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

WDP SPACE FOR GROWTH

Interim report 2006

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

announcement of interim results 2006	Thursday, 31st August 2006
interim dividend payment 2006 (coupon n° 11)	as from Thursday, 24th August 2006
announcement of 3rd quarter results	Tuesday, 28th November 2006
announcement of annual results 2006	week 9 2007
Annual General Meeting	Wednesday, 25th April 2007, 10.00 a.m. (the last Wednesday of April each year)
remaining dividend payment 2006 (coupon n° 12)	as from Wednesday, 2nd May 2007

Table of contents

1. Presentation of WDP

1.1. A highly personal approach

Warehouses De Pauw (WDP) is currently the leading operator in the Belgian semi-industrial property market. True to its motto "space for growth", the WDP Closed-End Property Investment Company focuses its activities on building up a high quality logistics and semi-industrial property portfolio, which is reflected in practice by:

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

The multifunctional nature of the building plays a crucial role for each investment. The lifetime of the building is in fact determined by the potential for leasing it again, after the departure of the existing tenant. Furthermore, 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. In terms of the geographic location of premises, WDP systematically selects strategic intersections for storage and distribution.

WDP attaches great importance to the development of a long term relationship with its clients, for whom it above all aims to be considered as their property partner.

1.2. Portfolio

On 30th June 2006, WDP had 62 sites in its portfolio, in four countries: Belgium, France, the Netherlands and the Czech Republic. The total surface area of land in the property portfolio was 1,695 million m^2, along with 747.674 m^2 of buildings, to which 82.814 m^2 should be added for buildings under construction.

In accordance with the new IAS 40 fair value assessment, the market value of WDP's property portfolio amounted to 371,51 million EUR at the end of June 2006 (*).

(*) In accordance with IAS 40, land and buildings are assessed at their fair value, and assets under construction are valued according to the LOCOM method (lower of cost or market value). For further details regarding the evaluation methodology, please refer to the Belgian Asset Managers Association's press release of 6th February 2006 on the web page www.beama.be/content/index.php.

1.3. Stock market listing and capitalisation

The WDP cepic has been listed on the Euronext Brussels Primary Market since 28th June 1999. Since 2003 it has been included in the "next prime" segment of European mid-caps and the VLAM21 index, as well as the EPRA (European Public Real Estate Association) index since 2004. In 2005, WDP was also included in the Euronext Bel Mid and Next 150 indexes.

Since 17th December 2004, WDP shares have also been listed on the Euronext Paris Secondary Market.

At the end of June 2006, the Closed-End Property Investment Company's market capitalisation amounted to 316 million EUR.

1.4. Shareholders

WDP developed from the assets of the family group, Jos De Pauw from Merchtem, which remains the reference shareholder with a 30% strategic stake in the Closed-End Property Investment Company.

2. 2006: the start of a new growth phase

2.1. Priority markets

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

The second pillar of WDP's growth is the Czech Republic, which is developing rapidly as a logistical heartland for Central and Eastern Europe.

2.2. 2006 and subsequent years

At the end of 2005, WDP's Board of Directors took a crucial strategic decision. With its uninterrupted growth since its floatation on the stock market in June 1999, the cepic had reached a stage where a choice had to be made between consolidation or pursuing growth. In other words, it was both too large to remain a small player and too small to join the European big boys. WDP has resolutely opted to further its growth.

This decision was supported by the current low level of the cepic's gearing.

WDP's new objective is therefore to double its current property portfolio to 700 million EUR by the end of 2010 at the latest. The way in which the cepic would like to achieve this objective is presented in the boxed text.

This new leap forward went hand in hand with a strengthening of the executive management in the spring of 2006. The management team has also been able to count on the support and professional experience of the Chairman of the Board of Directors, who has worked on a part-time basis in his capacity as executive chairman since the beginning of 2006.

In line with the announcement of the doubling of its portfolio, WDP has already undertaken several major investments during the first half of 2006 and over the summer. The first 110 million EUR of the strategic growth plan have therefore been allocated to various projects. For the detailed presentation of these projects, please refer to the "Report on activities" chapter on page 10.

Towards a portfolio worth 700 million EUR in three stages

The 2006-2010 strategic growth plan aims to double the value of the portfolio, from 343 million EUR at the end of 2005 to 700 million EUR by the end of 2010 at the latest. The cepic is intending to achieve this objective by three methods.

1. Directly investing between 100 and 150 million EUR in its current strategic markets.

2. Purchasing an existing company or property portfolio worth 100 to 150 million EUR.

3. Investing an additional 50 million EUR in access to new markets. This will be achieved in one of the following ways:
   - by connecting current strategic markets through a presence in Germany;
   - by developing the current Central European market with one or several of the following countries: Slovakia, Romania, Hungary or Poland.

Key figures
Consolidated interim financial statements

	in EUR m 30/06/2006 IFRS	in EUR m 31/12/2005 IFRS	in EUR m 30/06/2005 IFRS
ASSETS			
LAND and BUILDINGS* (including development projects)	371,51	342,88	372,74
LIQUID ASSETS	5,90	4,54	4,36
OTHER CURRENT ASSETS	14,81	6,56	8,17
TOTAL ASSETS	**392,22**	**353,98**	**385,27**
LIABILITIES			
SHAREHOLDERS' EQUITY	233,60	227,33	242,29
PROVISIONS AND DEFERRED TAXES	3,63	2,96	6,58
DEBTS	154,99	123,69	136,40
TOTAL LIABILITIES	**392,22**	**353,98**	**385,27**
NAV**/SHARE before profit distribution	29,62	28,83	30,73
PRICE	39,95	44,00	39,45
PREMIUM/DISCOUNT before profit distribution	34,85%	52,62%	28,39%
DEBT RATIO*** (dividend as a proportion of debt)	42,83%	37,96%	37,69%
DEBT RATIO*** (dividend in shareholders' capital)	39,52%	34,94%	35,40%

**: IAS 40 assessment of fair value. See also the press release of 6th February 2006 on www.beama.be*
***: NAV = Net Asset Value = shareholders' equity*
****: debts/balance sheet total*

	EUR (x 1.000) 1st half 2006	EUR (x 1.000) 2005	EUR (x 1.000) 1st half 2005
NET OPERATING INCOME	14.392,15	27.124,95	13.756,21
OPERATING CHARGES	-1.999,35	-3.175,71	-1.594,77
OPERATING PROFIT	12.392,80	23.949,24	12.161,44
FINANCIAL RESULT	-1.854,90	-4.163,20	-2.168,10
INCOME TAXES	-94,99	404,23	104,48
NET CURRENT RESULT	**10.442,91**	**20.190,27**	**10.097,82**
IMPACT IAS 39	**3.803,80**	**581,51**	**10,99**
NET UNREALISED CAPITAL GAIN ON THE PORTFOLIO	**2.690,39**	**8.170,00**	**15.774,34**
PROFIT FOR THE FIRST HALF OF THE YEAR	**16.937,10**	**28.941,78**	**25.883,15**
PROPOSED DISTRIBUTION	12.987,47	19.481,20	8.812,93
DIVIDEND PAYOUT RATIO (in relation to the net current result)	91,16%	93,79%	87,18%
NUMBER OF SHARES AT THE END OF THE PERIOD	7.885.249	7.885.249	7.885.249
NET CURRENT RESULT/SHARE	1,32	2,56	1,28
GROSS DIVIDEND/SHARE	1,65*	2,47	1,12
NET DIVIDEND/SHARE	1,40*	2,10	0,95
% of net current result in relation to NAV at the end of the previous year (dividend recorded as debt, excluding impact of IAS 39)	**9,64%**	**9,74%**	**9,74%**
% of net current result in relation to NAV at the end of the previous year (dividend recorded as debt, including impact of IAS 39)	**13,15%**	**10,02%**	**9,75%**
% annual profit in relation to Net Asset Value at the end of the last financial year	**15,63%**	**13,96%**	**23,92%**

**Interim dividend for the first 8 months at the time of the transaction with PLI.*

In the foreword to the 2005 Annual Report, I wrote that 2006 would be a “year of transition” during which WDP was going to organise and prepare for an ambitious growth programme: doubling the portfolio to 700 million EUR by the end of 2010 at the latest. Even at this stage, 2006 has already proved to be far more than a year of transition. WDP has already begun its expansion, and has clearly emerged as the market leader and reference in the field of customised storage space.

Opportunities presented themselves and we took advantage of them. This enabled us to move faster than planned in the announced expansion of the portfolio in our domestic market, by means of several major acquisitions. During the first half of the year and over the summer, we have allocated 110 million EUR to various projects, thereby establishing our presence in several new strategic locations.

Initially, WDP reinforced its portfolio in the South of the country, through the acquisition of land in Courcelles, near Charleroi. Neuville-en-Ferrain and Templemars quickly followed in its wake, thus making the cepic a fully-fledged player in the Lille region, with five sites. The portfolio properties located on the strategic Brussels-Antwerp axis have been extended, with new sites at Kontich and Willebroek. With the acquisition of a project in Genk, WDP took the initial important step into Limburg. The acquisition in Kortenberg has consolidated our presence in Flemish Brabant, near the airport.

Most of these projects, worth 70 million EUR, will have a positive impact on the net current result during the course of 2006, and as from early 2007 at the latest. The remaining 40 million EUR are accounted for by land in prime locations in which WDP will develop in-house projects.

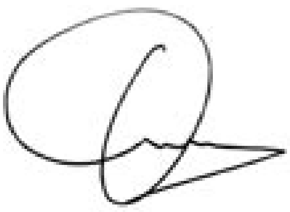
This clearly does not mean that we can now rest on our laurels. There is still a long way to go to reach the 700 million EUR objective which we have set ourselves. We now have to profitably develop the newly-acquired land and pursue the implementation of our strategic plan.

The Royal Decree of 21st June 2006, which raised the maximum authorised gearing ratio from 50 to 65%, offers further potential. Combined with the increase in capital which accompanied the acquisition of the Partners in Lighting International (PLI) site at Kontich, it enables WDP to finance the entire investment plan worth 350 million EUR and thereby improve its profitability.

This in turn leads me to the financial aspects of the past six months. The sound performance for the first half of the year is reflected in the results. Not only have profits exceeded the forecasts, but the increase in charges related to portfolio growth has been largely offset by rental income generated by the new acquisitions. WDP has thus been able to revise its profit forecasts upwards for 2006 by 1 million EUR, to reach 21,5 or 22 million EUR. Another good piece of news for 2006 is that unlike the previous two years, there will only be a limited number of leases expiring this year.

The forecast increase in profits will not however lead to a higher dividend this year. The Board of Directors prefers to use these good results to re-establish its traditional dividend pay-out policy, by distributing approximately 90% of the consolidated net current profits.

This in no way means that an increase in the dividend will be ruled out in the future. The route which WDP has resolutely followed during the first half of 2006 will take it towards further growth in the portfolio and profits. WDP will then restore another of its traditions: a regularly increasing dividend.



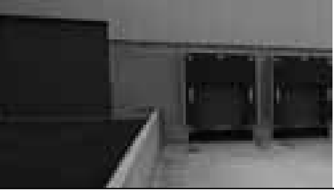
Mark Duyck
Chairman of the Board of Directors

1. Introduction

In 2006 once again, WDP successfully completed its current projects in line with the forecast plan. Only the acceptance of two smaller projects – at Rumst and Boortmeerbeek – have been postponed for practical reasons.

WDP undertook various strategic acquisitions over the first half of 2006 and during the summer, both in Belgium (Courcelles, Genk, Kontich, Kortenberg and Willebroek) and in France (Neuville-en-Ferrain and Templemars). Projects have already begun on some of these sites, which also offer opportunities for new projects in the near future.

In terms of leases, 2006 has been a quiet year. The letting of the Breda complex alone, at the beginning of the year, brought the occupancy rate up to 95,3%. Only two leases will expire at the end of 2006, which is far fewer compared with the past two years. Two new long-term leases were also signed during the summer.



2. Projects

2.1. Projects completed during the first half of 2006

2.1.1. Belgium

Aalst - Denderstraat-Tragel
At the end of August 2005, WDP acquired the Hudson-Sharp buildings, with a surface area of 7.500 m^2. The property is dilapidated, but adjoins two existing WDP properties. This new acquisition further improves the site's accessibility, thereby enabling its optimal development in the future.
Various conversions and modernisation work were conducted at the end of June 2006 under a six-year fixed-term lease signed with De Post, which will take possession of the buildings in the autumn. The acquisition and renovation works jointly represent an investment of 2 million EUR.

Asse (Mollem) - Assesteenweg 25
As agreed under the contract with AMP, the site's tenant, in 2003, WDP has completed a new construction, which includes 7.500 m^2 of warehouses and 700 m^2 of offices, on the vacant land alongside the existing buildings. The project is worth 1,75 million EUR.

Londerzeel - Nijverheidstraat 13-15

Following the departure of the tenant, Scott International, on 1st September 2005, the warehouse has been subdivided into two areas of 12.500 and 6.000 m^2 respectively. The latter area is intended for the Bouchout protected workshops. Work has also been completed for the conversion of 500 m^2 into offices and social areas.
Some 4.000 m^2 are being currently let on a temporary basis to Toyota Belgium, whilst awaiting their move to Vilvoorde - Havendoklaan 13 (cf. “2.2.1 Belgium”). After Toyota’s scheduled departure in autumn 2006, the facade of the building will also be renovated.

2.1.2. Abroad

Lille (Templemars) - Route de l’Epinoy, parcelle 237 bis

The complex, in the Templemars industrial estate, was built in 1997-1998 and initially had 572 m^2 of offices and 2.935 m^2 of warehouses. It is fully let to Polystyl SA, a subsidiary of the Tarkett Group. The construction of a new 450 m^2 warehouse and the development of 760 m^2 of offices in the existing warehouse were completed on 30th June 2006. Various interior conversions and works around the complex have brought the total investment value to 600.000 EUR. Following this extension work, Polystyl’s lease, which initially expired at the end of 2006, has been prolonged for 6 years until the end of 2012.

2.2. Projects in progress on 30th June 2006

2.2.1. Belgium

Courcelles - Rue de Liège

WDP acquired 106.000 m^2 of land in a logistics park in Courcelles, near Charleroi. During phase one, a new 8.000 m^2 construction will be built on a 30.000 m^2 plot. It will be used as a distribution centre by DPD, the parcel service of La Poste, the French postal company. The building will be brought into service – in several phases – in 2007, and will be leased under a fixed-term 12-year contract. The site’s development and the construction of the building represent an investment of 4 million EUR.
Alongside this initial development, WDP will retain an additional development potential on the site for 40.000 m^2 of warehouses. The entire site represents an investment plan of some 20 million EUR (see also “3. Acquisitions” and “5. Outlook on 30th June 2006”).

Nivelles - Rue du Bosquet

In 2005, WDP acquired a 2 hectare plot of land for 1 million EUR in the Nivelles-Sud industrial estate. The cepic already has interests here, with some 25.000 m^2 of warehouses and offices. An 11.000 m^2 project is currently under development – at the cepic’s initiative – on the new plots of land. Completion is scheduled for the spring 2007.

Vilvoorde - Havendoklaan 13

The project includes a new 3.200 m^2 warehouse and a 1500 m^2 building which will be used for bodywork activities. Work is in progress and completion is scheduled for September 2006. The total investment for the acquisition of land and the completion of new constructions is worth 4 million EUR.
A 3-6-9-year lease was signed with Toyota Belgium upon acquisition of the 2 hectare plot in 2005. Toyota Belgium will group together several of its activities at the site, notably those which the company undertook at the WDP properties at Nivelles - Rue de l’Industrie and which are currently housed temporarily in the Londerzeel - Nijverheidstraat building, whilst awaiting the definitive move to Vilvoorde (cf. “2.1.1. Belgium”).

Miscellaneous
Various minor projects have been completed in response to tenants' requests.

Boortmeerbeek - Leuvensesteenweg 238: an existing 11.700 m^2 of premises alongside the road has been redeveloped into a 1.800 m^2 commercial building with a car park and behind it, 2.500 m^2 of warehouses. The total investment is worth 600.000 EUR. The work began in mid-2006.

Rumst (Terhagen) - Polder 3: WDP is building new, 2.800 m^2 multi-functional premises on the site of the former Landuyt brickworks, at a cost of 500.000 EUR. The soil remediation imposed by the OVAM was conducted at the end of 2002. This is a smaller project, which WDP is carrying out with its own personnel. For reasons related to the organisation of work, it was decided to postpone the completion of the building from mid-2005 until a later date.

Temse, Kapelanielaan 10: the buildings on this plot include 1.212 m^2 of offices and 8.347 m^2 of warehouses with headroom of between 6,36 and 7,35 metres, all built in 1982. Under the agreement signed with Sügro, the buildings are being refurbished progressively as new tenants are found.

<u>2.2.2. Abroad</u>

Neuville-en-Ferrain - Sentier du Triez des Prêtres
In a joint development with Van Maercke Immo France, WDP is building a 12.000 m^2 fully-equipped, multi-functional, modular warehouse with offices at Neuville-en-Ferrain, near Lille, alongside the E17. Its completion is planned for 2006. WDP's share of the investment is worth 7 million EUR. This own development has been secured by a six-month rental guarantee.

3. Acquisitions

3.1. Acquisitions finalised during the first half of 2006

<u>3.1.1. Belgium</u>

Courcelles - Rue de Liège
WDP has acquired a 106.000 m^2 plot of land in the Courcelles logistics park, near Charleroi, which a highly promising logistics centre in Belgium (cf. also "2.2. Projects in progress" and "5. Outlook on 30th June 2006").

Kortenberg - Arthur De Coninckstraat 2-4
WDP acquired an existing 5.000 m^2 building in Kortenberg (Flemish Brabant), near Brussels National airport, which has been leased under a fixed-term, 10-year contract to the communication services provider, Link2Biz. WDP is entitled to rental income since 1st May 2006. The investment is worth 4,6 million EUR.

Willebroek - Koningin Astridlaan 14

WDP signed an agreement in principle (subject to the completion of due diligence) for the acquisition of De Polken NV and Willebroekse Beleggingsmaatschappij NV for a total of 13 million EUR. The acquisition and transfer of ownership took place on 1st January 2006. WDP has thus acquired the premises in which the Femont Group is working: 18.800 m^2 of production halls and 1.850 m^2 of offices, on a 57.000 m^2 plot alongside the A12, near to the Willebroek junction. WDP is letting the premises for 9 years to various companies in the Femont Group.

Through this acquisition, WDP has also acquired a 40.000 m^2 plot of industrial land which is to be developed as and when it decides (together with the area alongside it which WDP has also offered to purchase) next to the A12 (cf. also “5. Outlook at 30th June 2006”).

3.1.2. Abroad

Neuville-en-Ferrain - Sentier du Triez des Prêtres

A 24.200 m^2 plot of land was purchased alongside the E17 at Neuville-en-Ferrain, near Lille (cf. also “2.2. Projects in progress on 30th June 2006”).

3.2. Acquisitions since the reporting date

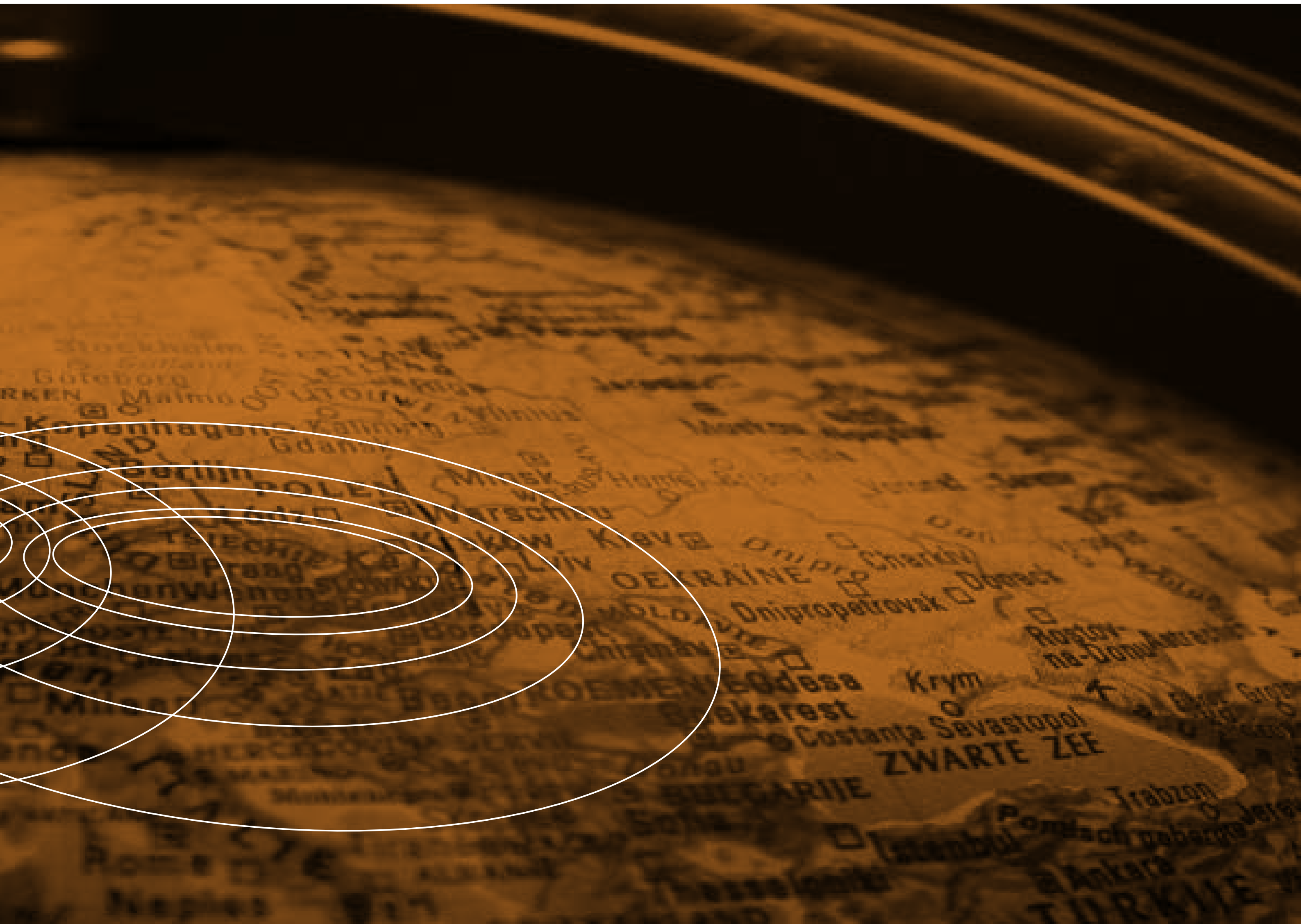
3.2.1. Belgium

Genk - Brikkenovenstraat

WDP has purchased a 60.000 m² plot of land in the “Hermes” logistics park, on the site of the former Winterslag colliery. The park, which lies alongside the E314 and is close to the port of Genk, includes a total of more than 500.000 m² of warehouses. The H. Essers Group has its central offices here, along with distribution centres for Ikea, Lidl, NYK and Vos Logistics. WDP’s total investment plan for this site is worth 11 million EUR. A project for a new 10.000 m² construction will be launched in early 2007. The site offers further potential for extension with 15.000 to 20.000 m² of warehouses.

Kontich - Satenrozen 11-13

At the end of June, WDP signed an agreement in principle for the acquisition of two sites belonging to Partners in Lighting International (PLI): one alongside the E19 at Kontich, on the Brussels-Antwerp axis, and the other at Templemars (for further details, please see “3.2.2. Abroad”). The Kontich site is owned by Massive SA, where PLI’s European distribution centre is located. It includes a 160.000 m² plot of land and a 56.000 m² building. The PLI group is renting the two sites as from 1st September 2006 under a fixed-term lease of 15 years.



The total investment allocated for the acquisition of both PLI sites is nearly 37 million EUR. WDP paid for the Templemars property in cash. The Kontich site was acquired through a partial split, with a payment in shares for an equivalent value of 29,4 million EUR. An Extraordinary General Meeting approved the partial split on 31st August and the issuing of 707.472 new shares, thereby officially completing the acquisition.

3.2.2. Abroad

Templemars - Route d'Ennetières (industrial estate)
The PLI site in Templemars is visible from the A1 Lille-Paris motorway. It includes a 44.000 m^2 plot of land and a 14.000 m^2 building which houses the logistics centre of Massive France SAS.

4. Sales finalised in the first half of 2006

A 2.700 m^2 plot of land of no strategic interest was disposed of at the Neder-Over-Heembeek - Meudonstraat site.

5. Outlook on 30th June 2006

5.1. Belgium

Courcelles - Rue de Liège
A further 2.220 m^2 extension of the buildings is scheduled during phase two of the construction of the DPD distribution centre. The site still offers potential for a further 40.000 m^2 of warehouses. WDP is planning an in-house development here.

Willebroek - Koningin Astridlaan 14
As soon as it is feasible, WDP will begin the construction of a new logistics centre of at least 20.000 m^2, on the 40.000 m^2 plot of industrial land which it acquired alongside the A12 at Willebroek. The work should be completed by the end of 2007 (cf. also "3.1. Acquisitions finalised during the first half of 2006").

5.2. Abroad

Templemars - Route d'Ennetières (industrial estate)
An extension will shortly be built on the PLI site at Templemars, with a new 5.000 m^2 construction.

6. Lettings in 2006

The first half of 2006 was quiet with regard to lettings. The lease of the Hazeldonk building alone, near Breda, in early 2006 brought the occupancy rate up to 95,3%.

At the same time, two agreements in principle were signed during the six-month period to let the Beringen (Paal), Industrieweg 135 - Rijsselstraat and Anderlecht - Frans Van Kalkenstraat 9 sites, of 4.600 and 3.000 m^2 respectively. The leases will take effect after the completion of conversion work, i.e. on 1st January 2007 for the Beringen site and 1st May 2007 for Anderlecht.

Compared with the past two years, very few leases will expire in 2006. Some 8.500 m^2 will become vacant at Ternat on 31st December, after the departure of the tenants Carrefour and PIAS. In the Port of Antwerp, 18.000 m^2 will become available at the end of the year, following the expiry of the Katoennatie lease.

Upward revision of profit forecasts

WDP's performance was better than expected during the first half of the year, with net current profits in excess of forecasts: 10,4 million EUR, i.e. a 3,4% increase compared with the same period in 2005.

In addition to this, 110 million EUR have already been invested during the first half of the year in acquisitions and new projects. An initial instalment of 70 million of these investments may even contribute to this year's net current result, or as from early 2007 at the latest.
The remaining 40 million form an investment budget to be allocated to in-house developments on strategic land which WDP is holding in reserve.

Following the better than foreseen interim results and the acquisition of new sites, WDP has increased its profit forecasts for 2006 by 1 million EUR, to between 21,5 and 22 million EUR. This means that net earnings per share, taking into account the increase in capital at the end of August (cf. below), will increase in 2006 by at least 3,5% to between 2,65 and 2,70 EUR.

Over the period from January to August 2006 inclusive, based on the 7.885.249 existing shares, expected operating profits amount to 1,78 EUR per share. For the period from September to December 2006, based on the new number of shares, i.e. 8.592.721, expected operating profits will be between 0,87 and 0,92 EUR per share.

An unusual interim dividend

On 24th August 2006, WDP paid out an interim dividend for the period between January and August 2006, worth 1,65 EUR gross and 1,40 EUR net. This early distribution of the interim dividend – which is also calculated over a period of eight rather than the customary six months – is the result of the acquisition of two Partners in Lighting International (PLI) sites. One of the sites was acquired by means of a partial split with a payment in shares.
As a consequence, 707.472 new shares were issued on 31st August. The payment of the interim dividend entirely offset the dilution of the earnings per share resulting from the increase in capital.

Normalisation of the profit distribution rate

The increase in expected profits for 2006 will not be reflected by an increase in the dividend for 2006. On the other hand, WDP will benefit from this improvement in profits to establish the profit distribution rate at its normal level of 90% of the consolidated net current profits.

The Board of Directors is planning to maintain the total gross dividend for 2006 at 2,47 EUR per share, i.e. a net value of 2,10 EUR.

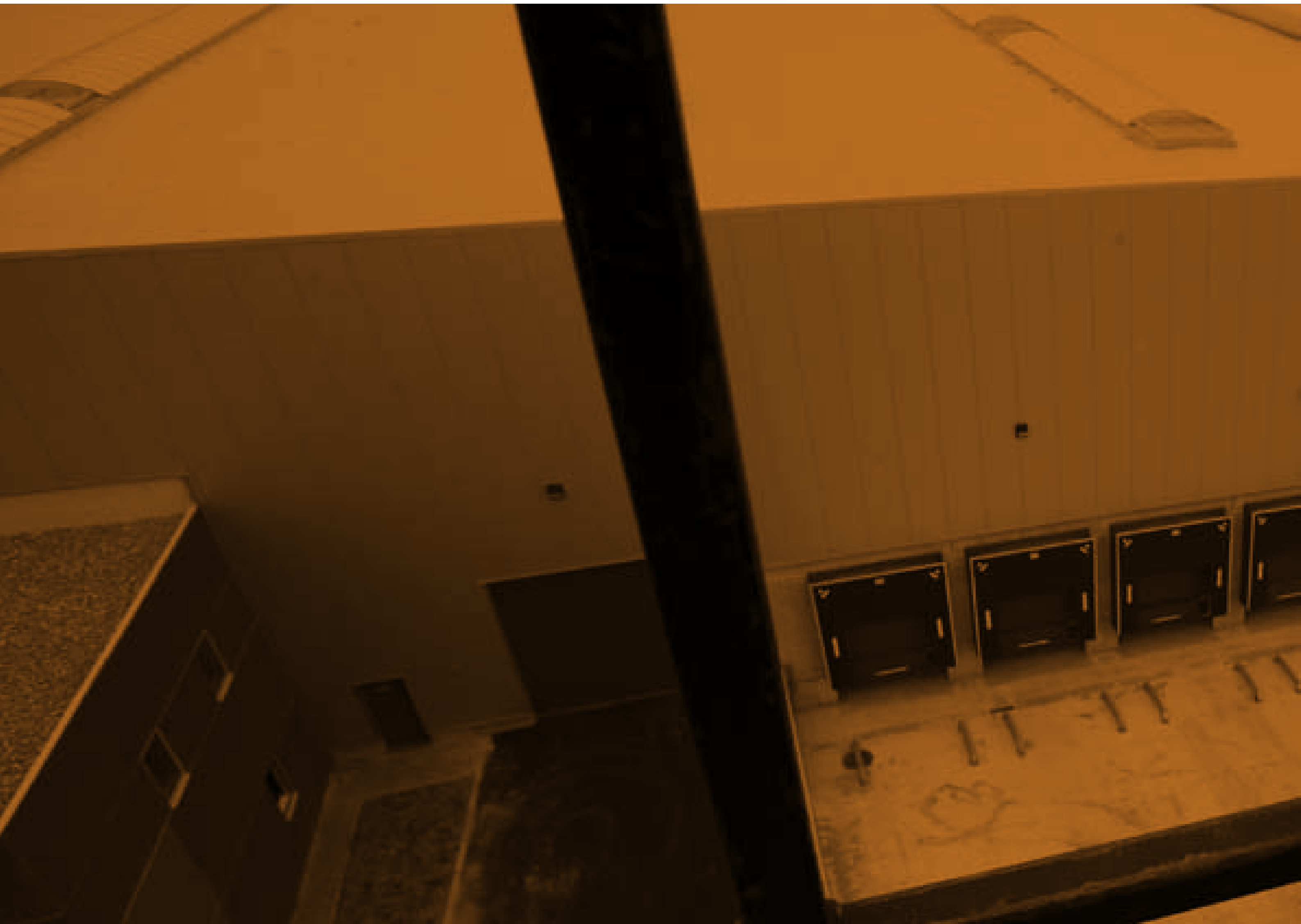
The dividend could nevertheless be increased at a later stage if future profits continue to rise.

1. Trends in the European semi-industrial market

The main trends in 2005 continued during the first half of 2006. The semi-industrial market has performed well over recent years, especially as compared with other property sectors. Demand is increasing, in line with activity in the European economy, and forecasts for the coming years suggest that growth will continue. The accessibility of sites, along with cost reductions, will be crucial. Rents in prime locations should remain generally stable in the near future.

Although "traditional" prime locations in Western Europe are remaining attractive, they can not prevent Central European locations from expanding also. The presence of a skilled workforce and the search for regional distribution centres for Central and Eastern European markets are reinforcing this trend, which has been further consolidated by the fact that the authorities in certain Western European countries do not take a favourable view of major new distribution complexes in main communication centres, as they generate even heavier traffic.

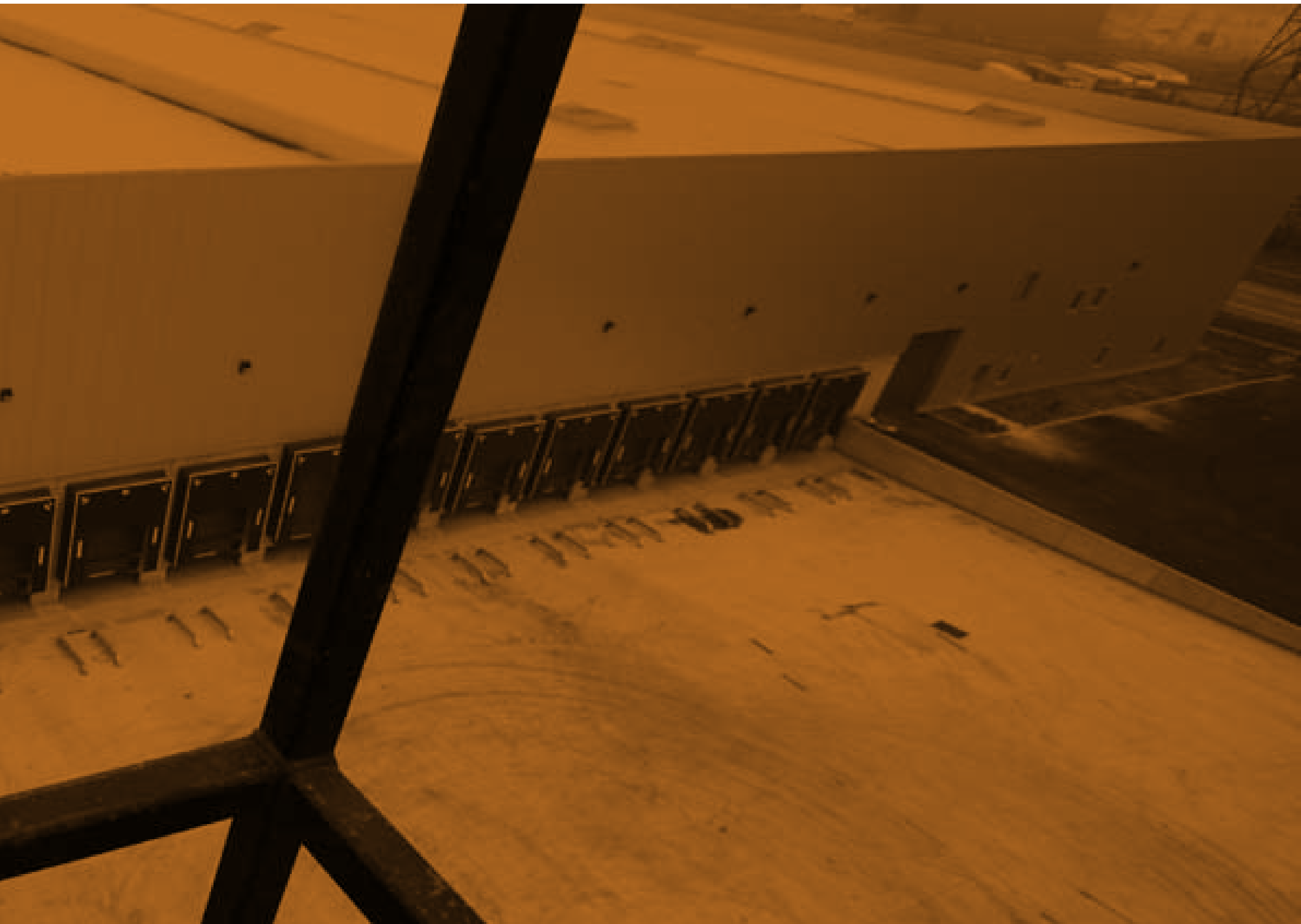
In Western Europe, the disparity between "available spaces" and "high quality available spaces" remains significant. Now that economic activity is beginning to pick up, many



tenants are beginning to unveil their expansion plans. They are seeking more modern, less restrictive spaces, encouraged by the stability and relatively low level of rents. Their attention is mainly being drawn by buildings with large surface areas. At the same time, leases are becoming shorter or preference is being given to traditional 3-6-9-year contracts, as tenants are seeking greater flexibility. This evolution is being reflected by a cautious increase in the number of higher risk projects, whereas up until recently, virtually the only projects to be developed were the ones leased in advance.

In Central Europe, supply still remains limited, although the situation is improving. It is precisely this lack of sufficient supply in the major cities which is shifting demand to secondary towns and smaller communication centres, where spaces are still available. Many higher-risk projects will be undertaken over the next two to three years, which will further increase supply.

Investors are still provisionally the driving force behind growth in the semi-industrial sector. Almost all the markets and locations are considered to be worthwhile, as long as the lease is suitably long, the tenants are reliable and demand continues to rise. In practice, prime locations always support growth in the semi-industrial property market.



Returns are expected to fall still further in the future. Over recent years, returns in Central Europe have fallen most, even if they have also been far lower in Western Europe. France, Poland and Denmark were placed under the most pressure in this respect. By contrast, returns increased in Germany, as this market has generated less interest over recent years.

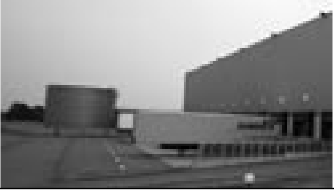
2. The main European centres

The Cushman&Wakefield Healey&Baker™ table published in February 2006 illustrates the continued good performance of traditional European centres, with Central Europe becoming increasingly important. It shows the strengths and weaknesses of the fifteen main European countries.

As in previous years, Belgium remains in the lead. Its advantages are the relatively low level of rents, its favourable geographic position in the heart of the European purchasing power region and the accessibility offered by its road, rail and waterways networks. The remaining positions at the top of the table have changed a little. France has moved up from third to second place. In particular, land prices and construction costs are lower than in Belgium. In third position is the Netherlands, which has become more competitive in cost terms.

Central and Eastern European countries are gaining in importance. The Czech Republic moved up from sixth to fourth place. Poland is in fifth place and Hungary seventh, both continuing their development. The Czech Republic is particularly popular owing to its accessibility, the attractive prices of building land and its relatively inexpensive workforce. Furthermore, Prague lies just on the North-South axis connecting Berlin with Zagreb.

The attraction of the entire central European region notably lies in the savings which can be made in terms of property and salaries. We are also seeing an increasing flow of Western European products to these new markets where the distribution sector is also developing rapidly. If rail and road infrastructures still leave room for improvement compared with the rest of Europe, they will soon catch up now that many of the countries in the region have joined the European Union.



3. The Belgian market

In Belgium, the semi-industrial property market has remained stable. Fluctuations in rents have remained limited over recent months. Rents for prime locations in Brussels have remained at their spring 2005 levels, i.e. 47 EUR/m^2 per year. They have fallen once again in Antwerp by 4,7% to 41 EUR, and by 2,9% in Liège and Ghent, to 34 EUR. Short-term forecasts for all of these cities are tending to improve slightly. The fact that rents in Ghent and Liège follow developments in Brussels and Antwerp illustrates the phenomenon that investors are also becoming increasingly active outside traditional prime locations.

Demand for large storage and distribution spaces remains high, whereas the supply is limited. Very few high-quality spaces are available, above all on the Brussels-Antwerp axis.
In the medium term however, a limited number of higher-risk projects will be launched.

In Belgium also, investors are the driving force behind growth in the semi-industrial property sector. The lack of availability of high-quality spaces limits the number of transactions and increases competition, which has a negative impact on returns. During the third quarter of 2006, returns fell in Brussels (from 8% for the same period last year to 7%), as well as in Antwerp (from 8 to 7,50%), Liège (from 9 to 8,25%) and Ghent (from 9,50 to 8,50%). Returns therefore reached their lowest levels in a decade, and the trend does not look as though it will change in the near future.

Strengths and weaknesses of various European countries as locations for establishing distribution centres*

	Rents	Labour costs	Acces-sibility	Road traffic congestion	Freight	Supply of buildings and land	2005 Ranking	2004 Ranking
Belgium	3	9	1	**11**	7	11	1	1
France	5	10	6	**10**	3	2	2	3
The Neth.	11	11	3	**13**	4	11	3	4
Czech Rep.	2	4	2	**9**	14	11	4	6
Poland	1	2	7	**6**	9	6	5	9
Germany	12	12	4	**15**	2	14	6	2
Hungary	4	3	8	**2**	15	6	7	8
Italy	8	7	10	**8**	6	9	8	10
Austria	7	15	5	**4**	13	1	9	5
UK	15	13	9	**14**	1	9	10	7
Ireland	13	8	11	**3**	9	2	11	13
Portugal	6	5	13	**12**	12	2	12	11
Russia	8	1	14	**1**	8	6	13	15
Sweden	10	14	15	**5**	9	5	14	14
Spain	13	6	12	**7**	4	15	15	12

(Source: Cushman&Wakefield Healey&Baker™)
**The number 1 signifies the best result, 15 is the worst*

Analysts agree that sound performance will be maintained in the semi-industrial property sector in Belgium. In the short term, the laws of supply and demand will push rents upward. Tenants are also showing increasing interest for locations beyond the Brussels-Antwerp axis, and are seeking modern but less expensive warehouses. Growth centres can now be seen in Charleroi, whose airport is going to be extended, and Antwerp, where an extension of the port is scheduled.

4. Semi-industrial property as an investment

Property in general and semi-industrial property in particular has retained its popularity among investors. Even at a time when the economic climate is improving and prices are starting to increase, investors are continuing to consider property as a safe investment. Forecasts that long-term interest rates will remain low for some time to come are boosting institutional investors’ interest in semi-industrial properties.

(Sources: CB Richard Ellis, Cushman&Wakefield Healey&Baker™, King Sturge, Jones Lang Lasalle and the Flanders Institute of Logistics)

1. Portfolio Statement as at 30 June 2006

The real estate portfolio value of WDP reached a fair value as at 30 June 2006 of EUR 374,48 million. The presumed impact of the registration fees on the sales value was deducted from this on the one hand and the added value of assets under construction was not carried over on the other. This adjustment conforms to the international accounting standards IAS/IFRS and the agreement made within the Belgian Association of Asset Managers (BEAMA).
The investment value of the portfolio, including the transaction costs and added value on assets under construction is estimated at EUR 384,84 million. This value reflects the costs for the composition of the real estate property in its present state.

Taking into account development potential via new construction and renovation on sites owned up to an amount of EUR 29,3 million (including VAT, margins and fees), the current portfolio has an estimated gross rental value of EUR 34,20 million, after deduction of charges payable for concessions, equating to a gross return on rents at market prices of 8,33%.

2. Main properties in the portfolio

The portfolio contains 62 properties. Of these, 51 are in Belgium and have a combined fair value of EUR 312,20 million. These consequently represent 83,4% of the portfolio. The eleven remaining foreign properties represent EUR 62,28 million, or 16,6% of the portfolio.

The key property is Boom - Langelei, which accounts for EUR 20,74 million, or 5,54% of the total portfolio.

Sixteen properties have a value of between EUR 10 to 15 million. In order of importance these are: Nivelles - Rue de l'Industrie 30, Hazeldonk in the Netherlands, Leuven - Vaart 25-35, Asse (Mollem) - Assesteenweg 25, Willebroek - Koningin Astridlaan 14, Aalst - Tragel 11, Zele - Lindestraat 7, Machelen - Rittwegerlaan 91-93, Bornem - Rijksweg 19, Londerzeel - Nijverheidstraat 13, Mlada Boleslav in the Czech Republic, Grimbergen - Eppegemstraat 31, Anderlecht - Frans Van Kalkenlaan 9, Vilvoorde - Willem Elsschotstraat 5, Ternat - Industrielaan 24 and Vilvoorde - Havendoklaan 12. Taken as a whole, these properties account for EUR 196,13 million, or 52,4% of the total portfolio.

Five other sites are each valued individually at EUR 7,5 to 10 million: Aalst - Wijngaardveld 3, Sint-Jans-Molenbeek - Delaunoystraat, Lille - Fretin-Sainghin, Vilvoorde - Havendoklaan 19 and Aix-en-Provence - ZAC Eiffel. Their total value amounts to EUR 42,56 million, i.e. an 11,4% share of the portfolio.

The 22 main sites thus account for EUR 259,4 million or 69,3% of the portfolio.

The 40 remaining properties therefore have a total value of EUR 115,0 million, and account for 30,7% of the portfolio.

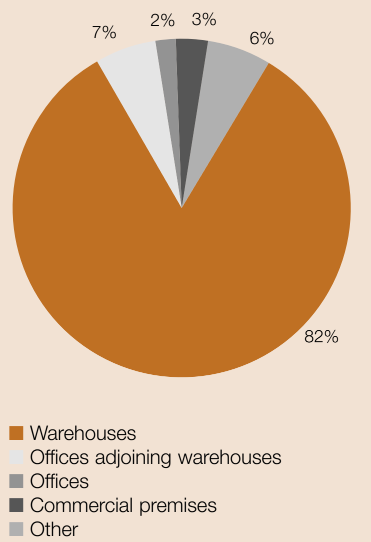
3. Value and composition of the rental portfolio

The total surface area in the portfolio is 169,5 hectares, including 8,3 hectares granted in concession. The remaining 161,2 hectares have an estimated resale value of EUR 129,8 million, i.e. 34,7% of the total fair value. The average value of the land amounts to EUR 80,6/m^2, excluding transaction costs.

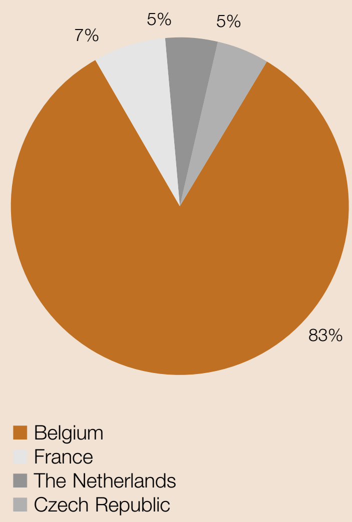
The total rentable surface area of the buildings is 747.674 m^2, with a total estimated rental value of EUR 30,54 million. Warehouses form the lion's share (72,4%), with a surface area of 611.495 m^2 and a total rental value of EUR 22,2 million. Their average rental per m^2 is thus EUR 36,31.

Office areas, either separate or adjoining the warehouses, represent 66.921 m^2, or a rental value of EUR 5,24 million, i.e. an average of EUR 78,33 per m^2. Commercial premises cover 24.406 m^2 and represent a rental value of EUR 1,5 million, i.e. an average of EUR 61,55 per m^2. Finally, various other uses represent a further 44.852 m^2 or EUR 1,73 million, i.e. an average rental value of EUR 38,52/m^2. Charges payable for concessions amount to a total of EUR 0,14 million.

Breakdown of rentable surface area by category



Breakdown of rental value 30/06/2006 per country



Use at 30/06/2006	Constructed surface area (m^2)	Estimated rental value (EUR million)	Estimated average rental value per m^2 (EUR)	% of total rental value
Warehouses	611.495	22,20	36,31	72,4%
Offices adjoining warehouses	49.421	3,65	73,93	11,9%
Offices	17.500	1,59	90,78	5,2%
Commercial premises	24.406	1,50	61,55	4,9%
Other (multi-use premises, car parks and archives)	44.852	1,73	38,52	5,6%
Total	**747.674**	**30,68**	**41,03**	**100,0%**
Charges payable for concessions		- 0,14		
Total		**30,54**		

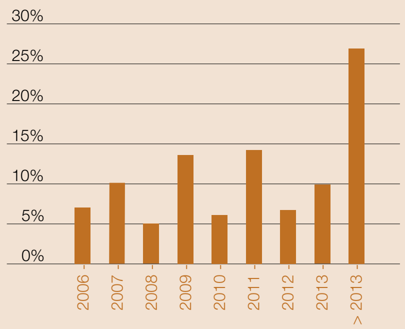
4. Rental situation of vacant buildings

Based on the leases running at 30th June 2006, the leased buildings generate income of EUR 28,57 million, an increase of 5,0% compared with 31st December 2005. The rental income is the sum generated by all the leases plus the charges paid for the management of the buildings or specific work, less the advance property levy and/or charges payable by the owner for concessions. In total, it is therefore equivalent to 93,5% of the aforementioned rental value of EUR 30,54 million, based on market prices.

The vacant areas available for immediate letting represent an additional rental value of EUR 1,44 million, i.e. a vacancy rate of 4,7% for the entire portfolio:

- vacant warehouses represent 26.078 m^2 or EUR 0,81 million;
- at 30th June 2006, 6.449 m^2 of offices were available for let, i.e. EUR 0,39 million;
- the 6.027 m^2 of “other” spaces that remain to be let represent EUR 0,24 million.

Breakdown of annual maturities for current leases



Overview of vacancy of available buildings

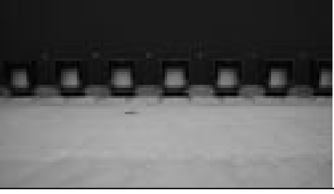
Use	Vacant area (m²)	Estimated rental value (EUR million)
Warehouses	26.078	0,81
Offices	6.493	0,39
Commercial premises	-	-
Other	6.027	0,24
Total	**38.598**	**1,44**

Three sites together represent 45,2% of the portfolio vacancies, in terms of rental value:
- Bornem - Rijksweg 19;
- Sint-Jans-Molenbeek - Delaunoystraat;
- Boortmeerbeek - Industrieweg 24.

The main tenants are Belgacom with a 4,5% share of the rental income, Renault Belgique (3,8%), De Post (3,7%), Lidl (3,7%), Tech Data (3,6%) and DHL Solutions (3,5%). The ten most important tenants together represent 33,6%. The ‘top 20’ make up 53,0% and the ‘top 50’, 80,8%.
Leases that expire in 2006 and 2007 respectively represent 7,2 and 10,2% of the total rental value. On the other hand contracts with an expiry date in 2010 or later represent 64,7%.

The rental value of new-construction or renovation investments amounts to EUR 3,67 million. Leases worth EUR 1,96 million have already been signed. Part of the investment is only undertaken once a lease has been signed.

The total rental income, vacant and rental value of the investments therefore amounts to EUR 34,34 million.



5. Sites undergoing investment

The estimates cover nine complexes for which there are potential new construction or renovation programmes. All of these programmes together represent an additional investment of some EUR 27,74 million, including fees, taxes, margins and interim interest. This represents an additional rental potential of EUR 3,34 million, i.e. a return of 12,1% with regard to the outstanding works. Leases have already been signed for EUR 1,96 million, i.e. almost 60% of the lettings.

The principal potential investments concern:

- a new-construction project in Willebroek - Koningin Astridlaan 14;
- a new-construction project in France - Neuville-en-Ferrain;
- a new-construction project in Nivelles - Rue du Bosquet;
- a new-construction project in Vilvoorde - Havendoklaan 13;
- a new-construction project in Courcelles - Rue de Liège;
- a new-construction project in Neder-over-Heembeek;
- extensions at Rumst (Terhagen);
- works to set up offices in the Asar Towers in Anderlecht, as and when the areas are let;
- a major transformation of a building in Boortmeerbeek - Leuvensesteenweg.

More limited programmes bring the total development potential to EUR 29,31 million.

6. Evolution of the portfolio compared to 31st December 2005

Since 31st December 2005, the fair value of the total portfolio has increased by EUR 30,15 million, which amounts to growth of 8,8%.

The value of the Belgian portfolio has risen by EUR 26,38 million (+9,2%), while the value of the foreign portfolio has risen by EUR 3,77 million (+6,4%).

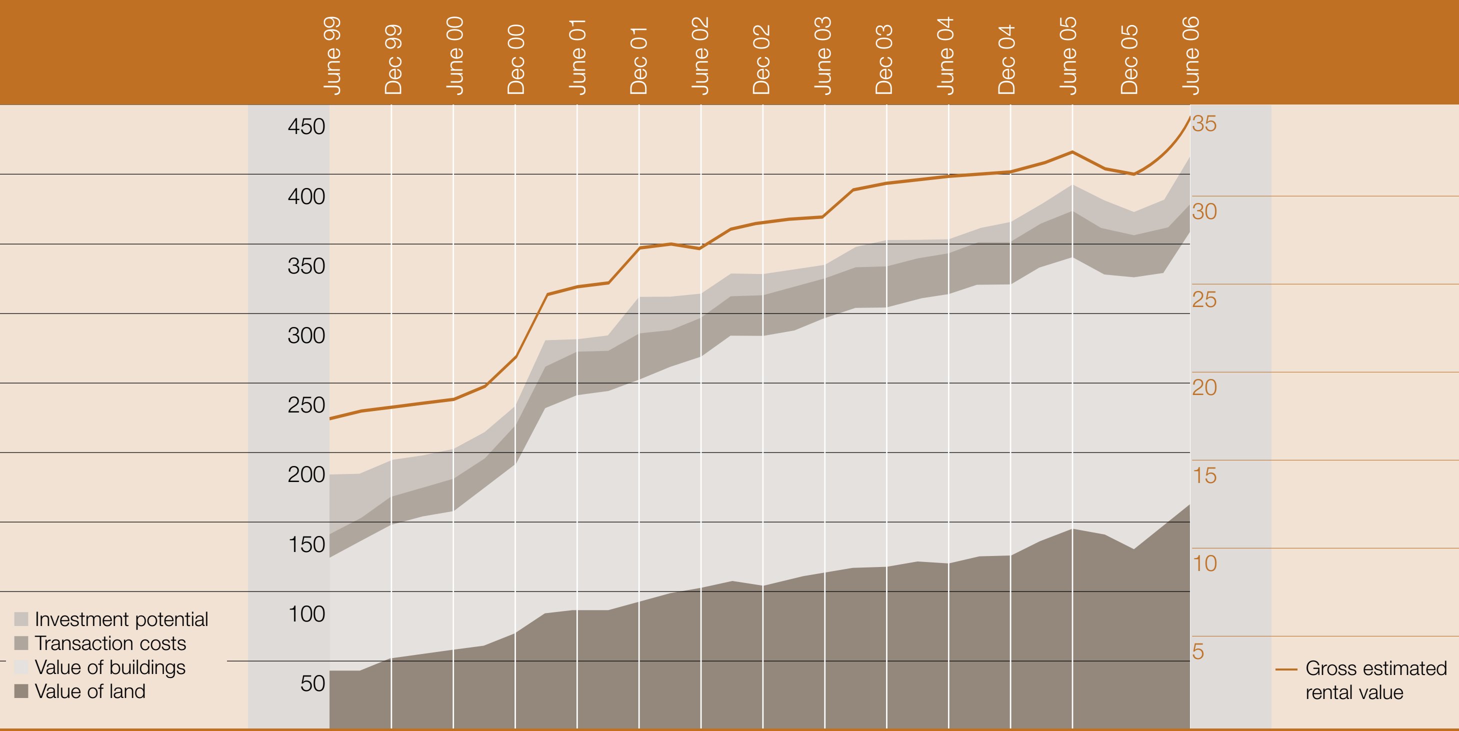
The acquisition of the sites in Courcelles - Rue de Liège, Willebroek - Koningin Astridlaan, Kortenberg - A. De Conincklaan and France - Neuville-en-Ferrain together represent EUR 22,27 million.

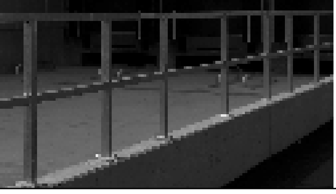
Growth is further accounted for – and valued at a total of EUR 4,92 million – by new constructions, renovations and/or leases on sites already in the portfolio:

- Asse (Mollem) - Assesteenweg (EUR 2,4 million);
- Aalst - Denderstraat (EUR 1,2 million);
- Vilvoorde - Havendoklaan (EUR 0,7 million);
- France - Templemars (EUR 0,6 million).

This means that the rest of the portfolio has increased globally by 2,95 million (+0,9%).

Evolution of the WDP portfolio (EUR million)





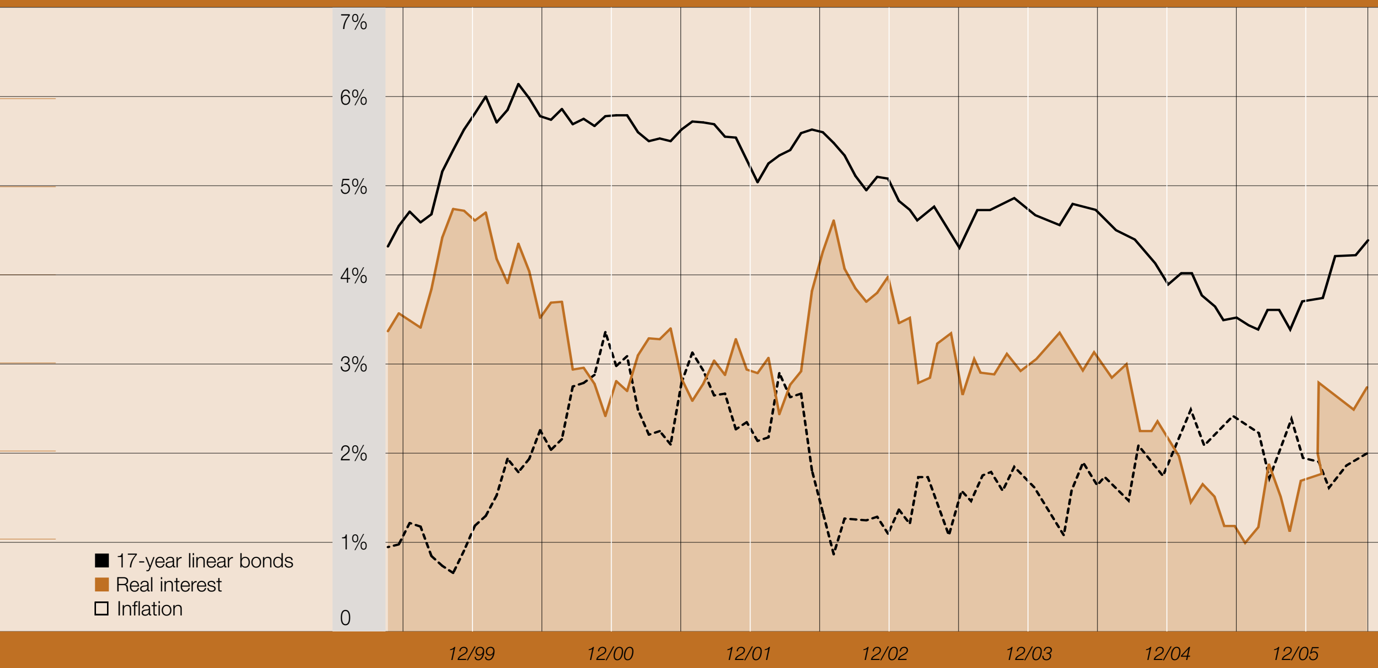
7. General economic factors

The long-term interest rate – for which specific linear bonds over 15 to 20 years are used as a reference to calculate property investments – increased further during 2006 from 3,45% at the end of December 2005 to 4,28% at the end of June 2006.

At the same time, the inflation rate remained stable in the first half of 2006 at 2,29% which is comparable to 2005 (2,32%). This means that the real interest rate, i.e. the difference between the long-term rate and inflation, thus rose again: from 1,13 to 1,99%. In relation to the current interest rates, this portfolio estimate is based on a future inflation rate of 1,50% giving a real interest rate of 2,78%. We also include an additional financial risk margin of ± 1%. This reflects the uncertainty felt by long-term investors about whether the current financial parameters will continue. A second specific margin for each property is defined according to the illiquidity risk. These two margins combined amount to 3,02% of the portfolio.

The real interest rate, which plays a preponderant role in financial analysis, was therefore maintained at 5,8% (4,28% - 1,50% + 3, 02%) as in 2005.

Change in the real interest rate



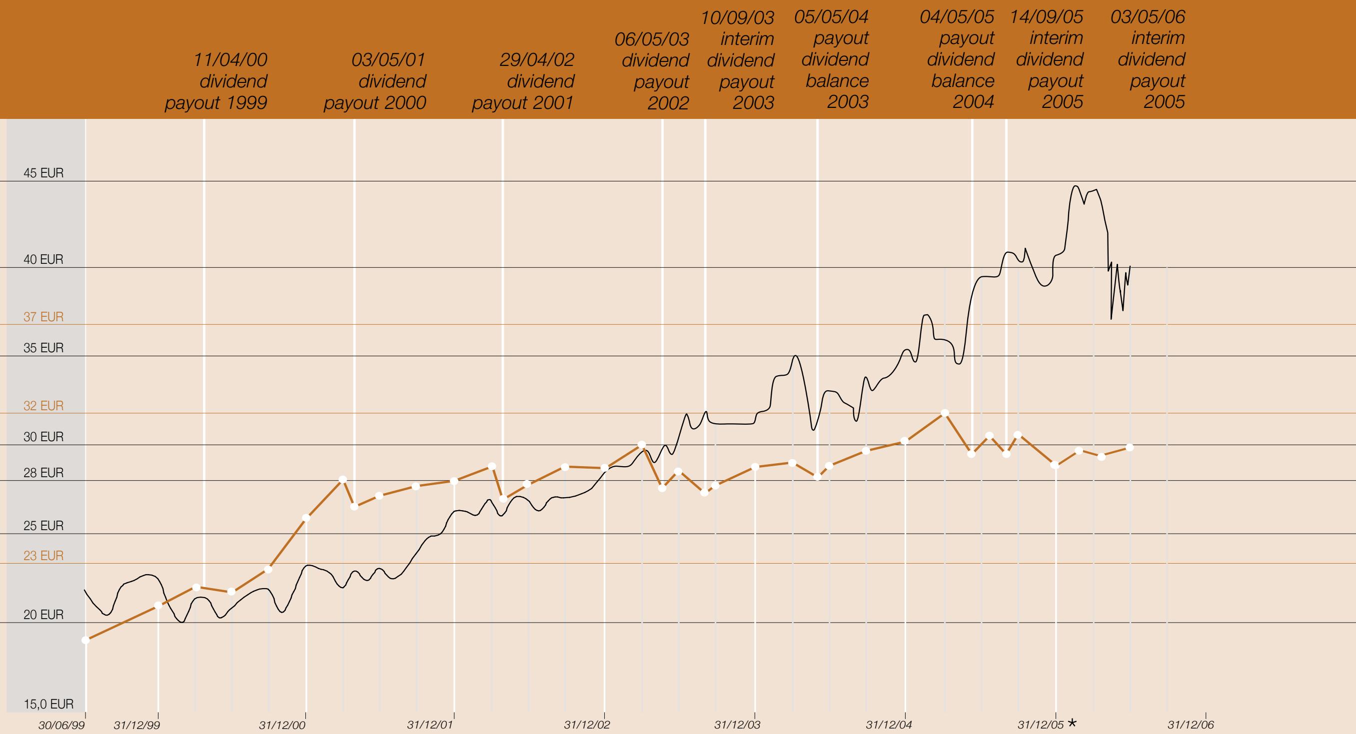
Share price

WDP share prices fluctuated somewhat during the first half of 2006. Starting at 44 EUR at the beginning of the year, the price rose to 46 EUR as the dividend payout date gradually approached, on 3rd May, but then fell back once again to 44 EUR. Turbulent conditions in the European securities markets last spring did not leave WDP unscathed, with the share price falling to 38 EUR within a few weeks. However, the recovery was just as fast and spectacular, as on 30th June, the price had once again reached 40 EUR. In July – after the announcement of several major strategic projects – the share price continued to climb to 44 EUR.

Compared with the share's Net Asset Value, i.e. 29,62 EUR, the closing price of 39,95 EUR on 30th June represents a premium of 34,87%. This is notably explained by the very low interest rates in Europe and by the fact that investors are aiming for stable dividends.

But another factor is also involved. Shareholders and potential investors are increasingly aware of the added value offered by WDP, which greatly exceeds its Net Asset Value, i.e. the purely arithmetic figure of the investment value of the various property assets. This added value arises notably from WDP's position as the market leader in Belgian semi-industrial property

WDP share price since IPO (28/06/99) in relation to NAV



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

*Valuation in accordance with the new IFRS rules

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

There is also a third reason, albeit purely theoretical in WDP’s case, why the value of a property portfolio exceeds the sum of its constituent parts: in the event of its sale, institutional investors are now prepared to spend far higher sums for profitable portfolios than individual projects, as they then obtain more attractive credit terms in the financial markets.

Turnover velocity and liquidity

The share turnover velocity – i.e. the number of shares traded in one year divided by the total number of shares at the end of the year – thus increased from 34% at the end of December to 37% at the end of June. In actual figures, this is the equivalent of an increase from 10.000 to 11.500 shares per day.

There are several explanations for this increase in liquidity. The first is the increasing interest in WDP shares, with property investments gaining further ground as an investment instrument. For institutional investors and private investors alike, these investments are becoming increasingly essential in a diversified investment portfolio. Then there is also the high percentage of free float, standing at 70%.

Return

During the first half of 2006, the return was -6,13%, which brought the average annual return since stock market floatation in June 1999 to 16,32%. WDP shares are therefore continuing to outperform most other Belgian and European property securities. According to the Global Property Research GPR 250 EUROPE index, the average return for listed European property during this period was 15,96%. According to the GPR 250 BELGIUM index, the average return for Belgian property shares between 1999 and 2006 was 8,72%, i.e. a far lower result than that achieved by WDP. See also the monthly update of figures on the www.wdp.be website.

During the first half of the year, the gross return on the Bel20 index exceeded that of WDP shares by 4,34%. For the 1999-2006 period, the average return on the Bel20 was nevertheless just 2,38%.

Conclusion

The share's sound performance during the first months of 2006 and the rapid recovery in June confirm WDP's reputation as a stable investment.

WDP combines the solid reputation of property shares in general with an extremely coherent niche strategy. Through the attention it focuses on the desiderata and specific requirements of European distributors and logistics firms, the cepic guarantees its continued growth in the semi-industrial property market. For investors, it provides a guaranteed stable dividend and long-term income.

EURONEXT BRUSSELS - Primary Market
IPO: 28/06/99
trading: continuous
ISIN-code: BE0003763779
liquidity provider: Petercam

EURONEXT PARIS - Secondary Market
trading: 17/12/04
trading: continuous

NP
euronext
NextPrime

Figures per share (in EUR)	30/06/2006 IFRS	31/12/2005 IFRS	31/12/2004 IFRS
Number of shares	7.885.249	7.885.249	7.885.249
Free float	70%	70%	70%
Market capitalisation	315.015.698	346.950.956	275.983.715
Traded volume in shares per year*	4.448.436	2.717.445	2.914.667
Average daily volume in EUR	35.027	411.094	367.354
Velocity**	56,41%	34,46%	36,96%
Stock exchange price			
highest	47,00	44,96	35,50
lowest	36,75	34,30	30,75
closing	39,95	44,00	35,00
Net asset value before profit distribution	29,62	28,83	28,76
Dividend payout ratio	91%	94%	96%
	6m	12m	12m
Operating profit/share	1,32	2,63	2,56
Gross dividend/share	1,65***	2,47	2,47
Net dividend/share	1,40***	2,10	2,10

**For half-year figures, the number of shares traded has been estimated on an annual basis.*
***The number of shares traded per year divided by the total number of shares at the end of the year.*
****Interim dividend for the first 8 months at the time of the transaction with PLI.*

Consolidated interim financial statements for the first half of 2006

Balance sheet at 30-06-2006 - Assets

	Disclosure	30-06-2006 EUR (x 1.000)	31-12-2005 EUR (x 1.000)
NON-CURRENT ASSETS		375.151	344.326
Intangible assets		34	23
Investment properties	1	359.277	333.980
Development projects	2	12.229	8.901
Other tangible assets		611	525
Non-current financial assets		1	0
Finance lease receivables		496	0
Trade receivables and other non-current assets		1.685	166
Deferred tax assets		818	731
CURRENT ASSETS		17.068	9.657
Finance lease receivables		33	0
Trade receivables		3.959	3.014
Tax receivables and other current assets		5.363	1.552
Cash and cash equivalents		5.904	4.537
Deferred charges and accrued income		1.809	554
TOTAL ASSETS		392.219	353.983

Balance sheet at 30-06-2006 - Liabilities

	Disclosure	30-06-2006 EUR (x 1.000)	31-12-2005 EUR (x 1.000)
SHAREHOLDERS' EQUITY		**233.598**	**227.330**
Capital	3	79.498	79.498
Reserves		161.084	157.758
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties		-10.357	-9.494
Changes in fair value of financial assets and liabilities	4	3.373	-432
LIABILITIES		**158.621**	**126.653**
Non-current liabilities		5.975	5.466
Provisions		1.048	1.762
Interest-bearing loans and borrowings		2.349	2.505
Deferred tax liabilities		2.578	1.199
Current liabilities		152.646	121.187
Interest-bearing loans and borrowings due within one year		120.606	110.434
Trade debts and other current debts		6.877	6.636
Other current liabilities	5	22.806	3.186
Accrued charges and deferred income		2.357	931
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**392.219**	**353.983**

Investment property

The fair value (*) of investment property on 30th June 2006 was established by the independent surveyor at 359,28 million EUR, compared with 333,98 million EUR on 31st December 2005.

The 25,3 million EUR increase can be broken down as follows:

- investments and disinvestments	4,32 million EUR
- new acquisitions (Willebroek, Courcelles and Kortenberg)	13,77 million EUR
- transfer from/to development projects	4,57 million EUR
- fair value variations	2,64 million EUR

The investment value at 30th June 2006, i.e. the value including transaction costs, was 384,8 million EUR, compared with 353,9 million EUR at the end of last year.

For further details, see the chapter "Valuation of the portfolio by the chartered surveyor", page 25.

Development projects

Development projects are valued at cost or their estimated fair value, if this is lower.
On 30th June 2006, this amounted to 12,23 million EUR. As the projects at Mollem (Aalst) - Denderstraat and Templemars (France) were completed during the first half of 2006, they have been transferred to the investment property item.

Other non-current receivables

These are essentially amounts receivable by the Femont Group from a company which was previously associated with it, when its shares were sold.

(*) In accordance with IAS 40, land and buildings are valued at their fair value. For further details regarding the valuation methodology, please refer to the BEAMA press release of 6th February 2006: www.beama.be/content/index.php.

Provisions

At the end of June 2006, the “provisions” item still included 0,74 million EUR for the potential remediation of land at Beersel - Stationstraat, Haacht (Wespelaar) - Dijkstraat, Temse - Kapelanielaan, Vilvoorde - Willem Elsschotstraat and Sint-Jans-Molenbeek - Delaunoystraat.

Furthermore, there are notably also provisions worth 0,16 million EUR for current disputes, for a potential increase in taxation in France worth 0,02 million EUR along with another 0,13 million EUR for guarantees made upon the disposal of WDP Italia.

Financial debts

Warehouses De Pauw greatly simplified its debt structure in 2005. WDP now no longer operates by means of bank borrowing according to country and company. Almost all debts – except those in the Czech Republic – have been converted into a single, consolidated debt payable by the Belgian parent company, with intra-group loans in line with market conditions to the various subsidiaries. This operation offers the major advantage of enabling WDP to negotiate more efficient financing at more advantageous conditions. In autumn 2005, a treasury note programme worth 150 million EUR was thus launched with Dexia and Fortis Bank.

At the end of June 2006, WDP’s debt was structured as follows:
- a long term loan of 2,67 million EUR in France, 0,32 million of which will fall due within the year;
- treasury notes worth 93,39 million EUR;
- “straight loans” worth a total of 23,61 million EUR.
- a short-term loan of 3,28 million EUR in France, under the cash management system.

The gearing ratio at the end of the reporting period was 39,52% (including dividend in shareholders’ capital).

At the consolidated level, WDP has the following unused lines of credit:
- 55 million EUR can be further borrowed under the treasury note programme;
- lines of credit with Dexia, Fortis Bank, ING and Banca Monte Paschi worth over 50 million EUR.

Interest rate hedge

The fact that the sources of WDP's funding are now essentially short-term commitments has not prevented the cepic from hedging the risk of interest rate changes. WDP currently uses the following breakdown for this: one third is hedged for less than three years, one third over three to five years, and one third over more than five years.

The entire debt position was hedged in 2005 based on this conservative, cautious strategy. Some 105 of the 110 million EUR of debts (rounded-up figure) have thus been permanently hedged in various instalments, over periods of 1 to 10 years. Given the forecast that the short-term interest rate (1-month Euribor) may vary from 2,5 to 3% maximum, existing debts result in a total interest rate charge of 3,53% in 2006.

WDP will re-examine its position with regard to interest in the autumn and will continue to hedge its risks in accordance with the aforementioned strategy.

Events since the reporting date

Apart from the issue of 707.472 new shares as part of the transaction with PLI and the acquisition in Genk (for further information, please see the chapter “Report on activities”, page 10), no event which is liable to have a significant influence on the company's assets has taken place since 30th June 2006.

Summary of the results

	30-06-2006 EUR (x 1.000) fair value	30-06-2005 EUR (x 1.000) fair value
OPERATING INCOME	**14.392**	**13.757**
Net rental income	13.742	13.020
Other operating income	650	737
Recurrent	172	158
Non-recurrent	478	579
OPERATING CHARGES	**-1.999**	**-1.595**
Property management costs	-597	-520
General operating costs	-1.402	-1.075
Management	-233	-115
Administration	-294	-233
External services	-397	-345
Communication costs	-130	-125
Costs related to listing	-177	-158
Amounts written off on trade debtors	-71	19
Other general charges	-100	-118
OPERATION PROFIT	**12.393**	**12.162**
Financial income	95	39
Financial charges	-1.950	-2.207
Income tax	-95	104
NET CURRENT RESULT	**10.443**	**10.098**
IMPACT IAS 39	**3.804**	**11**
RESULT ON THE PORTFOLIO	**2.690**	**15.774**
- Result from sale of investment property		
• Realised capital gains	151	0
- Changes in fair value of investment properties		
• Positive variation of fair value	5.769	17.147
• Negative variation of fair value	-3.133	-313
• Impairment (establishment and reversal)	139	0
- Deferred tax on market fluctuations and exit tax		
• Deferred tax on market fluctuations	-236	229
• Exit tax	0	-1.289
TOTAL RESULT	**16.937**	**25.883**

1. Net currents result

1.1. Operating income

Net rental income

Net rental income rose from 13,02 million EUR on 30th June 2005 to 13,74 million EUR on 30th June 2006, an increase of 5,5%. The improvement is essentially the result of three factors:

- the fall in the vacancy rate, notably owing to the lease of the Breda building to Lidl;
- the letting of several newly completed construction projects (notably at Mollem and Jumet);
- the letting of newly acquired buildings (Willebroek).

Other operating income

Other operating income is earned from specific services provided to customers, including:

- management fees worth 172.000 EUR for the management of buildings, in accordance with WDP's commitment to provide global solutions;
- coordinating fees when invoicing work conducted at the request of tenants (63.000 EUR);
- non-recurrent payments, notably for the renunciation and termination of contracts, worth 415.000 EUR.

In the first half of 2006, WDP generated operating income of 14,39 million EUR, representing a 4,6% increase compared with the same period in the previous year.

1.2. Operating charges

Property management costs

The increase in property management costs, i.e. maintaining buildings, public utilities payable by WDP and the remuneration of agents, is proportionate to the growth of the property portfolio.

General operating charges

Operating charges increased by 400.000 EUR. Of these, 100.000 EUR are extraordinary charges, notably related to the application of IFRS rules. The remaining 300.000 EUR involved recurrent charges in the context of the development of WDP's structure with a view to doubling its portfolio (in this respect, cf. also the chapter "The strategy of Warehouses De Pauw", page 4). Most of this figure (200.000 EUR) is accounted for by personnel charges.

1.3. Financial result

As the gearing ratio increases, the proportion of financial charges in WDP's total costs also increases. Financial charges account for approximately 49% of total operating charges. Given the importance of this cost factor, WDP is striving to develop the most effective possible debt structure. In autumn 2005, a treasury note programme worth 150 million EUR was thus launched with Dexia and Fortis Bank. This new debt structure, along with the hedging contracted in autumn 2005, have made it possible to reduce financial charges, which have fallen from 2,21 million EUR to 1,95 million EUR.

This optimisation of the banking margin goes hand in hand with a conservative, cautious interest rate strategy through which WDP strives to achieve maximum benefit from interest rate curves. In its interest rate hedging, the cepic has divided its risk as follows: one third is hedged for less than three years, one third over three to five years, and one third over more than five years.

1.4. Taxation

The net tax payment of 95.000 EUR is composed of:

- Belgian corporate taxation, mainly in the Femont Group companies (-120.000 EUR);
- Czech corporate taxation (-47.000 EUR);
- deferred tax assets resulting from tax losses in the Netherlands (86.000 EUR);
- deferred taxation on the provision for major maintenance in the Netherlands (-14.000 EUR).

2. Impact of the IAS 39 rule

In accordance with IAS 39, Interest Rate Swaps (IRS) are valued at their market value. The increase in interest rates had a positive influence of 3,8 million EUR on the market value of these hedging instruments. Given their unrealised nature, this gain has not been included in the current net results.

3. Portfolio result

3.1. Capital gains

This capital gain was realised on the sale of a non-strategic plot of land at Neder-Over-Heembeek - Meudonstraat (cf. also the chapter "Report on activities", page 10).

3.2. Unrealised capital gains

New acquisitions finalised during the first half of 2006
WDP recognised a capital gain of 0,23 million EUR for acquisitions undertaken in Kortenberg, Courcelles and Willebroek.

Construction and renovation work in the existing portfolio
The projects at Mollem (Aalst) - Denderstraat and Templemars (France) were completed during the first half of 2006. In this part of the portfolio, in which WDP participated as the owner-investor, the cepic recognised a net unrealised capital gain of 1,154 million EUR.

The 0,172 million EUR valuation allowance recognised previously on the Mollem project has been reversed, although an additional valuation allowance of 33.000 EUR was recognised for the Anderlecht and Boortmeerbeek projects.

The remainder of the existing portfolio
A total net unrealised capital gain of 1,048 million EUR was generated by the remainder of the existing property portfolio, consisting of a gross unrealised capital gain of 4,384 million EUR and an unrealised capital loss of 3,132 million EUR, less deferred taxation of 0,204 million EUR.

Consolidated interim financial statements for the first half of 2006

Income statement at 30-06-2006

	Disclosure	30-06-2006 EUR (x 1.000)	30-06-2005 EUR (x 1.000)
Rental income	6	14.256	13.706
Rental-related expenses	7	-148	-97
NET RENTAL RESULT		**14.108**	**13.609**
Recovery income of charges and taxes normally payable by the tenant on let properties	8	1.911	1.526
Charges and tax normally payable by the tenant on let properties	8	-2.187	-1.784
Other rental-related income and expenditure	9	173	172
PROPERTY RESULT		**14.005**	**13.523**
Technical costs	10	-305	-128
Commercial costs	11	-145	-154
Property management costs	12	-154	-97
Other property charges		-10	0
PROPERTY CHARGES		**-614**	**-379**
PROPERTY OPERATING RESULT		**13.391**	**13.144**
Corporate management costs		-998	-982
OPERATIONAL RESULT BEFORE RESULT ON PORTFOLIO		**12.393**	**12.162**
Gains or losses on disposals of investment properties		151	0
Changes in fair value of investment properties	13	2.775	16.834
Deferred taxes on market fluctuations and exit tax		-236	-1.060
OPERATING RESULT		**15.083**	**27.936**
Financial income	14	3.900	50
Interest charges		-1.936	-2.193
Other financial charges		-15	-14
FINANCIAL RESULT		**1.949**	**-2.157**
PRE-TAX RESULT		**17.032**	**25.779**
TAXES		**-95**	**104**
NET RESULT		**16.937**	**25.883**

Cash flow statement

	30-06-2006 EUR (x 1.000)	30-06-2005 EUR (x 1.000)
CASH AND CASH EQUIVALENTS OPENING BALANCE	**4.537**	**3.371**
NET CASH FROM OPERATING ACTIVITIES	**29.460**	**13.557**
1. Cash flows concerning operations	**29.476**	**13.415**
Profit/loss from operating activities	**18.889**	**29.222**
- Profit for the period	16.937	25.883
- Interest charges	1.936	2.192
- Received interests	-79	-37
- Exit tax to pay - France	0	1.289
- Taxes on gains	95	-105
Adaptations for elements without cash result	**-5.184**	**-17.347**
- Depreciations	43	44
- Writedowns	71	28
- Movements in provisions	-10	-76
- Movements in deferred taxes	1.142	0
- Changes in fair value of investment properties	-2.539	-17.063
• Positive variation of fair value of investment properties	-5.908	-17.147
• Negative variation of fair value of investment properties	3.133	313
• Deferred taxes	236	-229
- Deferred taxes	*236*	*1.186*
- Decrease of the provision of exit tax - France	*0*	*-1.415*
- Deferred operating taxes	-87	-269
- Impact IAS 39	-3.804	-11
Movements in working capital	**15.771**	**1.540**
- Movements in trade receivables and other receivables	-2.006	-1.377
- Price to receive for the sale of land & buildings	-144	0
- Movements in trade debts and other current debts	-501	998
- Price to pay for the acquisition of land & buildings	22.253	1.016
- Movements in tax debts	-974	834
- Takeover of working capital - Femont	-3.007	0
- Other	150	69
2. Cash flows concerning other operating activities	**-16**	**142**
Received interests classified as operating activities	79	37
Taxes on gains paid/received	-95	105
NET CASH FROM INVESTING ACTIVITIES	**-25.989**	**-6.086**
1. Acquisitions	**-26.018**	**-6.086**
Acquisition of land and buildings	-25.878	-5.890
Acquisition of other fixed assets	-140	-196
2. Transfers	**29**	**0**
Sale of land and buildings	29	0
(excl. capital gains or losses)		
NET CASH FROM FINANCING ACTIVITIES	**-2.104**	**-6.481**
1. Received cash flows concerning financings	**13.105**	**19.820**
Changes in financial debts payable within 1 year	13.105	19.820
- Drawing of new credits	13.105	19.820
2. Reimbursed cash flows concerning financings	**-2.656**	**-5.291**
Changes in financial debts payable after 1 year	-156	-2.938
- Redemption of actual credits	-156	-2.938
Changes in financial debts payable within 1 year	-2.500	-2.353
- Redemption of actual credits	-2.500	-2.353
3. Interest charges classified as financing activities	**-1.936**	**-2.192**
4. Paid dividends	**-10.617**	**-18.818**
NET INCREASE OF CASH AND CASH EQUIVALENTS	**1.367**	**990**
CASH AND CASH EQUIVALENTS CLOSING BALANCE	**5.904**	**4.361**

Consolidated interim financial statements for the first half of 2006

Statement of changes in shareholders' equity

(in EUR thousands)	Subscribed capital	Reserves and result	Impact on the fair value of estimated transfer taxes	Changes in fair value of financial assets and liabilities	Total share-holders' equity
Balance at 31 December 2004	**79.498**	**157.397**	**-9.132**	**-1.014**	**226.749**
Dividends paid out	**0**	**-19.481**	**0**	**0**	**-19.481**
Shareholders' dividend (for 2005)	-	-19.481	-	-	-19.481
Result	**0**	**25.872**	**0**	**11**	**25.883**
Net current result of the period	-	10.098	-	11	10.109
Variations in the fair value of property	-	16.834	-	-	16.834
Deferred taxes on the variations in the fair value of property	-	-1.186	-	-	-1.186
Deferred taxes reversal on the increase in value of the property portfolio (SICC status)	-	1.415	-	-	1.415
Exit tax in France	-	-1.289	-	-	-1.289
Balance at 30 June 2005	**79.498**	**163.788**	**-9.132**	**-1.003**	**233.151**
Dividends paid out	**0**	**-8.813**	**0**	**0**	**-8.813**
Interim dividend	-	-8.813	-	-	-8.813
Result	**0**	**2.849**	**-362**	**571**	**3.058**
Net current result of the period	-	10.092	-	571	10.663
Variations in the fair value of property	-	-7.813	-	-	-7.813
Deferred tax on the variations in the fair value of property	-	511	-	-	511
Impact on the fair value of costs and transfer taxes estimated at the time of the notional transfer of the investment property	-	362	-362	-	0
Adjustment deferred tax reversal on the increase in value of the property portfolio (SICC status)	-	-97	-	-	-97
Profit from the sale of property assets	-	-206	-	-	-206
Other	**0**	**-66**	**0**	**0**	**-66**
Balance at 31 December 2005	**79.498**	**157.758**	**-9.494**	**-432**	**227.330**
Dividends paid out	**0**	**-10.668**	**0**	**0**	**-10.668**
Shareholders' dividends (for 2005)	-	-10.668	-	-	-10.668
Result	**0**	**13.994**	**-863**	**3.805**	**16.936**
Net current result of the period	-	10.443	-	-	10.443
Impact IAS 39	-	-	-	3.805	3.805
Realised capital gains in property		151	-	-	151
Variations in the fair value of property	-	2.635	-	-	2.635
Impairment (establishment/reversal)		139	-	-	139
Deferred taxes on the variations in the fair value of property	-	-237	-	-	-237
Impact on the fair value of costs and transfer taxes estimated at the time of the notional transfer of the investment property	-	863	-863	-	0
Balance at 30 June 2006	**79.498**	**161.084**	**-10.357**	**3.373**	**233.598**

I. INVESTMENT PROPERTY (in EUR thousands)	1st half of 2006	Year ended 31-12-2005
1.1. STATEMENT OF CHANGES		
By 01-01	**333.980**	**333.503**
Capital expenses (external suppliers)	4.114	5.408
Activation own personnel	150	292
Capitalised borrowing costs	85	26
New acquisitions	13.774	0
Transfers from/to development projects	4.567	4.963
Sales and disposals	-29	-17.891
Changes in fair value of investment properties	2.636	7.679
By 30-06/31-12	**359.277**	**333.980**
1.2. BY GEOGRAPHIC SEGMENT		
Western Europe	339.580	315.464
Eastern Europe	19.697	18.516
TOTAL	**359.277**	**333.980**

II. DEVELOPMENT PROJECTS (in EUR thousands)	1st half of 2006	Year ended 31-12-2005
2.1. STATEMENT OF CHANGES		
By 01-01	**8.901**	**6.884**
Capital expenses (external suppliers)	1.849	1.769
Activation own personnel	67	73
Capitalised borrowing costs	84	51
New acquisitions	5.756	3.744
Transfers from/to investment property	-4.567	-4.963
Impairment (establishment/reversal)	139	1.343
By 30-06/31-12	**12.229**	**8.901**
2.2. BY GEOGRAPHIC SEGMENT		
Western Europe	12.229	8.901
Eastern Europe	-	-
TOTAL	**12.229**	**8.901**

III. CAPITAL (in EUR thousands)	1st half of 2006
Formation of Rederij De Pauw NV	50
Capital increase through incorporation of reserves	12
Capital increase through public issue (including share premium)	69.558
Capital increase through mergers/divisions	53
Capital increase through incorporation of reserves for rounding up in euros	327
Capital reduction to defray losses	-20.575
Capital increase resulting from the takeover of Caresta NV	2.429
Capital increase through incorporation of reserves for rounding up in euros	46
Capital increase through public issue (including share premium)	27.598
TOTAL	**79.498**

IV. CHANGES IN FAIR VALUE OF THE FINANCIAL INSTRUMENTS (in EUR thousands)	1st half of 2006	Year ended 31-12-2005	Changes
Western Europe	3.373	-432	3.805
Eastern Europe	-	-	-
TOTAL	**3.373**	**-432**	**3.805**

V. OTHER CURRENT LIABILITIES (in EUR thousands)	1st half of 2006	Year ended 31-12-2005
Price to pay for the acquisition of new buildings	22.253	2.703
Dividends with regard to previous years to be paid	490	439
Deposit and guarantee received	45	38
Other	18	6
TOTAL	**22.806**	**3.186**

VI. RENTAL INCOME (in EUR thousands)	Western Europe		Eastern Europe		TOTAL	
	1st half of 2006	1st half of 2005	1st half of 2006	1st half of 2005	1st half of 2006	1st half of 2005
Rental income storage	11.358	11.348	344	175	11.702	11.523
Rental income non-storage	1.965	1.453	385	377	2.350	1.830
Rental income	**13.323**	**12.801**	**729**	**552**	**14.052**	**13.353**
Indemnifications for early termination of lease	**204**	**353**	**-**	**-**	**204**	**353**
TOTAL	**13.527**	**13.154**	**729**	**552**	**14.256**	**13.706**

VII. RENTAL RELATED EXPENSES (in EUR thousands)	1st half of 2006	1st half of 2005
Rental to be paid for leased premises	-73	-72
Valuation allowances for trade receivables provisions	-75	-48
Reversal of trade receivables provisions	0	23
TOTAL	**-148**	**-97**

Rental paid for leased premises concerns concession rights paid for the land located in the port of Antwerp and in Grimbergen.

VIII. RENTAL CHARGES AND TAXES AND RECUPERATION (in EUR thousands)	1st half of 2006	1st half of 2005
Re-invoicing of rental charges paid out by the owner	985	637
Re-invoicing of advance property levy and taxes on leased properties	926	889
Rental charges paid by the tenant	-1.018	-682
Advance levies and taxes on leased property	-1.169	-1.102
TOTAL	**-276**	**-258**
Net rental charges (not rechargable rental charges)	-33	-45
Net property levy and taxes (not rechargable property levy)	-243	-213
TOTAL	**-276**	**-258**

IX. OTHER RENTAL INCOME AND COSTS (in EUR thousands)	1st half of 2006	1st half of 2005
Property management fees received	173	172
TOTAL	**173**	**172**

X. TECHNICAL COSTS (in EUR thousands)	1st half of 2006	1st half of 2005
Recurrent technical costs	**-312**	**-231**
Maintenance costs	-136	-50
Insurance premiums	-176	-181
Non-recurrent technical costs	**7**	**103**
Major maintenance	64	83
Accidents	-57	20
TOTAL	**-305**	**-128**

In the first half of 2006, fewer maintenance costs could be reinvoiced than in the first half of 2005.

XI. COMMERCIAL COSTS (in EUR thousands)	1st half of 2006	1st half of 2005
Agency commissions	-63	-54
Advertising	-63	-62
Lawyers fees and legal costs	-19	-38
TOTAL	**-145**	**-154**

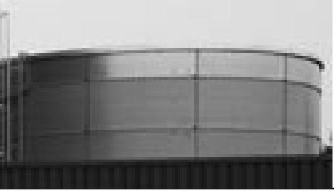
Agency fees associated with the initial rental are capitalised. Other agency fees are charged over the remaining duration (first possibility for termination) of the relevant rental agreement.

XII. PROPERTY MANAGEMENT COSTS (in EUR thousands)	1st half of 2006	1st half of 2005
Fees paid to (external) managers	-22	-17
(Internal) property management charges	-132	-80
TOTAL	**-154**	**-97**

The internal property management charges concern mainly the wages of the technical employees and workmen. WDP charges for this management an allowance to its tenants (recorded under “other rental income”).

XIII. VARIATIONS IN FAIR VALUE OF INVESTMENT PROPERTY (in EUR thousands)	1st half of 2006	1st half of 2005
Positive variation of fair value of existing investment properties	5.531	16.023
Negative variation of fair value of existing investment properties	-3.133	-276
Positive variation of fair value of new investment properties	238	1.087
Impairment (establishment and reversal) in project development	139	-
Reversal of impairment of assets under construction	-	-
TOTAL	**2.775**	**16.834**

XIV. FINANCIAL INCOME (in EUR thousands)	1st half of 2006	1st half of 2005
Changes in fair value IRS (IAS 39) of financial instruments	3.805	11
Other financial income	95	39
TOTAL	**3.900**	**50**



Declaration of the limited audit by the company auditor of the half-yearly concise consolidated financial information as of 30th June 2006 of Warehouses De Pauw Comm.VA

We proceeded to a limited audit of the half-yearly concise consolidated financial information of Warehouses De Pauw Comm.VA as of 30th June 2006, with a total balance of 392,22 million EUR and a profit over the first half-year of 16,9 million EUR. This half-yearly concise consolidated financial information was drawn up in accordance with the recording and valuation criteria in conformity with “International Financial Reporting Standards” as approved by the European Union.

Our task was carried out in the framework of reporting with the company’s regular disclosure of information. Our audit was carried out in accordance with the auditing recommendations of the Belgian Institute of Company Auditors in relation to the limited audit. This audit primarily consisted of the analysis, comparison and discussion of the financial information and was also less thorough than a complete audit of the consolidated annual accounts, which are intended to certify consolidated annual accounts. No information came to light during this audit that would give rise to any significant adjustments to the interim consolidated financial information.

Our declaration does not extend to the conformity of the interim financial information published with the International Accounting Standard 34 (Interim Financial Reporting).

Wolvertem, 30th August 2006

Luc Van Couter
Statutory auditor

What is a Closed-End Investment Company?

A Closed-End Investment Company is a company with fixed capital. It can be set up as a limited company (NV) 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, NVs have a General Meeting of Shareholders, a Board of Directors and an auditor, whereas the Comm.VA has a General Meeting of Shareholders, a management board and a statutory 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 by a ‘formal’ capital increase. The Closed-End Investment Company’s capital results from new public issues of shares.

Closed-End Property Investment Companies: increasingly popular in Europe

Closed-End Investment Companies can make use of a variety of investment strategies to achieve a return on their 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 properties.

In Belgium, the legal structure for Closed-End Property Investment Companies has been in place since 1990, although the rights and obligations of this instrument were not defined in concrete terms until 1995. This investment instrument was created by the public authorities to also enable private investors to have access to the professional property market and to invest in property projects, which were previously the reserve of institutional investors. Comparable structures already existed in the United States, in the form of Real Estate Investment Trusts (REIT) and in the Netherlands, where they are known as Fiscale Beleggingsinstellingen (FBI).

Since then, other countries have also taken an interest in this structure: in 1994, Italy created the Fondi di Investimento Immobiliare (FII). In autumn 2003, France also followed the lead of Belgium and other countries with the creation of Sociétés d’Investissement Immobilier Cotées (SIIC). Since then, Great Britain and Germany have also established legal provisions to create similar investment companies. Property Investment Funds (PIF) and “German REIT” or “G-REIT” should be created in these countries respectively in the near future.

WDP: both sicaf and SIIC

Since 17th December 2004, WDP has also been listed on the Euronext Paris Second Marché, its second listing after Euronext Brussels. In 2005, WDP opted for SIIC status for WDP France, in order to be able to enjoy fiscal advantages there related to the Closed-End Investment Company status.

The fiscal characteristics of sicafs and SIICs are quite similar (see also the comparative table below): for example, they are both exempt from corporate taxation on annual income and capital gains. On the other hand, the profits related to activities other than the leasing or sale of property assets are indeed subject to corporate taxation. On changing to the sicaf or SIIC status, a one-off conversion charge known as an “exit” charge is paid by the company. It is calculated on the basis of the difference between the market value of the portfolio and the fiscal book value of the property. Since 1st January 2005, the exit charge applicable to sicafs was fixed at 16,5% (17% if we include the additional emergency tax). The payment of the exit charge for SIICs is made in instalments over four years, with an initial 15% tranche paid at the end of the first year.

In Belgium, at least 80% of the corrected earnings, after deduction of the impact of debt reduction during the year, should be distributed (as presented in the annual corporate financial statements). In France, the percentage is 85%, albeit after deduction of amortisation. However, provisions relating to the distribution of capital gains resulting from the sale of property assets differ considerably. In Belgium, a minimum of 80% has to be distributed unless it is reinvested. For SIICs however, at least 50% of the profits have to be distributed at the end of the year following that in which it was earned. Also with regard to SIICs, dividends from subsidiaries which are exempt from corporate taxation have to be entirely distributed during the year when they are received. In terms of the shareholding structure, at least 30% of the shares in sicafs have to be “free float”, i.e. shares which are available for trading. France does not impose any restriction in this respect, nor with regard to the level of debt, which in Belgium is fixed at a maximum of 65% for the sicaf (compared with 50% previously), under the Royal Decree of 21st June 2006.

	Belgium (sicaf)	**France (SIIC)**
Year of creation	1990	2003
Corporate taxation	0%	0%
Exit charge	16,5% (+ additional emergency tax)	16,5%
Minimum percentage of the operating profits which have to be distributed	80%	85% (after amortisation)
Minimum percentage of the capital gains to be distributed	80% (if not reinvested)	50% (payable in two years)
Restrictions in terms of the shareholding structure	30% minimum of free float	None
Maximum authorised gearing ratio	65% maximum	No restriction

The landscape of sicafs and SIICs

At the end of June 2006, there were 11 Belgian Closed-End Property Investment Companies operating in various sectors of the 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

In France, most French and foreign SIICs operate both in the office premises market and in commercial spaces, sometimes even in combination with residential property. They rarely invest in industrial or semi-industrial premises.

Advantages of sicafs for the investor

Sicafs not only enable private investors to invest in large-scale property projects, but also offer many other advantages:

- a larger portfolio enabling better cost management and a more balanced spread of risks;
- portfolio management is conducted by specialists;
- their liquidity is far higher than that of “real” property or property income certificates;
- the investor is kept constantly informed of the evolution of their investment through the press and websites;
- there are also tax benefits for private individuals, as the tax deducted at source on dividends is charged at 15% instead of the usual 25% for shares.