and an auditor, whereas the Comm.VA has a General Meeting of Shareholders, a statutory managing director and an auditor.

Unlike an open-end investment company – an investment company with variable capital – the capital of a closed end investment company is fixed. While capital can be brought in or taken out of an open-end investment company without too many formalities, the capital of a closed-end investment company can only be raised in due form. A closed-end investment company's capital is thus raised through public issue of new shares.

Closed-end investment companies can make use of a variety of investment strategies to achieve a return on this capital. In the case of a closed-end property investment company, investments take place directly or indirectly in property assets. They often select a specialist niche, such as offices, commercial premises or semi-industrial spaces.

Closed-end property investment companies have existed in Belgium since 1995. This investment instrument was established by the government to enable private investors to have access to the professional property market and to invest in property projects which had previously been the reserve of institutional investors. Comparable structures also exist abroad, such as Real Estate Investment Trusts (United States), "Fiscale eleggingsinstellingen" (Netherlands) and since autumn 2003, Sociétés d'Investissement Immobilier Cotées (SIIC), in France. The maximum permitted level of debt for closed-end property investment companies is 50%. They are also obliged to distribute at least 80% of their operating result.

Closed-end property investment companies offer investors a number of advantages:

- a larger portfolio enabling better cost management and a more balanced spread of risks;
- the portfolio is managed by specialists;
- their liquidity is considerably higher than "real" property;
- the investor is regularly kept informed by the media and the company's website;
- there are also tax benefits for private individuals, as the tax deducted at source, the only tax payable on these dividends, is charged at 15% instead of the usual 25% for shares.

Closed-end property investment companies have now proved themselves to be blue-chip securities in the Belgian investment landscape, as evidenced notably by the presence of Cofinimmo in the BEL 20.
Closed-end property investment companies have thus forged themselves a strong position in Euronext Brussels.

By the end of December 2002, there were 11 closed-end property investment companies operating in various sectors of the Belgian property market.

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

WDP Comm.VA Blakenberg 15 B-1861 Wolvertem Belgium
tel: +32 (0)52 338.400 fax: +32 (0)52 373.405 info@wdp.be www.wdp.be
company registration number: 0417.199.869

Vandekerckhove&Devos

THE LOGISTIC HEART OF EUROPE