WDP

Interim financial report 2010

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WDP
warehouses with brains

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Consolidated results (in EUR x 1,000)	30-06-2010	31-12-2009	30-06-2009
NET CURRENT RESULT			
Net rental result	28,617.26	54,126.90	26,014.07
Income from solar energy	2,633.46	3,704.29	1,819.81
Other operating income/expenses	-179.50	-58.40	-17.66
Property result	**31,071.22**	**57,772.79**	**27,816.23**
Property charges	-568.71	-1,082.89	-794.27
Corporate management costs	-1,869.73	-3,325.17	-1,630.78
Net property result	**28,632.78**	**53,364.73**	**25,391.18**
Financial result excl. IAS 39 result	-8,936.56	-18,086.19	-8,994.38
Taxes on net current result	-476.95	-220.45	-97.73
Deferred taxes on net current result	-200.56	-1,022.67	-279.77
Net current result	**19,018.72**	**34,035.42**	**16,019.30**
RESULT ON PORTFOLIO*			
Variations in the fair value of investment property (+/-)	3,019.65	-26,790.51	-20,592.52
Result from sale of investment property (+/-)	-43.22	10.81	6.21
Deferred taxation on portfolio income	-618.74	4,104.74	2,532.65
Portfolio result	**2,357.70**	**-22,674.96**	**-18,053.66**
IAS 39 RESULT			
Fair value change of financial instruments (IAS 39 impact)	-12,840.58	-10,923.05	-7,164.19
IAS 39 result	**-12,840.58**	**-10,923.05**	**-7,164.19**
NET RESULT	8,535.83	437.41	-9,198.55
In EUR			
Net current result/share**	1.52	3.14	1.70
Result on portfolio/share**	0.19	-2.29	-1.92
Net result/share**	0.68	-0.21	-0.98
Proposed payment***		32,256,717	
Distribution percentage (in relation to the net current result)		94.77%	
Gross dividend / share		2.94	
Net dividend / share		2.50	
Number of shares in issue at the end of the period	12,533,938	12,533,938	9,400,454

* *Result on the portfolio excludes the variations in the real value on the solar panels. These are valued in conformity with IAS 16 in which the added revaluation is stated directly under shareholders' equity. In 2010 this amounted to EUR 1.8 million.*

** *Earnings per share are calculated on a pro-rata-temporis basis for the number of shares entitled to dividend over 2009 (first six months 9,400,454, from 01/07/2009 12,533,938). The net result per share on the basis of the full-year result and the weighted average number of shares entitled to dividend is EUR 0.04 per share.*

*** *The dividend to be distributed for the financial year 2010 will be resolved and approved at the Annual General Meeting of 27 April 2011. See also the section 'Outlook' on page 20 in connection with the operating result and dividend.*

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

Consolidated half-year figures

Key figures

Consolidated balance sheet (EUR x 1,000)	30-06-2010	31-12-2009	30-06-2009
Intangible assets	417.18	286.61	184.15
Investment properties	828,560.47	815,391.78	807,628.54
Other tangible assets (solar panels included)	58,591.79	55,232.14	44,167.87
Non-current financial assets	12,961.89	11,737.25	11,186.15
Finance lease receivables	151.42	194.76	236.72
Trade receivables and other non-current assets	2,879.51	168.25	169.49
Deferred tax assets	914.14	835.73	760.73
Non-current assets	**904,476.41**	**883,846.52**	**864,333.65**
Assets held for sale	0.00	14,198.82	1,787.99
Finance lease receivables	85.30	82.63	80.05
Trade receivables	8,949.88	9,678.42	6,926.77
Tax receivables and other current assets	2,506.38	3,107.64	6,096.18
Cash and cash equivalents	800.47	2,203.86	2,254.48
Deferred charges and accrued income	3,329.82	2,958.60	3,504.09
Current assets	**15,671.85**	**32,229.97**	**20,649.56**
TOTAL ASSETS	**920,148.26**	**916,076.49**	**884,983.21**
Capital	97,853.12	97,853.12	97,927.25
Premiums on issue	63,960.55	63,960.55	63,960.55
Reserves	183,116.94	205,078.44	175,246.04
Result	24,772.09	26,050.15	41,631.85
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties (-)	-25,862.58	-27,123.83	-27,302.04
Currency exchange differences	1,025.86	1,025.01	1,713.31
Shareholders' equity	**344,865.99**	**366,843.44**	**353,176.96**
Non-current liabilities	430,530.99	413,650.52	412,139.15
Current liabilities	144,751.28	135,582.53	119,667.10
Liabilities	**575,282.27**	**549,233.05**	**531,806.25**
TOTAL LIABILITIES	**920,148.26**	**916,076.49**	**884,983.21**

In EUR	30-06-2010	31-12-2009	30-06-2009
NAV* / share	27.51	29.27	28.18
NAV* (excl. IAS 39 result)/share	31.32	32.05	30.66
Share price	32.29	33.93	29.00
Premium / discount on price compared with NAV* (excl. IAS 39 result)	3.09%	5.87%	2.91%

In EUR x 1,000			
Fair value of the portfolio (solar panels included)	886,118.57	869,465.97	850,584.69
Debts and liabilities included in gearing	515,777.53	506,145.28	489,892.31
Balance sheet total	920,148.26	916,076.49	884,983.21
Gearing**	56.05%	55.25%	55.36%

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

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

Notes to the consolidated key figures for the first half-year 2010

Profit and loss account

The property result increased by 11.7% to EUR 31.1 million in the first six months of 2010, compared to EUR 27.8 million in the same period of the preceding year.

This increase was attributable on the one hand to the continued growth of the portfolio due to the acquisitions of the preceding years and the successful completion of own projects, in Belgium (Genk phase II), the Netherlands (Tilburg) as well as France (Libercourt). For further details on these completions, see the 'Interim management report' on page 12. The occupancy rate climbed from 92.4% as at 31 December 2009 to 94.8% as at 30 June 2010. On the other hand, income from solar panels amounting to EUR 2.6 million had a substantial impact on both income and comprehensive income. Full-year income from solar panels is estimated at EUR 5 million.

Property and other general expenses amounted to EUR 2.4 million, unchanged from the same period of last year. WDP is successfully containing costs, following the increase in 2008 reflecting portfolio growth and the associated expansion of the internal structure. The operating margin[1] is 92.2%.

The net property result for the first half-year of 2010 therefore amounted to EUR 28.6 million, compared to EUR 25.4 million in the preceding year.

The financial result (excluding the IAS 39 result) was EUR -8.9 million in the first half-year of 2010, versus EUR -9 million in the first half-year of 2009. The total financial liabilities (EUR 506 million) have been hedged to an amount of EUR 441 million, chiefly through Interest Rate Swaps (IRSs). The average interest charge was 4.25% in 2010.

Taxation comprises both the current tax expense, mainly at the subsidiaries to which the tax regime of a closed-end property investment company does not apply (Czech Republic, the Netherlands and Romania), and the taxes on disallowed expenses in Belgium. In addition, deferred taxes are recognised for movements in the fair value of investment property.

The portfolio result in accordance with IAS 40 for the first half-year of 2010 amounted to EUR 2.4 million, or EUR 0.19 per share. This result was attributable partly to the adjustment of the fair value of the portfolio, as determined by the property surveyors, and also to the fair value increase on the completion of projects executed. The results by country were as follows: the Netherlands (EUR 0.4 million), France (EUR -0.1 million), Czech Republic (EUR -0.3 million), Romania (EUR -0.7 million) and Belgium (EUR 3.1 million). The stabilisation of the valuations identified in the second half-year of 2009 continued in the first six months of 2010. The added value on the solar panel project (EUR 1.8 million for 2010) is taken directly to equity under IAS 16.

The impact of the IAS 39 result amounted to EUR -12.8 million, compared to EUR -7.2 million in the same period of 2009. This negative impact is attributable to the further negative movement in the fair value of the interest rate hedges entered into (mainly IRSs) as at 30 June 2010 due to falling interest rates. Movements in the fair value of these interest rate hedges are taken in full through profit or loss and not to equity. These are related to an unrealised result and a non-cash item.

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

Notes to the consolidated key figures for the first half-year 2010

Overall, the group's net result for the first half-year of 2010 totalled EUR 8.5 million, compared to EUR -9.2 million in the same period of last year. This leads to net current earnings per share of EUR 1.52 (compared to EUR 1.70 last year), taking account of the new shares issued as part of the capital increase on 31 March 2009 and 30 June 2009.

Balance sheet

The fair value of the investment property amounted to EUR 828.6 million as at 30 June 2010, compared to EUR 815.4 million at the beginning of the financial year. Fair value is recognised in the consolidated balance sheet by applying the IAS 40 standard and is calculated by deducting the transaction costs from the investment value. The investment value of the portfolio is the value as determined by the independent property surveyors, before deducting transaction costs. For a detailed discussion of the portfolio see 'Review of the consolidated property portfolio' on page 23.

This value of EUR 828.6 million comprises EUR 764.6 million for completed properties in the portfolio (standing portfolio), up EUR 12.5 million from the portfolio as at 31 December 2009.

In addition, the fair value of the projects in progress amounted to EUR 64 million. This relates to the investment plan in progress, with project developments including the sites in Merchtem, Puurs, Ternat and Vilvoorde in Belgium, Nijmegen, Ridderkerk and Venlo in the Netherlands, and Libercourt in France. Also included are the land reserves in Sint-Niklaas, Nivelles, Libercourt and the land bank in Romania at a fair value of EUR 38.1 million.

The increase in the value of the other tangible fixed assets is primarily due to the investments made in solar panels. These were valued at a fair value of EUR 57.6 million as at 30 June 2010, in conformity with IAS 16 by applying the revaluation model.

In combination with the fair value measurement of the investments in solar panels, the total portfolio value rose to EUR 886.1 million, from EUR 869.5 million at year-end 2009.

The non-current financial assets comprise mainly amounts receivable from associated companies, more specifically a receivable of EUR 13 million relating to the financing of the activities in Romania.

The shareholders' equity of the group amounted to EUR 344.9 million as at 30 June 2010, compared to EUR 366.8 million at the end of the preceding financial year. The net asset value per share (excluding the general IAS 39 result) amounted to EUR 31.32 as at 30 June 2010. This represents a limited decrease from EUR 32.05 as at 31 December 2009. The net asset value including the IAS 39 result amounted to EUR 27.51 per share as at 30 June 2010, compared to EUR 29.27 as at 31 December 2009.

Total (long-term and short-term) financial liabilities rose in 2010 from EUR 496 million on 31 December 2009 to EUR 506 million. The gearing, calculated in accordance with the Royal Decree of 21 June 2006, increased from 55.25% as at 31 December 2009 to 56.05% as at 30 June 2010. Owing to the further negative movements in the fair value of the interest rate hedges entered into, the other long-term financial commitments rose to EUR 46.3 million, up significantly from EUR 32.5 million at the end of the preceding financial year.


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Chairman's message to the shareholders

'Crises are challenges'. That has become something of a cliché these days, but WDP really has capitalised on the opportunity to further strengthen its green leadership in the world of semi-industrial property.

The time-lag with which the effects of the economic slowdown make themselves felt in our sector is well-known. Many companies had to contend with substantial stocks at the end of 2008 and consequently had a significant need for storage space. In 2009 those stocks were systematically drawn down, however, while stock-building as a result of improved demand remains sluggish in 2010. Accordingly the semi-industrial property sector is generally experiencing the crisis in full at present.

The good news is that so far WDP has not been faced with rising vacancies. Whereas vacancy levels average some 8 to 10% in the sector, WDP succeeded in boosting occupancy levels to 94.8% in the first half of 2010. That was possible due to a number of new leases and the disposal of a property in northern France. Nonetheless, maintaining occupancy levels will continue to be a significant challenge going forward, and therefore WDP will for the time being only build properties that have been pre-let, and avoid risk-bearing projects.

The economic downturn has also had a notable side-effect. Sustainable building – including a focus on an efficient use of energy, for instance – has already been topical for some time, but the crisis has clearly accelerated this trend. This offers substantial opportunities for WDP.

The closed-end property investment company already committed to sustainability several years ago. In 2007 it launched its solar energy project, with which it immediately played a leading role in the sector of semi-industrial property. At the General Meeting of Shareholders of 28 April 2010, we announced further, far-reaching steps in this direction. Specifically, WDP is aiming for a CO_2-neutral property portfolio by the end of 2012, partly based on the generation of 30,000 megawatt hours (MWh) of green electricity via solar panels and possibly other alternative energy sources. That represents the average consumption of around 8,500 households.

The first project provided an installed capacity of 10 megawatts peak (MWp). In a subsequent phase, we will install solar panels for an additional 7.3 MWp on the roofs of our properties in Belgium and northern France by mid-2011. A further 12 MWp are scheduled to be added by 2012.

At first sight, WDP may appear to be moving away from its original area of operations, but nothing could be further from the truth. As you know, WDP is continually seeking ways to respond to customers' needs – hence our slogan 'Warehouses with Brains'. In addition, the closed-end property investment company has been working on a green image for several years, on condition that this benefits not just its customers but its shareholders as well. The focus on renewable energy fits in seamlessly with this strategy. By productively valorising the available surfaces on flat roofs, WDP is able to help lessees to reduce their energy bill. The fact that its warehouses are CO_2-neutral benefits their image as well. The investment is also interesting for the shareholders, thanks to the green electricity certificates that guarantee a long-term income for the closed-end property investment company. Thus the investment of EUR 20 million in 7.3 MWp by mid-2011 will make possible an additional rise in earnings per share of at least 5% on a full-year basis. In other words WDP is creating added value for the logistics sector, the shareholders and the environment.

Chairman's message to the shareholders

WDP's leading role in the area of sustainability was also confirmed by two firsts in the past few months. In April, WDP received the very first BREEAM-sustainability certificate ever for a logistics site in the Netherlands, for the property in Tilburg. BREEAM is the benchmark certification for sustainable construction in Europe. In June the Nijmegen site also received BREEAM certification – and moreover was the first in Western Europe to be awarded a rating of 'Very Good'.

Let me close with two observations. As part of the significant investments by WDP and the growth of the business, the internal organisational structure was expanded in the past few years as well. Reflecting this growth, Joost Uwents was appointed as CEO in the General Meeting of 28 April, alongside Tony De Pauw, who will continue in that position.

A second comment relates to the voluntary delisting of WDP's shares on Euronext Paris. This is principally due to the single pricing on Euronext across its locations. Companies can elect whether to be listed in Brussels, Paris or Amsterdam, and WDP opted for Brussels. As a consequence of changes in legislation, the listing in Paris was no longer required to be able to enjoy the beneficial tax status under the SIIC-status in France. The costs arising from a double listing were therefore no longer justifiable.

To summarise: the semi-industrial property sector was again clearly affected by the economic uncertainty in the first half of 2010, but WDP is holding up well. The focus on sustainability – in combination with returns – provides the closed-end property investment company with a significant competitive advantage, which benefits the environment, the tenants and the shareholders. We will therefore vigorously continue to pursue this green course in the coming years.

Mark Duyck
Chairman of the Board of Directors

Interim management report

1. Introduction

As a result of the economic environment and its impact on the logistics property sector WDP largely limited its construction activities in the first half of 2010 to the scheduled completion of various projects in progress. Work on other projects continued with a view to completion in the second half of the year.

At the same time, WDP put significant effort into the areas of renewable energy and sustainable building. The closed-end property investment company launched a follow-up to its solar energy project of 2007, which was completed in 2009 with a total capacity of 10 megawatts peak (MWp). In an initial phase, additional solar panels with a total capacity of 7.3 MWp will be installed on the roofs of existing sites in Belgium and northern France. This investment amounts to EUR 20 million. In a second phase, WDP intends to generate an additional 12 MWp, bringing the capacity for renewable energy to a total of some 30 MWp by the end of 2012.

These investments are aimed at making the property portfolio CO_2-neutral by the end of 2012. WDP is determined to extend its green leadership in the field of sustainable logistics property. These efforts were recognised in the first half of 2010 by the award of BREEAM sustainability certificates for the sites in Tilburg and Nijmegen in the Netherlands (for more information on BREEAM, see ‘9. Sustainable warehouses according to the BREEAM standard’ on page 16).

The overall occupancy rate of the portfolio held up well throughout the first half-year. In fact, due to a number of new leases in Belgium and northern France it even rose from 92.4% at the end of December 2009 to 94.8% at the end of June 2010.

2. Projects completed in the first half of 2010

These completed projects represent a total investment value of EUR 43 million.

Belgium

- **Genk – Brikkenovenstraat (phase II):** an expansion of 17,000 m^2 was completed in a second phase on the 60,000 m^2 site in the logistics park ‘Hermes’, on the former Winterslag mine site. WDP has a lease contract with Terumo Europe for a storage warehouse of 17,000 m^2 with associated facilities. The new distribution centre has been operational since 1 May 2010. Solar panels with a capacity of 0.9 MWp were fitted on the roof of this site.

France

- **Lille (Libercourt) – Zone Industrielle – Le Parc à Stock (phase I):** a new construction project totalling 60,000 m^2. The first phase comprises 36,000 m^2, of which 24,000 m^2 were already let to ID Logistics in 2009. An additional 6,000 m^2 were completed and let on 1 April 2010, again to ID Logistics, as a result of which only 6,000 m^2 of phase I are still in progress (see also ‘3. Projects in progress’ on page 13).

The Netherlands

- **Tilburg – Industrial zone Loven:** following the demolition of an old building and site restoration, WDP built a new logistics property of 17,000 m² for Kuehne & Nagel. It was completed on 1 April 2010. With this site, WDP was the first in the Netherlands to be awarded the BREEAM sustainability certificate for the sustainable building of a logistics site in the Netherlands (for more information on BREEAM, see ‘9. Sustainable warehouses according to the BREEAM standard’ on page 16).

3. Projects in progress

Belgium

- **Puurs – Lichterstraat:** the currently available 14,000 m² are being renovated in line with the wishes of the future lessee.

- **Ternat – Industrielaan 24:** renovation of this site commenced at the beginning of 2010, in order to put the building on the market in modified form. The exterior façade is being renovated in a first phase. The second phase will be started up as soon as a lessee has been found.

- **Merchtem – Wolvertemsesteenweg 1, Bleukenweg 5:** this is an industrial urban site on the periphery of Merchtem, which will be converted into a retail park. An agreement in principle has been signed with the future lessees.

- **Vilvoorde –Havendoklaan 19:** as part of letting 11,000 m² to logistics service provider KDL Trans, a series of modifications is being implemented on offices and four additional unloading quays and parking spaces are being provided.

France

- **Lille (Libercourt) – Zone Industrielle – Le Parc à Stock (phase I):** the remaining 6,000 m² of phase I still require completion. Completion will take place as soon as a lessee has been found (see also ‘2. Projects completed in the first half of 2010’ on page 12).

The Netherlands

- **Nijmegen – Industrial zone Bijsterhuizen:** WDP is building a property here of 13,000 m² on a site of 25,000 m². The project has been commissioned by the Ter Beke group, which will locate the cutting and packaging activities of Langeveld/Sleegers acquired by the group in 2005 on the site. These activities are currently spread out over four locations. In addition, the full storage and distribution for all Dutch activities of the group, both sliced cold meats and ready meals, will be centralised here. The Ter Beke group will rent the site for fifteen years on a permanent basis, with effect from October 2010. In June the site was awarded the second BREEAM sustainability certification for WDP, which also represented the first ‘Very Good’ rating for a logistics site in Western Europe (for more information on BREEAM, see ‘9. Sustainable warehouses according to the BREEAM standard’ on page 16).

- **Ridderkerk – Handelsweg:** the construction of a parking deck on a site acquired at the end of 2008 as part of the Univeg-transaction in 2007. Completion is scheduled for the end of 2010. It will serve the new building that was completed in 2009.

- **Venlo – Edisonstraat (phase II):** a second phase of 15,000 m^2 will be completed as soon as a lessee has been found.

4. Additional potential

In addition, WDP has several projects in the pipeline for which the necessary permits have been applied for, with a view to starting their execution as soon as permitted by economic conditions and/or as soon as the site concerned has been pre-let.

Belgium

- **Courcelles – rue de Liège (phase II):** there is room on this site for a second phase, involving the construction of 10,000 m^2 additional storage space.

- **Nivelles – rue Buisson aux Loups:** a site with a surface area of 51,000 m^2, which has been dismantled and which WDP will redevelop in due course.

- **Sint-Niklaas – Europark Zuid II:** a project with a surface area of 28,000 m^2 on a site of 5 ha, on a prime location along the E17 motorway.

- **Trilogiport:** WDP holds the concession under which 50,000 m^2 can be developed from 2011.

France

- **Lille (Libercourt) – Zone Industrielle – Le Parc à Stock (phase II):** the construction of 24,000 m^2 additional storage space, bringing the total surface area of the project to 60,000 m^2 (see also ‘3. Projects in progress’ on page 13).

Romania

Between the latter part of 2008 and the end of June 2009 WDP obtained the required PUZ permits (‘zonal urbanisation plan’) in phases for the various sites in Romania. WDP has decided for the time being not to start any projects involving risks here, and to concentrate on the construction of properties that have been pre-let. This will be undertaken via WDP Development RO, in a 51-49 joint venture with the entrepreneur and specialist for Romania Jeroen Biermans.

Czech Republic

- **Mladá Boleslav – Nepřevázka:** a final property of 10,000 m^2 can be built on this site. A building permit has been obtained.

5. New acquisitions

No new acquisitions took place in the first half of 2010.

6. Leases in the first half of 2010

On 30 June 2010 the occupancy rate of the portfolio reached 94.8%, compared to 92.4% on 31 December 2009.

This increase arose partly due to a number of new leases. In **Vilvoorde** on Havendoklaan 19, WDP let 11,000 m^2 to logistics service provider KDL Trans for a fixed period of nine years (see also ‘3. Projects in progress’ on page 13). In **Boortmeerbeek** two flexible lease contracts were entered into for periods of three and eight months, both of which can be extended. The total surface area is 7,000 m^2. In addition, the sale of a vacant logistics property in **Lille – Fretin – Sainghin-en-Mélantois**, in northern France, also benefited the occupancy rate (see also ‘7. Sales’ below).

In the second half of 2010 a maximum of 2% of the portfolio can become vacant, barring any bankruptcies on the part of lessees. For half of these, – i.e. 1% of the portfolio – the lease contracts were already extended at the beginning of August. Accordingly, the occupancy rate at year-end will be at least 93.8%, and therefore certainly on a par with the level at year-end 2009.

7. Sales

Properties were sold at market value in both Belgium and France, for a total of EUR 20 million.

Belgium

- **Sint-Jans-Molenbeek – Delaunoystraat 35-36:** the finalised deed of sale was executed in January 2010 (see also ‘9. Events after the reporting date’ in the ‘Management Report’ of the ‘Annual financial report 2009’ on page 62).
- **Sint-Niklaas – Europark Zuid II:** the sale of 100,000 m^2 of the site to Sint-Niklaas Logistics (SNL) – representing two thirds of the surface area – was completed. An agreement in principle had already been signed in 2009, subject to a number of suspensive conditions, including the grant of a building permit.

France

- **Lille – Fretin – Sainghin-en-Mélantois, rue des Hauts de Sainghin:** the sale of a vacant property of 17,000 m^2 to a distribution company from Lille. The site needed to be renovated as it no longer satisfied WDP’s current standards for letting.

8. Projects in the field of renewable energy

The solar energy project that was launched by WDP in 2007 and that attained the designated goal in 2009 – a capacity of 10 megawatts peak (MWp), which is comparable to the annual consumption of 2,500 households – was extended in 2010. At the General Meeting on 28 April, WDP announced its plan to have a CO_2-neutral property portfolio by 2012, and to do so profitably. In line with this, WDP aims to further strengthen its leadership in the area of sustainable building in the logistics property sector.

In a **first phase**, additional solar panels with a capacity of 7.3 MWp will be installed on the existing buildings. 3.3 MWp of this will be generated on the roofs of some ten Belgian sites in the portfolio. The solar panels for this had been ordered at the end of June 2010, with installation scheduled for completion by the end of 2010. In addition 4 MWp will be installed on the WDP sites in northern France. Completion is planned, depending on the permits, for the second quarter of 2011 (see also '10. Events after the reporting date' on page 17).

The investment for this first phase is estimated at EUR 20 million, and does not impact the gearing significantly. It is expected to make possible an extra increase in earnings per share of at least 5% on an annual basis.

In a **second phase**, WDP aims to install an additional 12 MWp, bringing the total capacity to some 30 MWp and achieving CO_2-neutrality for the property portfolio. WDP is evaluating various options for implementing this second phase, as part of which not only solar energy but wind and other energy sources are being considered as well.

9. Sustainable warehouses according to the BREEAM standard

For WDP the installation of the solar panels is only the first step in a comprehensive corporate social responsibility and sustainable building project. WDP wants to continue the development on its sites of new, profitable sustainable projects in the fields of electricity, heating, lighting, water consumption, isolation, etc. This environmentally friendly policy of sustainable warehouses is aimed at reducing CO_2-emissions of the storage spaces within the portfolio, while simultaneously reducing lessees' energy bills significantly.

But WDP wants to go much further than just the energy and environmental performance of the buildings. With the projects in Nijmegen and Tilburg, WDP is the first property developer in the Netherlands to receive the worldwide BREEAM sustainability certificate.

BREEAM ('Building Research Establishment Environmental Assessment Method') is a sustainability certificate for the performance of a building throughout its lifecycle. BREEAM is the most important and most widely used sustainability certification for buildings in Europe. Unlike other standards, BREEAM applies a multi-criteria approach. The certification process considers not just the energy consumption of a building but also land use, ecology, the construction process, water consumption, waste, pollution, transport, materials, health and comfort. Buildings are awarded total scores ranging from 'Pass', 'Good', 'Very Good', 'Excellent' to 'Outstanding'.

The WDP site in Tilburg was rated as 'Good' in April 2010. It was followed in June by the site in Nijmegen, which was awarded a rating of 'Very Good'. That was also the first time any logistics building in Western Europe had been awarded the BREEAM certification 'Very Good'.

10. Events after the reporting date

As part of the first phase of the ongoing solar energy project, WDP commenced preparations for the installation of solar panels on the roofs of sites in northern France (see also '8. Projects in the field of renewable energy' on page 15).

Outlook

1. The basis for the operating results in 2010

The operating results for 2010 will be largely determined by the performance achieved in the first half-year and the preceding years[1]. The general occupancy rate of the portfolio held up very well throughout the first half-year, and in fact even rose from 92.4% at the end of December 2009 to 94.8% at the end of June 2010[2]. Following the extension of a number of lease contracts at the start of the second half-year, a maximum of only 1% of the portfolio can still become vacant in the second half of 2010, barring any bankruptcies on the part of lessees.

In addition, there are pre-let projects in progress worth EUR 23.6 million. Projects that were not pre-let were put on hold until a lessee is found.

Lastly, the position in interest rate hedges built up in the past few years helps to ensure that financial costs can be kept under control.

2. Operating result and dividend

On the basis of the realised result of EUR 19 million in the first half-year of 2010, and taking account of the economic outlook, WDP confirms its profit forecast issued on 31 December 2009. Specifically, WDP expects the net current result to increase to at least EUR 37 million in 2010, with an upside potential to EUR 39 million.

This profit forecast is based on the present situation and is issued barring circumstances that are unforeseen at present.

In view of these factors, the Board of Directors expects to keep the dividend per share for 2010 at least at the level of 2009, i.e. net EUR 2.5 per share (gross EUR 2.94 per share). In other words the dividend is unchanged from 2009.

1 For more details on projects completed in the first half of 2010 see the 'Interim management report' on page 12.

Review of the semi-industrial and logistics property market

1. Belgium

In the first half of 2010 the top yields remained at the levels of the end of 2009 (7.25 to 8.25% for logistics buildings, from 8.50% for other semi-industrial property). The rents rose slightly.
Owing to a strong second quarter, take-up in mid-2010 is already at some 500,000 m^2. This is comparable to good half-years in the period before the crisis.
While the investment market is still subdued, as in 2009, investors' interest is clearly on the rise again.

2. France

As in 2009 the French market is again holding up well in the face of the crisis in 2010. The Paris region in particular continues to perform strongly. Provincial regions such as Lyon, Lille and Marseille are doing significantly less well.
Rents are no longer subject to downward pressure. In a number of markets, such as Lille and Nice, they were even raised slightly.
The top yields nudged down in the first half of the year, from 8.25% to 8.00% in Paris, from 8.50% to 8.00% in Lyon, from 8.50% to 8.25% in Lille and from 8.75% to 8.50% in Marseille.

3. The Netherlands

The Dutch market is still struggling to some extent. The take-up figures for the first half-year of 2010 are comparable to those of the same period in 2009. As elsewhere in the Netherlands the top rents at Schiphol remained stable (EUR 85/m^2/year). Top yields declined slightly at Schiphol (from 7.9% at year-end 2009 to 7.8% in the first part of 2010), but remained stable at around 8.00% in the *hotspots* Rotterdam and Venlo. The investment volume in the first half-year was EUR 353 million.

4. Czech Republic

The Czech market appears to have picked up again in the first six months of 2010. Take-up to mid-2010 was at some 300,000 m^2. That is three quarters of the total take-up of 400,000 m^2 in 2009. By comparison, in 2008 this was higher at 580,000 m^2, and in 2007 it was as much as 855,000 m^2.
Central Europe was confronted later with the economic crisis than Western Europe, but now appears to be hitching on relatively swiftly to a potential market recovery. Vacancy levels had risen in the Czech Republic from 10% in mid-2008 to around 16% at the end of 2009. There is continuing interest from foreign developers for this market, but in the current economic circumstances all forms of risk are avoided. The decline of yields witnessed in the past few years has swung into an increase of 175 to 200 basis points compared to mid-2008.

Review of the semi-industrial and logistics property market

5. Romania

After a very weak 2009, a very slight recovery of the Romanian market is visible. Vacancy levels, which were as high as 15% in 2009, are reported to have receded to around 11%. The economic situation remains uncertain, however, and no strong recovery is expected soon. Consequently leases or acquisitions are not entered into to target growth. This continues to translate into relatively small transactions.

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

Review of the consolidated property portfolio

1. Description of the portfolio at 30 June 2010

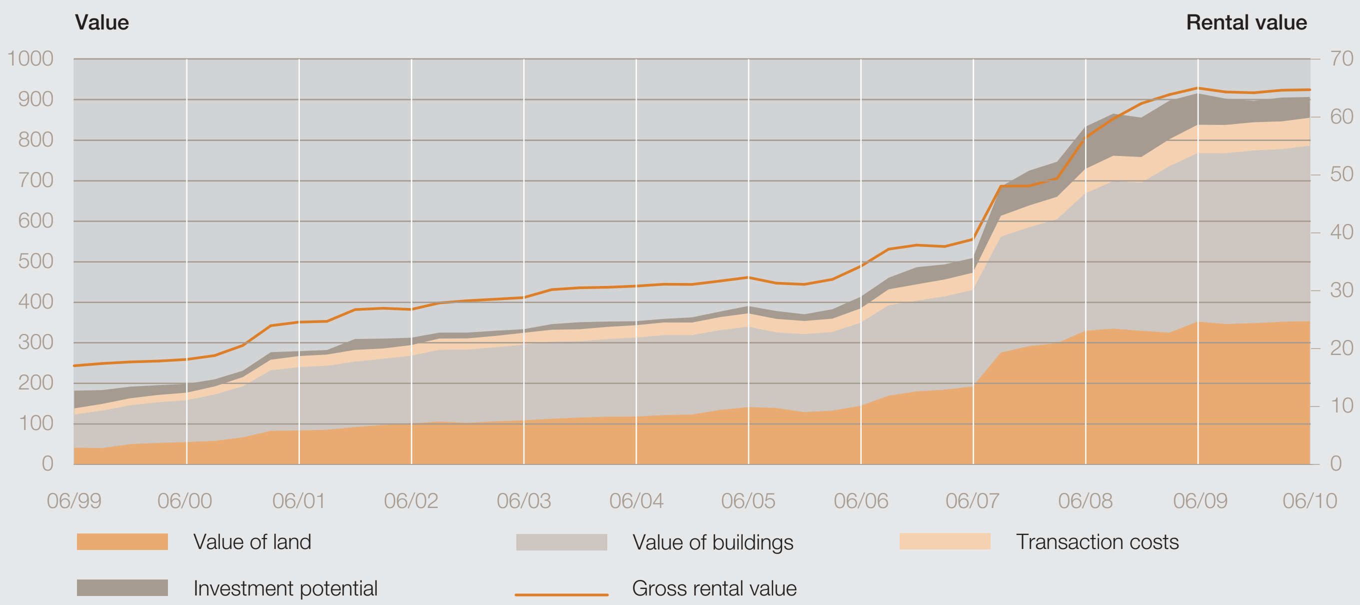
The independent surveyors Cushman & Wakefield and Stadim have estimated the fair value[1] of the property portfolio of WDP (excluding solar panels) in accordance with IAS 40 at EUR 829.6 million at 30 June 2010. This value was adjusted to EUR 828.6 million owing to the impairment recognised on a number of projects in progress. The comparative figure at year-end 2009 was EUR 815.4 million.

The portfolio can be classified as follows:

Fair value (x EUR million)

	Belgium	abroad	total
Existing properties	489.29	236.51	725.80
Buildings in project phase	40.64	23.34	63.98
Land	7.50	31.28	38.78
Total	**537.43**	**291.13**	**828.56**

Changes in WDP's portfolio (EUR million)



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

Review of the consolidated property portfolio

2. Value and composition of the rental portfolio

The total surface area in the portfolio is 396.9 hectares, including 22 hectares granted in concession. The remaining 374.8 hectares have an estimated sale value of EUR 292.51 million, or 35.3% of the fair value of the total portfolio. The average value of the land amounts to 78.04 EUR/m^2 excluding transaction costs.

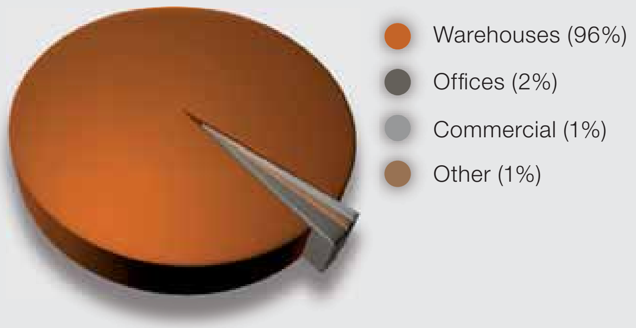
The total rentable surface area of the buildings is 1,314,004 m^2, with a total estimated rental value of EUR 57.24 million. Warehouses represent the majority of the surface area (77.9%), covering 1,153,465 m^2 and having a total rental value of EUR 44.58 million, i.e. an average rental value per m^2 of 38.65 EUR/m^2.

Office areas, either separate or adjacent to the warehouses, represent 116,213 m^2 or a rental value of EUR 10.4 million. The average rental value per m^2 amounts to EUR 89.20. Commercial premises cover 17,596 m^2 and represent a rental value of EUR 1.06 million, with an average of EUR 60.21 per m^2. Finally, various other uses represent a further 26,730 m^2 or EUR 1.24 million, with a rental value of 46.24 EUR/m^2. Concession charges totalled EUR 0.40 million.

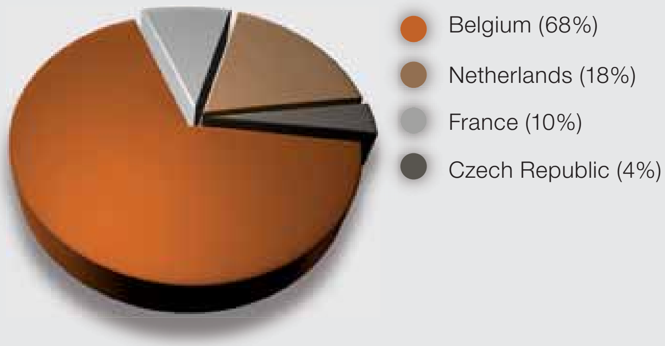
Use at 30/06/2010	Constructed surface area (m^2)	Estimated rental value (EUR million)	Estimated average rental value per m^2 (EUR)	% total rental value
Warehouses	1,153,465	44.58	38.65	77.9%
Offices adjoining warehouses	101,400	8.93	88.08	15.6%
Offices	14,813	1.43	96.84	2.5%
Commercial premises	17,596	1.06	60.21	1.9%
Other uses (multifunctional premises, car parks and archives)	26,730	1.24	46.24	2.2%
Total	**1,314,004**	**57.24**	**43.56**	**100.0%**
Concession charges		- 0.40		
Total		**56.84**		

Review of the consolidated property portfolio

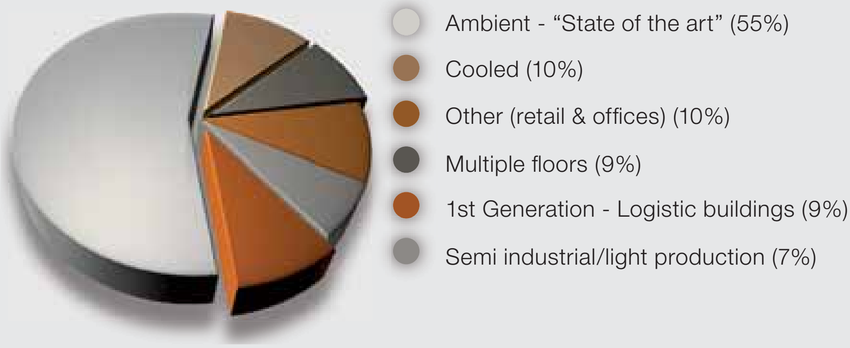
Rentable surface area by category



Geographical distribution of rental value



Distribution of property portfolio by type of property




www.tip.ge.com

Review of the consolidated property portfolio

3. Rental situation of vacant buildings

In the first half of 2010 the leased buildings generated income of EUR 28.6 million, up 10% from a year earlier. This rental income is the sum generated by all leases, plus the charges for management or specific work, less the withholding tax on income from movable property and/or charges payable by the owner for concessions.

The main lessees are: Univeg group with a share of 16.9% of the rental income, DHL (7.8%), Philips Lighting (5.7%), Kuehne & Nagel (5.6%), Lidl (2.9%), Distri-Log (2.7%), Belgacom (2.7%), Descamps (2.5%), Renault (2.1%) and ID Logistics (2.1%). The ten principal lessees jointly account for 51%.

Top lessees (% rental income)

1 Univeg group	16.9%
2 DHL	7.8%
3 Philips Lighting	5.7%
4 Kuehne & Nagel	5.6%
5 Lidl	2.9%
6 Distri-Log	2.7%
7 Belgacom	2.7%
8 Descamps	2.5%
9 Renault	2.1%
10 ID Logistics	2.1%
Top 10 =	**51%**

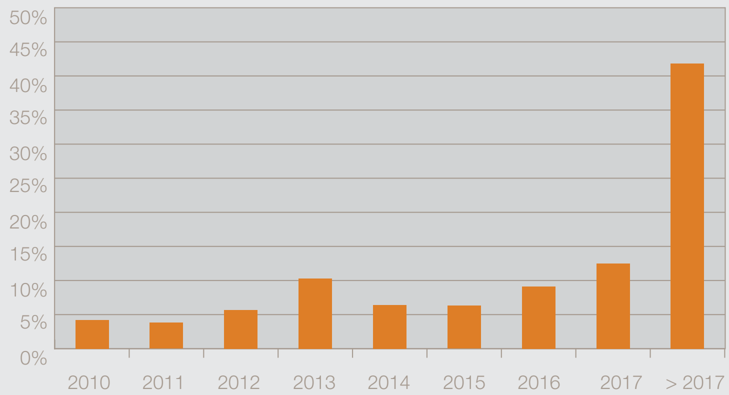
2010 rental income by lessee sector

- Logistics, transport, distribution and rental (40%)
- Food and beverages (19%)
- Industry (12%)
- Wholesale (9%)
- Other (6%)
- Telecom and ICT (5%)
- Automotive (5%)
- Government and nonprofit (4%)

Review of the consolidated property portfolio

Leases expiring in the second half-year of 2010 represent 4.2% of the total rental value. Most of these have already been extended as a result of which lease expirations in the second half-year are limited to 1%. Leases expiring in 2014 or later represent 76.0%.

Annual expiry of existing leases (on the basis of expiration date)



4. General economic factors

The long-term interest rate, for which 15- to 20-year linear bonds (OLO) serve as reference for investment property, fell in the course of 2010 from 4.36% at the end of December 2009 to 3.85% at the end of June 2010.

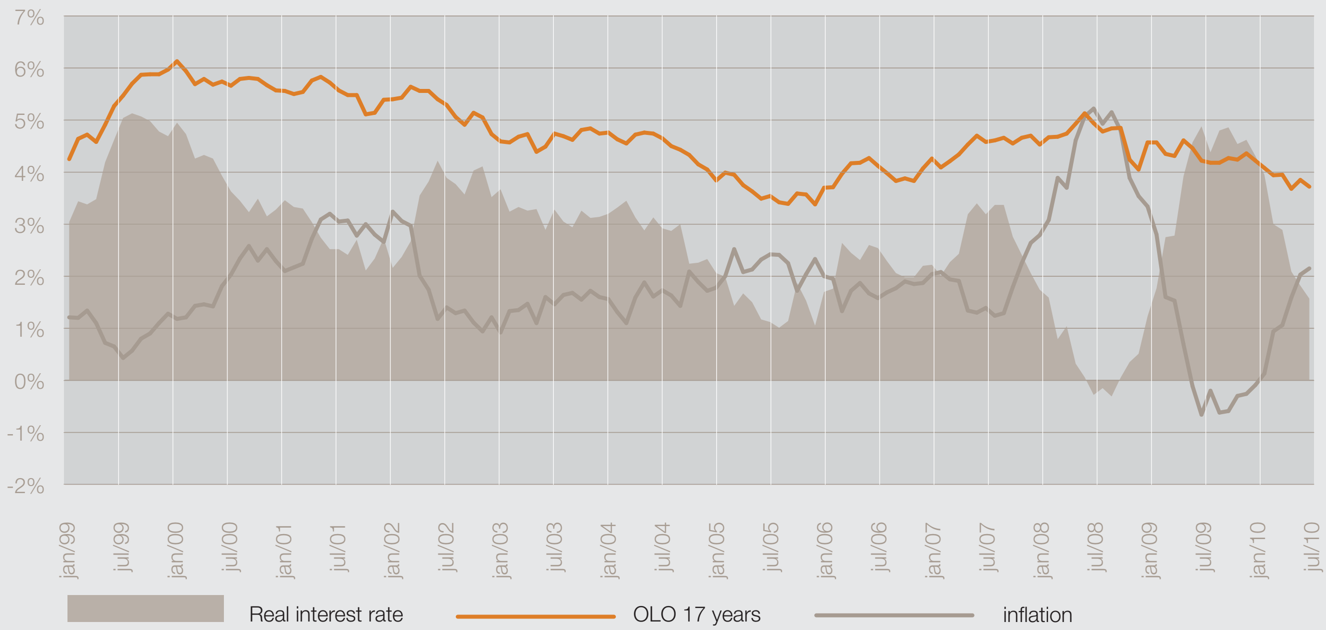
At the same time, the inflation rate swung back from -0.239% in 2009 to +2.03% on an annual basis during the first half-year of 2010. This means that the real interest rate, i.e. the difference between the long-term interest rate and inflation, suddenly fell sharply from 4.62% to 1.82%.

Within the framework of the valuation of the portfolio, taking account of the present interest rates, future inflation is expected to be 1.50%, which would bring the real interest rate to 2.35%. Additionally, we apply a risk margin of 3.30% on average. This reflects, on the one hand, long-term investors' doubts about maintaining the current financial parameters and, on the other, the risk and the illiquidity of the specific property.

The real interest rate, which is decisive in the financial analysis, accordingly fell from 5.85% to 5.65% (3.85% – 1.50% + 3.30%).

Review of the consolidated property portfolio

Changes in real interest rate



5. Investments in solar panels

Alongside the property portfolio, WDP has since 2007 invested strongly in the installation of solar panels on the roofs of various premises, with a view to achieving a CO_2-neutral property portfolio by the end of 2012. At 30 June 2010, these investments were valued at EUR 57.6 million. Together with the value of the investment property, this raises the value of the property portfolio to EUR 886.2 million, compared to EUR 869.5 million at the end of 2009.

These investments also contribute substantially to WDP's operating income. In the first half-year of 2010 this income amounted to EUR 2.6 million, making the solar panels the second-largest source of income, after Univeg. Together with the income from Univeg, income from solar energy contributes 25% of total income with an initial fixed contract term of 20 years. Full-year income from solar panels is estimated at EUR 5 million, or some 10% of total income.

At the same time, this raises the duration of the total income by an average of 1 year as the majority of this income derives from income from green electricity certificates for a fixed period of 20 years. This extends the average term of the contracts up to the earliest possible date of notice of termination from 5.47 years to 6.52 years, and the average term of the contracts up to the final expiration date from 7.76 years to 8.62 years.

Summary of consolidated key figures for the first half of 2010

Report of the property experts

Dear,

We are pleased to present our estimate of the value of the property portfolio of WDP Comm. VA as at 30 June 2010.

WDP has engaged us as independent property experts to determine the investment value and fair value of its property portfolio. The estimates were made taking account of both the statements and definitions set out in the reports and the guidelines of the International Valuation Standards, issued by IVSC.

The fair value is identified by IAS 40 as the amount for which the assets would be exchanged between two knowledgeable, willing parties in an arm's length transaction. IVSC considers these requirements to have been met if the definition of market value stated above is complied with. In addition, the market value must reflect the current lease contracts, the current gross margin of self financing (or cash flow), the reasonable assumptions relating to potential rental income and the expected costs.

The administration costs must be adjusted in this context to the actual situation of the market. Following analysis of a large number of transactions, the property experts acting at the request of listed property companies reached the conclusion in a working party that as "fiscal engineering" is applied (completely legally) on a large scale in a variety of forms, the impact of the transaction costs on large investment assets in the Belgian market with a value exceeding EUR 2.5 million is limited to 2.5%. The value with no additional costs for the buyer therefore corresponds to the fair value plus 2.5% administration costs. Fair value is accordingly calculated by dividing that value by 1.025. Properties below the threshold of EUR 2.5 million and properties abroad are subject to the customary registration fees and their fair value therefore corresponds to the "value with costs borne by the buyer".

As property experts we have a relevant and recognised qualification as well as up-to-date experience with properties of a similar nature and a similar location as the properties in the property portfolio of WDP.

In estimating the properties, account was taken of both the current lease contracts and all rights and obligations arising from these contracts. Each property was estimated separately. The estimates take no account of a potential gain that could be attained by offering the portfolio as a whole in the market. Our estimates take no account of marketing costs forming part of a transaction, such as estate agent's fees or publicity costs. In addition to an annual inspection of the immovable property concerned, our estimates are also based on the information provided by WDP in respect of the rental situation, the surface areas, the drafts or plans, the rental charges and the taxes relating to the property concerned, the conformity and environmental pollution. The data provided were considered to be correct and complete. Our estimates assume that the nature of elements not notified is not such as to affect the value of the asset.

On the basis of the statements in the preceding paragraphs we confirm that the investment value of the property assets (excluding solar panels) of WDP as at 30 June 2010 amounts to EUR 855,504,600 (eight hundred and fifty-five million five hundred and four thousand six hundred euros).

The fair value was determined at EUR 829,642,000 (eight hundred and twenty-nine million six hundred and forty-two thousand euros) as at 30 June 2010.

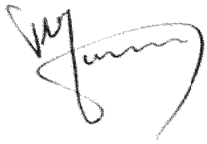
Summary of consolidated key figures for the first half of 2010

Report of the property experts

The contractual rental income amounts to EUR 57,308,000, which corresponds to an initial return on rents of 7.90% compared to the fair value of the completed properties. After adding the estimated market value for the vacant portions to the contractual rental income, this amounts to EUR 60,546,100, which corresponds to an initial return on rents of 8.34%.

Yours faithfully,

Koen Nevens
CEO
Cushman & Wakefield



Philippe Janssens
Delegated Director
Stadim

The report of the independent property experts is included in this interim financial report with their approval.

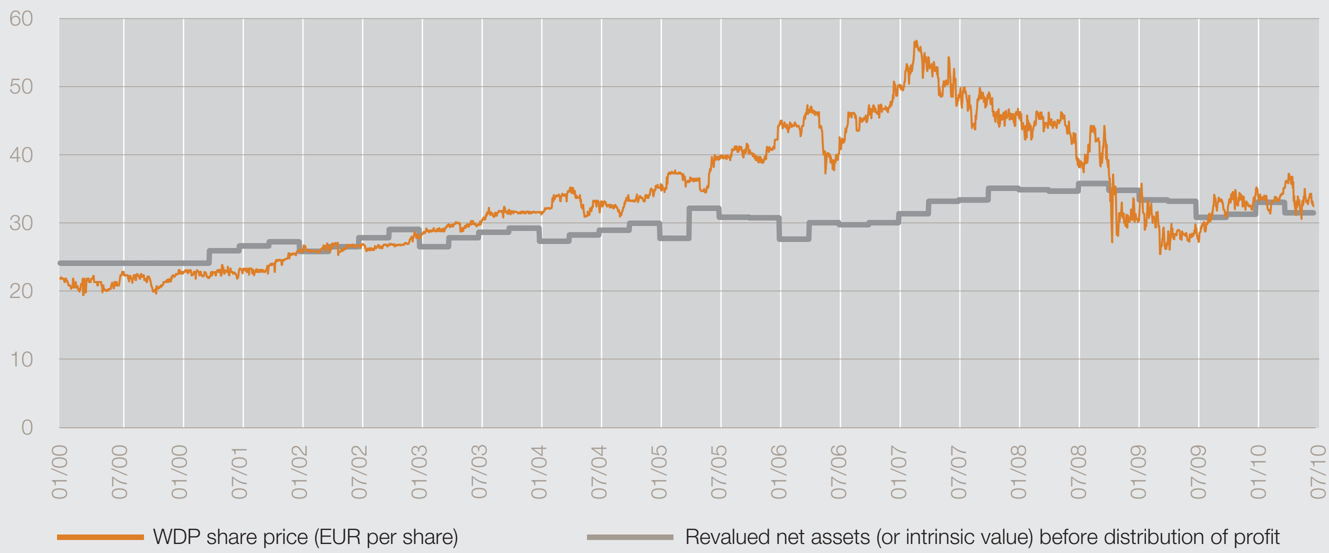
WDP share price

Share price

WDP's share price developed steadily in the first half-year of 2010. On 31 December 2009 the closing price on Euronext Brussels was EUR 33.93. In the first few months of 2010 the share price gradually firmed up to peak at EUR 37.20 in April – the month before 'clipping the coupon', in which share prices customarily peak with a view to the dividend distribution. Following the dividend payment the price stabilised at around EUR 32, closing at EUR 32.29 on 30 June 2010. The share therefore traded at roughly its net asset value of EUR 31.32 (excluding IAS 39) at the end of June.

Despite this slight fall in the share price versus the end of 2009 – which is at odds with WDP's good business performance – WDP can be said so far to have successfully contained the impact of the crisis, and to have held up better than many of its international peers. This is partly attributable to the importance that potential investors and shareholders attach to the added value offered by WDP, which comfortably exceeds the net asset value – the mere sum total of the investment value of the various properties. It comprises for instance WDP's position as the Belgian market leader in semi-industrial property, and the favourable tax regime under which the closed-end property investment company operates in both Belgium and France. The fact that WDP is a self-managed fund, in which the management is carried within the company and fully in the service of the shareholders, is likewise greatly valued by shareholders. In addition, the property portfolio instantly affords investors substantial advantages of scale in specific regions. The stable dividend also ensures that many investors retain their faith in WDP.

Comparison of share price against revalued net assets



WDP share price

Liquidity and velocity

The significant interest on the part of investors is also attested to by the continuing high liquidity of WDP's shares. The average number of WDP shares traded per day exceeded 10,000 in the past half-year. The turnover velocity – i.e. the number of shares traded in the past twelve months, divided by the total number of shares at the end of this period – consequently was 26.9%.

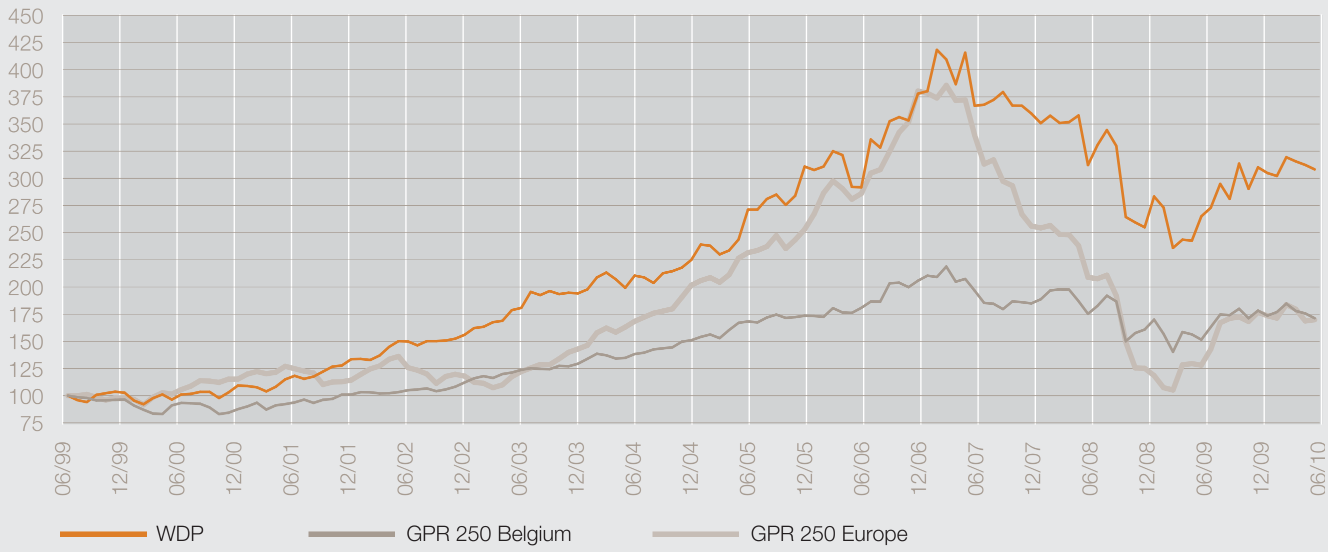
Return

The return at 30 June 2010 was -0.60% on a half-year basis. According to the 'GPR 250 EUROPE' index of Global Property Research the average return on European listed property shares for the past six months was -3.89% at the end of June. WDP also outperforms the average return on Belgian property shares, which according to the 'GPR 250 BELGIUM' index was -3.93% on a half-year basis at the end of June. The gross return of the Bel20 index at 30 June was -4.98%. In this respect, see also the monthly update on **www.wdp.be**.

The figures of Global Property Research also show that over the past eleven years – specifically, since its flotation at the end of June 1999 – WDP has with a return of 11.15% continued to substantially outpace European property (4.92%), Belgian property (4.90%) as well as the Bel20 index (-2.43%).

WDP share price

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



The semi-industrial property sector experiences the consequences of the economic downturn with a certain time-lag, and is therefore at present feeling the impact of the crisis in full. Investors generally are concerned that the uncertain economic outlook and growth forecasts will adversely affect rental incomes and property values. Nonetheless, WDP is holding up well compared to the Belgian property sector as a whole and the Bel20 index. WDP is continuing its efforts, despite the economic climate, to generate a robust cash flow as a basis for an attractive dividend. WDP also remains confident that the quality of the property portfolio and its lessees, together with the fact that it distributes an attractive dividend year after year, offer favourable prospects for the longer term future.

WDP share price

Figures per share (in EUR)	30-06-2010	31-12-2009	31-12-2008
Number of shares in circulation on closing date	12,533,938	12,533,938	8,592,721
Free float	69%	69%	69%
Market capitalisation	404,720,858	425,276,516	259,070,538
Traded volume in shares per year	3,371,662	3,054,119	3,030,374
Average daily volume in EUR	451,129	368,087	472,582
Velocity*	26.90%	24.37%	35.27%
Stock exchange price			
Highest	37.00	36.04	46.11
Lowest	30.45	24.89	27.05
Closing	32.29	33.93	30.15
Net asset value**	27.51	29.27	30.41
Net asset value** (IAS 39 result excl.)	31.32	32.05	33.20
Dividend payout ratio****		95%	88%
Net result/share***	1.52	3.14	3.34
Gross dividend/share		2.94	2.94
Net dividend/share		2.50	2.50

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

** *Net asset value = Shareholder's equity before profit distribution for the current financial year.*

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

**** *The dividend to be distributed for the financial year 2010 will be resolved and approved at the Annual General Meeting of 27 April 2011. See also the section 'Outlook' on page 20 in connection with the operating result and dividend.*

WDP LISTED NYSE EURONEXT

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

Agenda

(For updates, see www.wdp.be)

Announcement of 3rd quarter 2010 results – Tuesday, 16 November 2010
Announcement of full-year results 2010 – week 7-8, 2011
Annual General Meeting – Wednesday, 27 April 2011
Ex-date for coupon no. 20 – Thursday, 28 April 2011
Record date for coupon no. 20 – Tuesday, 3 May 2011
Payment date for coupon no. 20 – Wednesday, 4 May 2011

Summary of consolidated key figures for the first half of 2010

Summary of consolidated income statement as at 30-06-2010

EUR (x 1,000)	note	30-06-2010	30-06-2009
Rental Income		28,652	26,567
Costs associated with rentals		-35	-553
NET RENTAL RESULT		**28,617**	**26,014**
Recovery of rental charges normally paid by the tenant on let properties		2,788	2,502
Rental charges and taxes normally paid by the tenant on let properties		-3,114	-2,792
Other income and charges related to leases		2,780	2,092
PROPERTY RESULT		**31,071**	**27,816**
Technical costs		-469	-558
Commercial costs		-187	-246
Property management costs		86	10
Other property costs		0	0
PROPERTY CHARGES		**-569**	**-794**
PROPERTY OPERATING RESULTS		**30,503**	**27,022**
General company expenses		-1,870	-1,631
OPERATING RESULTS FOR THE RESULT ON PORTFOLIO		**28,633**	**25,391**
Result on disposals of investment property		-43	6
Variations in the fair value of investment property*	II	3,020	-20,593
OPERATING RESULT		**31,609**	**4,804**
Financial income		793	487
Interest charges		-9,699	-9,256
Other financial charges		-31	-225
Revaluation of financial derivatives (IAS 39)		-12,841	-7,164
FINANCIAL RESULT		**-21,777**	**-16,158**
PRE-TAX RESULT		**9,832**	**-11,354**
TAXES		**-1,296**	**2,155**
NET RESULT		**8,536**	**-9,199**
ATTRIBUTABLE TO:			
- Shareholders of the parent company		8,536	-9,199
- Minority interests		0	0
NUMBER OF SHARES		**12,533,938**	**12,533,938**
NET EARNINGS PER SHARE		**0.68**	**-0.98**
DILUTED NET EARNINGS PER SHARE		**0.68**	**-0.98**

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

Summary of consolidated key figures for the first half of 2010
Components of comprehensive income

EUR (x 1,000)	30-06-2010	30-06-2009
NET PROFIT	**8,536**	**-9,199**
Revaluation surplus on solar panels	1,819	7,986
Currency exchange differences	1	114
COMPREHENSIVE INCOME FOR THE FIRST HALF-YEAR	**10,356**	**-1,099**
Attributable to:		
- Shareholders of the parent company	10,356	-1,099
- Minority interests	0	0

Summary of consolidated key figures for the first half of 2010

Summary of consolidated balance sheet as at 30-06-2010 – Assets

EUR (x 1,000)	note	30-06-2010	31-12-2009
FIXED ASSETS		904,476	883,846
Intangible assets		417	286
Investment property	II	828,560	815,392
Other tangible assets		58,592	55,232
Financial fixed assets		12,962	11,737
Financial lease receivables		151	195
Trade receivables and other non-current assets		2,880	168
Deferred taxes – assets		914	836
CURRENT ASSETS		15,672	32,230
Assets held for sale		0	14,199
Financial lease receivables		85	83
Trade debtors		8,950	9,678
Trade benefits and other current assets		2,506	3,108
Cash and cash equivalents		800	2,204
Accruals and deferred income		3,330	2,958
TOTAL ASSETS		920,148	916,076

Summary of consolidated key figures for the first half of 2010

Summary of consolidated balance sheet as at 30-06-2010 – Liabilities

EUR (x 1,000)	note	30-06-2010	31-12-2009
EQUITY		344,866	366,843
I Equity attributable to shareholders of the parent company		344,866	366,843
Capital		97,853	97,853
Premiums on issue		63,961	63,961
Reserves		183,117	205,079
Result		24,772	26,050
Impact on the fair value of costs and transfer taxes estimated at the time of the notional transfer of the investment property and of the valuation of development projects at cost		-25,863	-27,124
Exchange rate differences		1,026	1,025
LIABILITIES		575,282	549,233
I. Long term commitments		**430,531**	**413,651**
Provisions		1,153	1,188
Long term financial debts	*III*	375,868	373,726
Other long term financial commitments		46,308	32,509
Deferred taxes – Liabilities		7,202	6,228
II. Short term commitments		**144,751**	**135,582**
Short term financial debts	*III*	130,470	121,777
Trade payables and other current debts		9,416	10,631
Other short term commitments		622	546
Accruals and deferred income		4,243	2,628
TOTAL LIABILITIES		920,148	916,076

Summary of consolidated key figures for the first half of 2010

Summary of consolidated statement of changes in shareholders' equity

EUR (x 1,000)	Capital Placed capital	Costs capital increase	Premium on issue	Reserves	Impact*	Exchange rate differences	Total equity
EQUITY AS AT 31-12-2010	**100,522**	**-2,669**	**63,961**	**231,129**	**-27,124**	**1,025**	**366,844**
Profit for the first half of 2010				8,536			**8,536**
Other components of comprehensive income				1,819		1	**1,820**
Transfers:							
- Impact on the real value of estimated transfer taxes and charges for the hypothetical disposal of property				-1,261	1,261		**0**
Dividends distributed							
- Dividend for preceding financial year				-32,256			**-32,256**
Other				-77			**-77**
EQUITY AS AT 30-06-2010	**100,522**	**-2,669**	**63,961**	**207,889**	**-25,863**	**1,026**	**344,866**

* *Impact on the real value of estimated transfer taxes and charges for hypothetical disposal of investment properties (-).*

Summary of consolidated key figures for the first half of 2010

Summary of consolidated statement of changes in shareholders' equity

EUR (x 1,000)	Capital: Placed capital	Capital: Costs capital increase	Premium on issue	Reserves	Impact*	Exchange rate differences	Total equity
EQUITY AS AT 31-12-2009	**68,913**			**212,901**	**-22,106**	**1,599**	**261,307**
Profit for the first half of 2009				-9,199			**-9,199**
Other components of comprehensive income				7,986		114	**8,100**
Transfers:							
- Impact on the real value of estimated transfer taxes and charges for the hypothetical disposal of property				5,196	-5,196		**0**
Capital increases	29,014		63,961				**92,975**
Other				-6			**-6**
EQUITY AS AT 30-06-2009	**97,927**	**0**	**63,961**	**216,878**	**-27,302**	**1,713**	**353,177**

* *Impact on the real value of estimated transfer taxes and charges for hypothetical disposal of investment properties (-).*

Summary of consolidated key figures for the first half of 2010

Summary of consolidated statement of cash flows

EUR (x 1,000)	30-06-2010	30-06-2009
CASH AND CASH EQUIVALENTS, OPENING BALANCE	2,204	1,273
NET CASH FROM OPERATING ACTIVITIES	25,076	33,112
1. Cash flows concerning operations	**25,225**	**33,655**
Profit/loss from company activities	18,839	223
Profit for the year	8,536	-9,199
Interest charges	10,154	8,879
Interest received	-328	446
Income tax	477	97
Adjustments to non-monetary items	10,716	26,014
Write-downs	192	119
Depreciations	-124	447
Increase (+)/decrease (-) in provisions	-35	-50
Variations in the fair value of investment property	-3,020	20,593
Increase (+)/decrease (-) in deferred taxes	819	-2,253
Variations in real value of financial derivatives	12,841	7,164
Increase in sales	43	-6
Increase (+)/decrease (-) in operating capital	-4,330	7,418
2. Cash flows concerning other operating activities	**-149**	**-543**
Interest received classified by operating activities	328	-446
Income tax paid/received	-477	-97
NET CASH FLOWS CONCERNING INVESTMENT ACTIVITIES	5,075	-83,239
1. Purchases	**-13,813**	**-86,134**
Acquisition payments for property investments	-10,412	-49,515
Payments relating to project developments	-1,135	-32,697
Acquisitions of other tangible and intangible fixed assets	-2,266	-3,922
2. Disposals	**18,888**	**2,895**
Receipts from sale of investment property	18,888	2,895
NET CASH FLOWS CONCERNING FINANCING ACTIVITIES	-31,556	51,108
1. Loan acquisition	**33,972**	**82,619**
2. Loan repayment	**-23,201**	**-93,045**
3. Financing granted to WDP Development RO joint venture	**-205**	**-555**
4. Interest paid	**-10,154**	**-8,879**
5. Dividends paid	**-31,968**	**0**
6. Capital increase	**0**	**70,968**
NET INCREASE IN CASH AND CASH EQUIVALENTS	-1,404	981
CASH AND CASH EQUIVALENTS, CLOSING BALANCE	800	2,254

Summary of consolidated key figures for the first half of 2010

Significant accounting policies

The consolidated interim financial statements have been prepared on the basis of accounting principles in conformity with International Financial Reporting Standards (IFRS) and in conformity with the IAS 34 standard (Interim Financial Reporting) as adopted by the European Union and statutory and administrative-law requirements applying in Belgium.

The accounting policies are unchanged from those used in the annual financial report as at 31 December 2009.

The consolidated financial statements are presented in EUR thousands, rounded to the nearest thousand.

Summary of consolidated key figures for the first half of 2010

Notes

I. Scope of consolidation

	30-06-2010 Equity interest	31-12-2009 Equity interest
Fully consolidated companies		
NAME and full address of the REGISTERED OFFICE		
WDP CZ s.r.o. – Hvězdova 1716/2b – 140 78 Prague – Czech Republic	100%	100%
WDP France s.a.r.l. – Rue Cantrelle 28 – 36000 Châteauroux – France	100%	100%
WDP Nederland bv – Postbus 78 – 2740 AB Waddinxveen – Netherlands	100%	100%
Royvelden Vastgoed bv – Postbus 78 – 2740 AB Waddinxveen – Netherlands	100%	100%
Proportionally consolidated companies		
WDP Development RO srl – Baia de Arama Street 1, 1st floor division C3, office no. 5, 2nd district – Bucharest – Romania	51%	51%

II. Investment property – Statement of changes

EUR (x 1,000)	30-06-2010 Western Europe	30-06-2010 Central and Eastern Europe	30-06-2010 Total	31-12-2009 Western Europe	31-12-2009 Central and Eastern Europe	31-12-2009 Total
AS AT 01-01	768,174	47,218	815,392	685,139	56,990	742,129
Capital expenses (external suppliers)	14,800	102	**14,902**	65,210	740	**65,950**
Activation own personnel	482	27	**509**	974	51	**1,025**
Capitalised borrowing costs	506	371	**877**	571	915	**1,486**
New acquisitions	0	0	**0**	14,365	0	**14,365**
Transfer to other tangible assets	-16	0	**-16**	0	0	**0**
Acquisition of investment property via share-based transactions	0	0	**0**	29,747	0	**29,747**
Transfers to tangible assets held for sale	0	0	**0**	-12,407	0	**-12,407**
Sales and disposals	-6,124	0	**-6,124**	-112	0	**-112**
Changes in fair value	4,122	-1,102	**3,020**	-15,313	-11,478	**-26,791**
AS AT 30-06/31-12	781,944	46,617	828,560	768,174	47,218	815,392

Capital expenditure relates to the investments undertaken for own project developments and investments within the existing portfolio (for further details, see 'Interim management report' on page 12).

The capitalisation rate used to compute capitalised borrowing costs was 4.5%.

No new investment property was acquired in the first half-year.

Three properties were sold in the first half of 2010. These are the property in Sint-Jans-Molenbeek, part of the land in Sint-Niklaas and the property in Lille-Fretin. (For further details, see 'Interim management report' on page 12). These sales have no impact on rental income realised in 2010.

The variance in the valuation of investment property is due to an adjustment of yields. As at 30 June 2010 the average gross return on rents was 7.90%, compared to 7.68% at the end of 2009. The variation in fair value is determined by deducting the theoretical local registration fees from the investment value. The average local registration fees are as follows, by country: Belgium 2.5%, Netherlands 6.3%, France 3.2%, Czech Republic 2% and Romania 3%. With an unchanged composition of the portfolio, the variation in fair value would be EUR -1 million, or the portfolio would decrease by 0.2%.

III. Statement of liabilities

	Included as of		< 1 year		1-5 years		> 5 years	
EUR (x 1,000)	30-06-2010	31-12-2009	30-06-2010	31-12-2009	30-06-2010	31-12-2009	30-06-2010	31-12-2009
Commercial paper	86,550	105,250	86,550	105,250				
Straight loans	38,000	8,850	38,000	8,850				
Other	705	993	705	993				
Short-term financial debts	**125,255**	**115,093**	**125,255**	**115,093**	**0**	**0**	**0**	**0**
Roll over loans	340,830	338,765	1,925	1,888	201,366	198,353	137,539	138,524
Lease debts	32,397	33,969	3,289	4,796	14,624	13,423	14,484	15,751
Other	7,855	7,675					7,855	7,675
Non-current financial liabilities	**381,082**	**380,410**	**5,214**	**6,684**	**215,990**	**211,776**	**159,878**	**161,950**
TOTAL	506,338	495,503	130,470	121,777	215,990	211,776	159,878	161,950

The average term of financial debts is 4.4 years. If account is taken only of long-term debts (excluding commercial paper and straight loans) the average term is 5.6 years.

Total financial liabilities at 30 June 2010 were EUR 506 million. 26% of these liabilities are current liabilities (chiefly straight loans and debts entered into as part of the commercial paper programme). The remaining 74% mature after more than one year, of which 43% after more than five years.

Of these financial liabilities 87% (versus 88% at 31 December 2009) are hedged at a fixed interest rate via the interest rate swaps (IRSs) entered into. The average interest charge for these hedges is 3.97% net (before bank margin).

The value of these financial derivatives at 30 June 2010 was negative at EUR 45.3 million, with an average remaining term of 5.6 years.

On the basis of the figures as at 30 June 2010, all contractually applicable covenants were complied with.

Financial lease debts

At 30 June 2010, WDP has lease debts amounting to EUR 32.4 million:

- WDP has a lease contract with a banking consortium for financing the Univeg property. This originally had a duration of 15 years, of which 4.5 years had already been settled as of 30 June 2010. The purchase option is EUR 780,480 (i.e. 3% of the original capital of EUR 26,016,000). The interest rate is Euribor 3 monthly. The remaining lease debt at 30 June 2010 is EUR 20.1 million.
- WDP took over current lease debts in 2008 following the acquisition of the Vendin-le-Vieil property. The original duration of the contracts was 10 years, of which 6 years had already been settled as of 30 June 2010. The interest rate is Euribor 3 monthly increased by a margin from 0.62 to 0.90% depending on the contracting financial institution. The remaining lease debt at 30 June 2010 was EUR 5.6 million.

- In the first quarter of 2009, further to the sale and leaseback transaction with DHL, WDP also took over the lease contracts for the DHL premises located in Willebroek and Mechelen. The option price of EUR 1.685 million payable for the contract in Willebroek was converted into a new lease contract as of 31 December 2009. The remaining lease debt at 30 June 2010 is EUR 1.6 million. The contract of the DHL site in Mechelen has a term of 20 years, of which 12 years and 3 months had already been paid as at 30 June 2010. The purchase option is EUR 0.3 million. The remaining lease debt at 30 June 2010 is EUR 5.1 million.

IV. Transactions between associated companies

With the exception of the management fee charged to WDP by the business manager De Pauw NV, no other transactions occurred between associated companies. For 2010 this fee has been set at EUR 850,000.

V. Segment information

Analytical presentation by geographic segment

EUR (x 1,000)	30-06-2010 Western Europe	30-06-2010 Central and Eastern Europe	30-06-2010 Total	30-06-2009 Western Europe	30-06-2009 Central and Eastern Europe	30-06-2009 Total
NET CURRENT RESULT						
Net rental income	27,364	1,253	28,617	24,760	1,254	26,014
Income from solar energy	2,633	0	2,633	1,820	0	1,820
Other operating income / expenses	-165	-15	-180	5	-23	-18
Property result	**29,833**	**1,238**	**31,071**	**26,585**	**1,231**	**27,816**
Property charges	-487	-82	-569	-764	-30	-794
Corporate management costs	-1,780	-90	-1,870	-1,536	-95	-1,631
Net property result	**27,567**	**1,066**	**28,633**	**24,285**	**1,106**	**25,391**
Financial result excluding IAS 39 result	-8,564	-373	-8,937	-8,420	-574	-8,994
Taxes on net current result	-390	-87	-477	-61	-37	-98
Deferred taxes on net current result	17	-217	-201	-61	-219	-280
Net current result	**18,630**	**389**	**19,019**	**15,743**	**276**	**16,019**
RESULT ON PORTFOLIO						
Variations in the fair value of investment property (+/-)	4,121	-1,102	3,020	-12,747	-7,846	-20,593
Result from sale of investment property (+/-)	-43	0	-43	6	0	6
Deferred taxation on portfolio income	-734	115	-619	1,138	1,395	2,533
Portfolio result	**3,344**	**-987**	**2,358**	**-11,603**	**-6,451**	**-18,054**
IAS 39 RESULT						
Fair value changes of financial instruments (IAS 39 impact)	-12,841	0	-12,841	-7,164	0	-7,164
Deferred taxes on revaluation of IRSs	0	0	0	0	0	0
IAS 39 result	**-12,841**	**0**	**-12,841**	**-7,164**	**0**	**-7,164**
NET RESULT	9,134	-598	8,536	-3,024	-6,175	-9,199

The basic segmentation for segment reporting within WDP is by geographical region. This basic segmentation reflects the two geographical markets in Europe in which WDP operates. WDP's activities are accordingly subdivided into the following two regions:

1. Western Europe (Belgium, the Netherlands, France)
2. Central and Eastern Europe (Czech Republic and Romania)

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

Summary of consolidated key figures for the first half of 2010
Notes

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

Operating income in Belgium, the Netherlands and France was respectively EUR 21.3 million (69% of total operating income), EUR 5.6 million (18% of total operating income) and EUR 2.9 million (9% of total operating income).

Assets and liabilities by geographic segment

	30-06-2010			30-06-2009		
EUR (x 1,000)	Western Europe	Central and Eastern Europe	Total	Western Europe	Central and Eastern Europe	Total
ASSETS						
Intangible assets	416	1	417	184	0	184
Investment property	781,943	46,617	828,560	757,461	50,169	807,629
Other MFA	58,278	314	58,592	43,840	329	44,168
Financial fixed assets	12,962	0	12,962	11,186	0	11,186
Financial lease receivables	151	0	151	237	0	237
Trade receivables and other non-current assets	2,880	0	2,880	169	0	169
Deferred tax assets	914	0	914	761	0	761
Assets held for sale	0	0	0	1,788	0	1,788
Financial lease receivables	85	0	85	80	0	80
Trade receivables	8,720	230	8,950	6,669	258	6,927
Tax receivables and other current assets	2,311	195	2,506	5,817	279	6,096
Cash and cash equivalents	478	322	800	1,763	491	2,254
Deferred charges and accrued income	3,182	148	3,330	3,427	77	3,504
TOTAL ASSETS	872,321	47,827	920,148	833,381	51,602	884,983
EQUITY						
Shareholders' equity	334,616	10,250	344,866	338,964	14,213	353,177
Non-current liabilities	420,976	9,555	430,531	403,524	8,615	412,139
Current liabilities	116,729	28,022	144,751	90,893	28,774	119,667
TOTAL EQUITY	872,321	47,827	920,148	833,381	51,602	884,983

Investment property in Belgium, the Netherlands and France is respectively EUR 537 million (65% of total investment property), EUR 167 million (20% of total investment property) and EUR 78 million (9% of total investment property).
Investment property in the Czech Republic and Romania accounts for less than 10% of the ‘Investment property’ total.

VI. Overview of future rental income

EUR (x 1,000)	30-06-2010
Rental income	
Within one year	50,414
More than one but less than five years	121,114
Over five years	249,222
TOTAL	420,750

This table provides an overview of future rental income resulting from current leases. They are based on non-indexed rents which will be collected until the first lease expiry date agreed in the contracts.

Summary of consolidated key figures for the first half of 2010

Auditor’s report

Limited review report on the consolidated half-year financial information for the six-month period ended 30 June 2010

To the board of directors

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed statement of comprehensive income, condensed cash flow statement, condensed statement of changes in equity and selective notes I to V (jointly the “interim financial information”) of WAREHOUSES DE PAUW COMM. VA (“the company”) and its subsidiaries (jointly “the group”) for the six-month period ended 30 June 2010. The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with IAS 34, *“Interim Financial Reporting”* as adopted by the EU.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the “Institut des Réviseurs d’Entreprises/Instituut van de Bedrijfsrevisoren”. A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the “Institut des Réviseurs d’Entreprises/Instituut van de Bedrijfsrevisoren”. Accordingly, we do not express an audit opinion.

Based on our limited review, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2010 is not prepared, in all material respects, in accordance with IAS 34 *“Interim Financial Reporting”* as adopted by the EU.

Diegem, 19 August 2010

The statutory auditor

Summary of consolidated key figures for the first half of 2010

Statement on the interim financial report

In accordance with Article 13 §2 of the KB of 14 November 2007, De Pauw NV, business manager and represented by Tony De Pauw, declares that to its knowledge:

- the limited interim financial statements, prepared in accordance with the recognition and measurement criteria of IFRS and the IAS 34 standards on interim financial statements as adopted by the European Union, are a fair presentation of the equity, the financial situation and the results of Warehouses De Pauw and the consolidated companies;
- the interim financial statements present a fair report of the main events that occurred in the first six months of the financial year, their influence on the limited financial statements, the main risks and uncertainties concerning the coming months of the financial year, together with the main transactions between the parties concerned and their possible effect on the limited financial statements should these transactions represent a significant importance and should they not have been contracted following normal market conditions.

WDP
warehouses with brains

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