

# HALF-YEAR REPORT 2008



**INTERVEST**  
OFFICES

## KEY FIGURES

INVESTMENT PROPERTY	30.06.2008	31.12.2007
Total lettable area (m <sup>2</sup> )	505.363	505.363
Occupancy rate (%)	93 %	92 %
Fair value of investment properties (€ 000)	571.748	565.043
Investment value of the properties (€ 000)	586.176	579.475
Debt ratio RD 21 June 2006 (max. 65 %) (%)	41 %	39 %

RESULTS (€ 000)	30.06.2008	30.06.2007
<b>Net rental income</b>	<b>20.966</b>	<b>20.506</b>
Property management costs and income	243	266
Property charges	-1.473	-2.097
General costs and other operating cost and income	-848	-774
<b>Operating result before result on the portfolio</b>	<b>18.888</b>	<b>17.901</b>
Result on the portfolio	5.228	11.370
<b>Operating result</b>	<b>24.116</b>	<b>29.271</b>
Financial result	-5.015	-4.635
Taxes	-31	-8
<b>Net profit</b>	<b>19.070</b>	<b>24.628</b>

DATA PER SHARE	30.06.2008	30.06.2007
Number of shares	13.900.902	13.882.662
Net asset value (fair value) (€)	24,65	24,11
Net asset value (investment value) (€)	25,69	25,08
Gross dividend of the half year (€)	0,99	0,97
Net dividend of the half year (€)	0,84	0,82
Share price on closing date (€)	23,73	29,00
Premium (+) / discount (-) to net asset value (fair value) (%)	- 4 %	20 %

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## MANAGEMENT AND ORGANISATION

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### **Interest Offices**

Uitbreidingstraat 18  
2600 Berchem

Public property investment fund  
with fixed capital under Belgian law,  
founded as limited liability company

### **Registered office**

Uitbreidingstraat 18, 2600 Berchem

### **Company identification number**

RPM 0458.623.918

### **Board of directors**

Jean-Pierre Blumberg, chairman  
Nick van Ommen, director  
EMSO sprl, permanently represented by Chris Peeters, director  
Hubert Roovers, managing director  
Reinier van Gerrevink, managing director  
Hans Pars, director

### **Management committee**

Sprl Jean-Paul Sols, ceo  
Inge Tas, cfo  
Reinier van Gerrevink, managing director

### **Statutory auditor**

Deloitte Bedrijfsrevisoren SC s.f.d. SCRL, represented by Rik Neckebroeck,  
with offices at 1831 Diegem, Berkenlaan 8b

### **Custodian bank – Financial services – Liquidity provider**

ING Bank sa, avenue Marnix 24, 1000 Brussels

### **Property experts**

Cushman & Wakefield, avenue des Arts 58 b 7, 1000 Brussels  
de Crombrughe & Partners, avenue Hermann-Debroux 54, 1160 Brussels  
Jones Lang LaSalle Belgium, rue Montoyer 10, 1000 Brussels

### **Date annual meeting**

First Wednesday of April at 16h30

**INTERVEST**  
OFFICES



## INTERVEST OFFICES

### Profile

Intervest Offices invests in high-quality Belgian business property which is leased to first-class tenants. The property in which is invested, consists mainly of up-to-date buildings that are strategically located outside town centres. In order to optimize the risk profile, investments in town centres could also be considered. Investments in semi-industrial properties, warehouses and high-tech buildings fit in the same objective. In principle, there are no investments in residential and retail properties, except for some specific reasons.

On 30 June 2008, the real estate portfolio of Intervest Offices consists of 72 % offices and 28 % semi-industrial premises. The total fair value of the real estate portfolio on 30 June 2008 amounts to € 572 million (investment value € 586 million).

Intervest Offices has been registered as a property investment fund on the list of Belgian investment institutions since 15 March 1999 and is listed on NYSE Euronext Brussels.

### Investment policy

The investment policy is established on the achievement of a combination of a direct return based on rental income and an indirect return based on the increase in the value of the real estate portfolio.

Intervest Offices' aim is to make its share more attractive by guaranteeing a high liquidity, by expanding its real estate portfolio and by improving the risk profile. The extension of the portfolio must always lead to a better risk spread, cost advantages and an increasing shareholders' value. If possible, mergers and contributions in kind are realised with the emission of new shares, whereby the free float and the liquidity of the share are improved.

### Corporate governance

Intervest Offices strictly respects the Belgian principles of corporate governance for companies listed on the stock exchange, summarized in the "Belgian Corporate Governance Charter" of the Lippens Commission. From the terms of the code is only derogated when specific circumstances require it.

The complete 'Corporate Governance Charter' that describes the important internal procedures for the administrative bodies of Interest Offices can be consulted on the company website ([www.intervest.be](http://www.intervest.be)).

At 30 June 2008, the board of directors comprises 6 members, 3 of which are independent directors. The directors are appointed for a period of 3 years, but their appointment can be revoked at any time by the general meeting. The main tasks of the board of directors consist of developing a strategy, approving the annual accounts and controlling the management committee. Within the board of directors, an audit committee has been set up, mainly controlling the correctness, completeness and the quality of the financial information to be published.

On 30 June 2008 the board of directors consists of the following members:

- Jean-Pierre Blumberg, chairman, independent director and member of the audit committee
- Nick van Ommen, independent director and chairman of the audit committee
- EMSO sprl, permanently represented by Chris Peeters, independent director and member of the audit committee
- Reinier van Gerrevink, managing director
- Hubert Roovers, managing director
- Hans Pars, director

Intervest Offices is a 'self managed fund' with own personnel and an own management committee. This management committee has all powers, with the exception of the actions that are legally assigned to the board of directors and the strategic policy.

On 30 June 2008 the management committee consists of the following members:

- Jean-Paul Sols sprl, represented by Jean-Paul Sols, chairman, chief executive officer
- Inge Tas, chief financial officer
- Reinier van Gerrevink, managing director





Park Station  
Diegem

## DEVELOPMENTS DURING THE FIRST HALF YEAR 2008

### Investments

#### Herentals Logistic Center

During the first half year of 2008 the construction of the first phase of the logistic development has started on the Siemens site in Herentals with a surface area of 20.000 m<sup>2</sup>. This development is at risk of the building company Cordeel with whom Intervest Offices has already concluded a framework agreement in November 2007. The delivery of the logistic building is planned for September 2008, whereby Intervest Offices obtains a rental guarantee from the developer during one year. The investment value of this transaction will amount to approximately € 17 million and also comprises the acquisition of the land for the second phase of the project. In this second phase, Intervest Offices can proceed in the future with further development of logistic buildings for its own account with once more 20.000 m<sup>2</sup> surface area.

As from the delivery of the first phase this investment will contribute immediately to the operating result of the property investment fund and will generate rental income of approximately € 1 million on annual basis.

#### Rentals

Especially through an active commercial policy and a permanent attention for the radiance of the patrimony Intervest Offices succeeds to attract new tenants.

Permanent efforts regarding asset management, whereby close contacts with existing tenants are fundamental, allow to anticipate the present and future expectations concerning the housing of our clients. These efforts result in an occupancy rate of the portfolio which is considerably better than the market average of the regions in which Intervest Offices is active.

### Offices

#### New leases

During the first half year of 2008 new lease contracts have been signed for the office portfolio for a total surface area of 4.110 m<sup>2</sup>, attracting herewith 9 new tenants. The most important transactions have been concluded at Mechelen Campus (709 m<sup>2</sup> to Horeservi and 322 m<sup>2</sup> to Trendmicro), at Intercity Business Park in Malines (531 m<sup>2</sup> to Biotest Seralco), at Park Station in Diegem (640 m<sup>2</sup> to CED Automotiv) and at Park Rozendal in Hoeilaart (922 m<sup>2</sup> to Mylan).

#### Renewals by end of lease, extensions and prolongations of lease contracts

In the office portfolio, 18 transactions have been renegotiated for a surface area of 18.255 m<sup>2</sup>.

Important transactions are the extension of 3.673 m<sup>2</sup> by Deloitte at Hermes Hills (Diegem), the prolongation for 4.996 m<sup>2</sup> by Q8 at Gateway House (Antwerp), the prolongation for 1.089 m<sup>2</sup> by Tibotec at Mechelen Campus (Malines), the extension of 931 m<sup>2</sup> by Tibotec on Intercity Business Park (Malines) and the prolongation for 3.159 m<sup>2</sup> by Esoterix at Intercity Business Park (Malines).

Mechelen Campus  
Malines





Deloitte Campus  
Diegem

## Semi-industrial

Considering the high occupancy rate of the semi-industrial portfolio the possibilities for extension of existing lease contracts are limited. Here also, Intervest Offices continuously pays attention to keep tenants in the long run.

### New leases

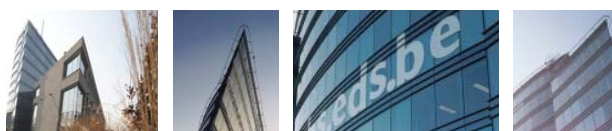
New lease contracts have been concluded for a surface area of 9.980 m<sup>2</sup> in 4 transactions, mainly in Meer with VPK Packaging (7.521 m<sup>2</sup>), in Berchem-Sainte-Agathe with GN Resound (870 m<sup>2</sup>) and in Sint-Niklaas with Eticolor (1.412 m<sup>2</sup>).

### Renewals by end of lease, extensions and prolongations of lease contracts

In the semi-industrial portfolio, 1 lease contract has been renegotiated with the Vlaamse Gemeenschapscommissie in Berchem-Sainte-Agathe for a surface area of 345 m<sup>2</sup>.

### Merger regarding the acquisition of the Siemens site in Herentals

On 2 April 2008 the extraordinary general meeting of shareholders of Intervest Offices decided on the merger by absorption of the limited liability company Herentals Logistic Center, a 100 % subsidiary of Intervest Offices and owner of the Siemens Site in Herentals.





Exiten  
Diegem

## GROWTH PROSPECTS

In the second half of 2008 Intervest Offices will aim to invest in high qualitative buildings with a good return. Growth possibilities will to a larger extent be determined by the general economic situation and opportunities on the real estate market.

Intervest Offices estimates the main risk factors and uncertainties for the remaining months of the financial year 2008<sup>1</sup> as follows:

**evolution of the interest rates:** due to financing with borrowed capital the return of the property investment fund depends on the evolution of the interest rates. To limit this risk an appropriate ratio between borrowed capital with variable interest rates and borrowed capital with fixed interest rates is pursued at the composition of the credit facilities portfolio. On 30 June 2008, 68 % of the credit facilities portfolio consist of loans with a fixed interest rate or fixed through interest rate swaps concluded end 2006 (with a duration of 5 years). Furthermore, a balanced spread of the expiry dates and a duration of minimally 3 years are pursued. On 30 June 2008, 79 % of the credit withdrawals are long term financings, with an average duration of 3,1 years. Through this financial structure Intervest Offices is properly protected against unforeseen evolutions of interest rates. Finally, on 30 June 2008, the property investment fund still disposes of € 23 million of non-withdrawn credit facilities at financial institutions for the financing of future investments.

**evolution of the value of the real estate portfolio:** a certain degree of uncertainty has been observed regarding the future evolution of the value of buildings on the Belgian real estate market, such as described in the chapter “real estate market” of this report and based on a round table discussion with the property experts of Intervest Offices in June 2008. Consequently, engagements to commit to investments, presently or in the next months, will be very carefully evaluated in view of appropriate risk/return ratios. Appropriate guarantees will be included, in order to protect as good as possible the rental income and value of the buildings.

**rental risks:** given the nature of the buildings which are mainly let to national and international companies, the real estate portfolio is sensitive to the conjuncture. On the short term no direct risks are recognized that can influence fundamentally the results of the financial year 2008. Furthermore, within the property investment fund there are, on the level of debtor's risks, clear and efficient internal control procedures to limit this risk.

In spite of these market circumstances, Intervest Offices expects that the dividend per share for the financial year 2008 will be higher than prior year. Indeed, through the sale of properties with a low occupancy rate end 2006 and through the reinvestment of the liberated financial means during 2007 in the office buildings Exiten and Mechelen Campus Tower and in the logistic complex Herentals Logistics, the distributable operating result will increase. Intervest Offices expects to be able to offer its shareholders in 2008 a gross dividend per share between € 1,95 and € 2,00 (€ 1,94 for the financial year 2007).

<sup>1</sup> In accordance with article 13 § 5 of the RD of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.



## FINANCIAL RESULTS

The condensed consolidated interim accounts for the first half year ending on 30 June 2008 are established on the basis of the principles for financial reporting in accordance with IFRS and in accordance with IAS 34 "Interim financial reporting" as adopted by the European Union.

In these condensed interim financial statements the same principles for financial reporting and calculation method are applied as those applied for the consolidated financial statements at 31 December 2007.

These condensed financial statements have been approved for publication by the board of directors on 4 August 2008.

### Analysis of the results<sup>2</sup>

During the first half year of 2008 the rental income of Intervest Offices amounts to € 21,0 million. This is an increase with € 0,5 million compared to the first half year of 2007 (€ 20,5 million). The loss of rental income due to the sale of five office buildings (for an amount of € 92 million) is entirely compensated by rental income from reinvestments realised in 2007 (for an amount of € 43 million) in Exiten, Mechelen Campus Tower and the Siemens site in Herentals. Herewith the property investment fund realises its objective to improve the quality of the portfolio through reinvestments in high qualitative buildings with a good return.

At 30 June 2008, the property charges of the property investment fund decrease considerably to € 1,5 million (€ 2,1 million). This decrease of € 0,6 million is mainly due to the decrease of the vacancy charges through the sale of five office buildings with a high degree of vacancy and to lower maintenance costs.

With the decrease of the property charges and the increase of rental income, the operating result before the result on portfolio increases for the first half year 2008 with € 1 million to € 18,9 million (€ 17,9 million).

The financial result amounts to - € 5,0 million (- € 4,6 million). The increase of the financial charges with € 0,4 million is a combined effect of, on one hand, a lower amount of credit withdrawals at financial institutions as a result of the sale transaction of € 92 million from which presently € 43 million has been reinvested, and on the other hand, lower financial revenues as there are no moratory interests for an amount of € 0,8 million, received one-time in 2007 from the sale transaction of five office buildings.

For the first half year of 2008 the average interest rate of the property investment fund amounts to approximately 4,6 % (4,3 %). The debt ratio of the property investment fund amounts to 41 % on 30 June 2008 (39 % on 31 December 2007).

<sup>2</sup> Between brackets comparable figures on 30 June 2007.





Puurs Logistic Center  
Puurs

During the first half year of 2008, the net result of the property investment fund Intervest Offices amounts to € 19,0 million (€ 24,6 million) and can be divided in:

- the operating distributable result of € 13,8 million (€ 13,3 million). This increase of 4,4 % results from the reinvestment of the liberated financial means in buildings with a high occupancy rate and a good return; and
- the result on the portfolio of € 5,2 million (€ 11,3 million) due to the increase in value of the office portfolio of the property investment fund. This increase in value of the office buildings is mainly due to new leases. On the semi-industrial real estate market, after the yield shift of 2007, a stabilisation of the values of real estate currently occurs. With the limited offer and the constantly high demand of qualitative logistic real estate, the yields for semi-industrial real estate are still at a low level.

The distributable earnings of Intervest Offices increase during the first half year of 2008 to € 13,8 million (€ 13,3 million). This increase leads to distributable earnings per share of € 0,99 for the first half year of 2008 compared to € 0,97 for the same period of prior year.

On 30 June 2008, the fair value of the real estate portfolio amounts to € 572 million (€ 565 million on 31 December 2007). This increase is due to the revaluation of the office portfolio.

At 30 June 2008, after the payment of the dividend of 2007, the net asset value (fair value) of the share amounts to € 24,65 (€ 25,07 on 31 December 2007).

## Condensed financial statements

### Condensed consolidated income statement

<i>in thousands €</i>	30.06.2008	30.06.2007
Rental income	20.986	20.547
Rental related expenses	-20	-41
<b>NET RENTAL INCOME</b>	<b>20.966</b>	<b>20.506</b>
Property management costs and income	243	266
<b>PROPERTY RESULT</b>	<b>21.209</b>	<b>20.772</b>
Technical costs	-231	-470
Commercial costs	-285	-171
Charges and taxes on unlet properties	-110	-509
Property management costs	-772	-832
Other property charges	-75	-115
<b>Property charges</b>	<b>-1.473</b>	<b>-2.097</b>
<b>OPERATING PROPERTY RESULT</b>	<b>19.736</b>	<b>18.675</b>
General costs	-747	-790
Other operating income and expenses	-101	16
<b>OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO</b>	<b>18.888</b>	<b>17.901</b>
Changes in fair value of the investment properties	5.228	11.370
<b>OPERATING RESULT</b>	<b>24.116</b>	<b>29.271</b>
Financial income	100	84
Interest charges	-5.113	-4.600
Other financial charges	-2	-119
<b>Financial result</b>	<b>-5.015</b>	<b>-4.635</b>
<b>RESULT BEFORE TAXES</b>	<b>19.101</b>	<b>24.636</b>
<b>Taxes</b>	<b>-31</b>	<b>-8</b>
<b>NET RESULT</b>	<b>19.070</b>	<b>24.628</b>
Attributable to:		
Equity holders of the parent	19.070	24.628
Minority interests	0	0
<i>Note:</i>		
<i>Operating distributable profit</i>	<i>13.842</i>	<i>13.258</i>
<i>Result on portfolio</i>	<i>5.228</i>	<i>11.370</i>
<b>RESULT PER SHARE</b>	<b>30.06.2008</b>	<b>30.06.2007</b>
Number of ordinary shares	13.900.902	13.882.662
Basic earnings per share (in €)	1,37	1,77
Diluted earnings per share (in €)	1,37	1,77
Distributable earnings per share (in €)	0,99	0,97



## Condensed consolidated balance sheet

<b>ASSETS</b> <i>in thousands €</i>	<b>30.06.2008</b>	<b>31.12.2007</b>
<b>Non-current assets</b>	<b>578.259</b>	<b>569.601</b>
Intangible fixed assets	106	121
Investment properties	571.748	565.043
Other tangible fixed assets	287	316
Financial fixed assets	6.103	4.107
Trade receivables and other non-current assets	15	14
<b>Current assets</b>	<b>8.808</b>	<b>7.724</b>
Trade receivables	2.317	3.833
Tax receivables and onther current assets	1.704	1.726
Cash and cash equivalents	3.465	684
Deferred charges and accrued income	1.322	1.481
<b>TOTAL ASSETS</b>	<b>587.067</b>	<b>577.325</b>

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b> <i>in thousands €</i>	<b>30.06.2008</b>	<b>31.12.2007</b>
<b>Shareholders' Equity</b>	<b>342.619</b>	<b>348.521</b>
<b>Shareholders' equity attributable to the shareholders of the parent company</b>	<b>342.572</b>	<b>348.474</b>
Share capital	126.725	126.725
Share premium	60.833	60.833
Reserves	146.179	140.955
Result	17.160	30.286
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-14.428	-14.432
Changes in fair value of financial assets and liabilities	6.103	4.107
<b>Minority interests</b>	<b>47</b>	<b>47</b>
<b>Liabilities</b>	<b>244.448</b>	<b>228.804</b>
<b>Non-current liabilities</b>	<b>217.616</b>	<b>208.436</b>
Provisions	1.125	1.169
Non-current financial debts	216.001	206.840
<i>Credit institutions</i>	<i>215.986</i>	<i>206.822</i>
<i>Financial lease</i>	<i>15</i>	<i>18</i>
Other non-current liabilities	490	427
<b>Current liabilities</b>	<b>26.832</b>	<b>20.368</b>
Provisions	313	409
Current financial debts	17.040	14.677
<i>Credit institutions</i>	<i>17.034</i>	<i>14.672</i>
<i>Financial lease</i>	<i>6</i>	<i>5</i>
Trade debts and other current debts	4.402	3.096
Other current liabilities	3.572	402
Accrued charges and deferred income	1.505	1.784
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>587.067</b>	<b>577.325</b>

## Condensed consolidated cash-flow statement

<i>in thousands €</i>	30.06.2008	30.06.2007
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>684</b>	<b>510</b>
<b>1. Cash-flow from operating activities</b>	<b>18.815</b>	<b>14.749</b>
Operating result	24.116	29.271
Interests paid	-5.147	-4.599
Other non operating elements	-38	-44
<b>Adjustment of the profit for non cash-flow transactions</b>	<b>-6.148</b>	<b>-11.295</b>
Depreciations on intangible and other tangible fixed assets	98	93
Variation in the fair value of investment properties	-6.108	-11.243
Other non cash-flow transactions	-138	-145
<b>Changes in working capital</b>	<b>6.032</b>	<b>1.416</b>
Movement of assets	1.697	-1.703
Movement of liabilities	4.335	3.119
<b>2. Cash-flow from investment activities</b>	<b>-654</b>	<b>83.480</b>
Acquisition of intangible and other tangible fixed assets	-54	-62
Acquisition of investment properties	0	-8.556
Investments in existing investment properties	-600	-496
Proceeds from the sale of investment properties	0	92.500
Receipts from non-current trade receivables	0	94
<b>3. Cash-flow from financing activities</b>	<b>-15.380</b>	<b>-97.818</b>
Repayments of loans	-15.372	-200.317
Drawdown of loans	26.900	128.475
Repayment of financial lease liabilities	-3	-3
Receipts from non-current liabilities as guarantee	63	-13
Dividends paid	-26.968	-25.960
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FIRST HALF YEAR</b>	<b>3.465</b>	<b>921</b>



## Condensed statement of changes in shareholders' equity

<i>in thousands €</i>	Capital	Share premium	legal
<b>Balance sheet at 31 December 2006</b>	<b>126.719</b>	<b>60.833</b>	<b>90</b>
Profits of the first half year 2007			
Transfer of the result on the portfolio to the reserves not available for distribution			
Impact on fair value*			
Dividends of financial year 2006			
Changes in the fair value of financial assets and liabilities			
Minority interest from acquisition			
<b>Balance sheet at 30 June 2007</b>	<b>126.719</b>	<b>60.833</b>	<b>90</b>
<b>Balance sheet at 31 December 2007</b>	<b>126.725</b>	<b>60.833</b>	<b>90</b>
Profits of the first half year 2008			
Transfer of the result on the portfolio to the reserves not available for distribution			
Impact on fair value*			
Dividends of financial year 2007			
Changes in the fair value of financial assets and liabilities			
<b>Balance sheet at 30 June 2008</b>	<b>126.725</b>	<b>60.833</b>	<b>90</b>

\*of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties

Reserves		Result	Impact on fair value*	Changes in fair value of financial assets and liabilities	Minority interests	Total shareholders' equity
not available for distribution	available for distribution					
<b>125.193</b>	<b>650</b>	<b>29.584</b>	<b>-12.913</b>	<b>2.899</b>	<b>47</b>	<b>333.102</b>
		24.628				24.628
11.370		-11.370				0
554			-554			0
		-25.960				-25.960
				2.860	15	2.860
						15
<b>137.117</b>	<b>650</b>	<b>16.882</b>	<b>-13.467</b>	<b>5.759</b>	<b>62</b>	<b>334.645</b>
<b>140.215</b>	<b>650</b>	<b>30.286</b>	<b>-14.432</b>	<b>4.107</b>	<b>47</b>	<b>348.521</b>
		19.070				19.070
5.228		-5.228				0
-4			4			0
		-26.968				-26.968
				1.996		1.996
<b>145.439</b>	<b>650</b>	<b>17.160</b>	<b>-14.428</b>	<b>6.103</b>	<b>47</b>	<b>342.619</b>



## Condensed income statement by segment

BUSINESS SEGMENTS	Offices	
	30.06.2008	30.06.2007
<i>in thousands €</i>		
Rental income	15.187	14.962
Rental related expenses	13	-60
<b>Net rental income</b>	<b>15.200</b>	<b>14.902</b>
Property management costs and income	342	241
<b>Property result</b>	<b>15.542</b>	<b>15.143</b>
<b>Operating result before result on the portfolio</b>	<b>15.195</b>	<b>14.193</b>
Changes in fair value of investment properties	5.085	2.460
<b>Operating result of the segment</b>	<b>20.280</b>	<b>16.653</b>
Financial result		
Taxes		
<b>NET PROFIT</b>	<b>20.280</b>	<b>16.653</b>

BUSINESS SEGMENTS: KEY FIGURES	Offices	
	30.06.2008	30.06.2007
Investment properties at fair value (€ 000)	413.001	378.878
Investment value investment properties (€ 000)	423.326	388.350
Accounting yield of the segment (%)	7,4 %	7,9 %
Total surface for rent of the investment properties (m <sup>2</sup> )	236.459	219.975
Occupancy rate of the investment properties (%)	91 %	89 %



Semi-industrial properties		Corporate		TOTAL	
30.06.2008	30.06.2007	30.06.2008	30.06.2007	30.06.2008	30.06.2007
5.799	5.585			20.986	20.547
-33	19			-20	-41
<b>5.766</b>	<b>5.604</b>			<b>20.966</b>	<b>20.506</b>
-99	25			243	266
<b>5.667</b>	<b>5.629</b>			<b>21.209</b>	<b>20.772</b>
<b>5.363</b>	<b>5.437</b>	<b>-1.670</b>	<b>-1.729</b>	<b>18.888</b>	<b>17.901</b>
143	8.910			5.228	11.370
<b>5.506</b>	<b>14.347</b>	<b>-1.670</b>	<b>-1.729</b>	<b>24.116</b>	<b>29.271</b>
		-5.015	-4.635	-5.015	-4.635
		-31	-8	-31	-8
<b>5.506</b>	<b>14.347</b>	<b>-6.716</b>	<b>-6.372</b>	<b>19.070</b>	<b>24.628</b>

Semi-industrial properties		TOTAL	
30.06.2008	30.06.2007	30.06.2008	30.06.2007
158.747	148.190	571.748	527.068
162.850	152.185	586.176	540.535
7,3 %	7,5 %	7,3 %	7,8 %
268.904	236.136	505.363	456.111
97 %	96 %	93 %	91 %



## Net asset value and share price

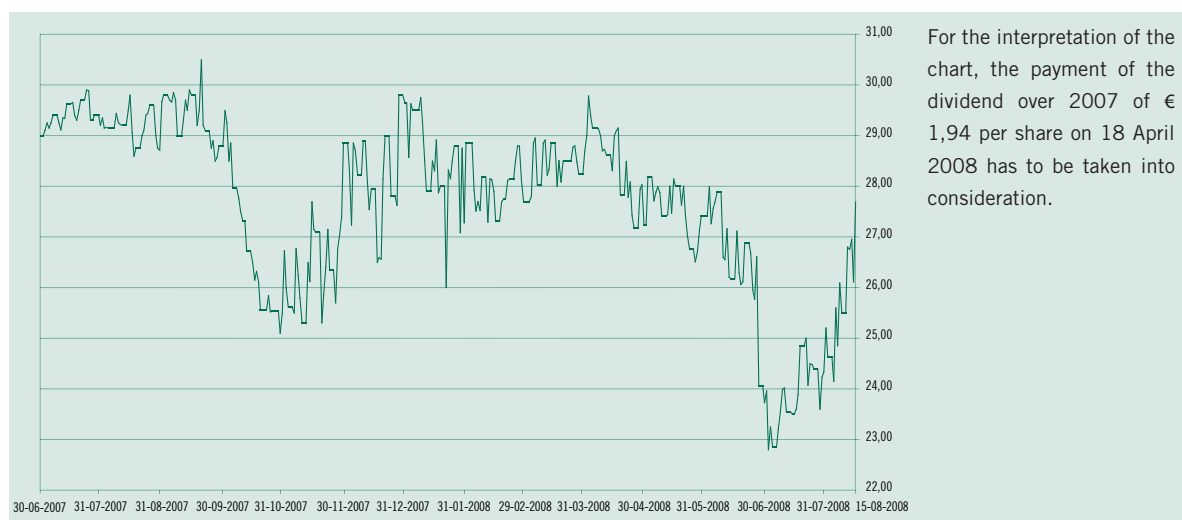
In € per share	30.06.2008	31.12.2007	30.06.2007	31.12.2006
Net asset value (fair value)	24,65	25,07	24,11	23,99
Net asset value (investment value)	25,69	26,11	25,08	24,92
Gross dividend (per year resp. half year)	0,99	1,94	0,97	1,87
Net dividend (per year resp. half year)	0,84	1,65	0,83	1,59
Share price on closing date	23,73	29,65	29,00	28,47
Premium (+) / discount (-) to net asset value (fair value) (%)	- 4 %	18 %	20 %	18 %
Dividend yield (%)	7,1 %	6,7 %	6,4 %	6,7 %

The share price fluctuated during the first six months of 2008 between € 29,78 and € 23,73. During the first half year of 2008 the average share price amounts to € 27,89 per share.

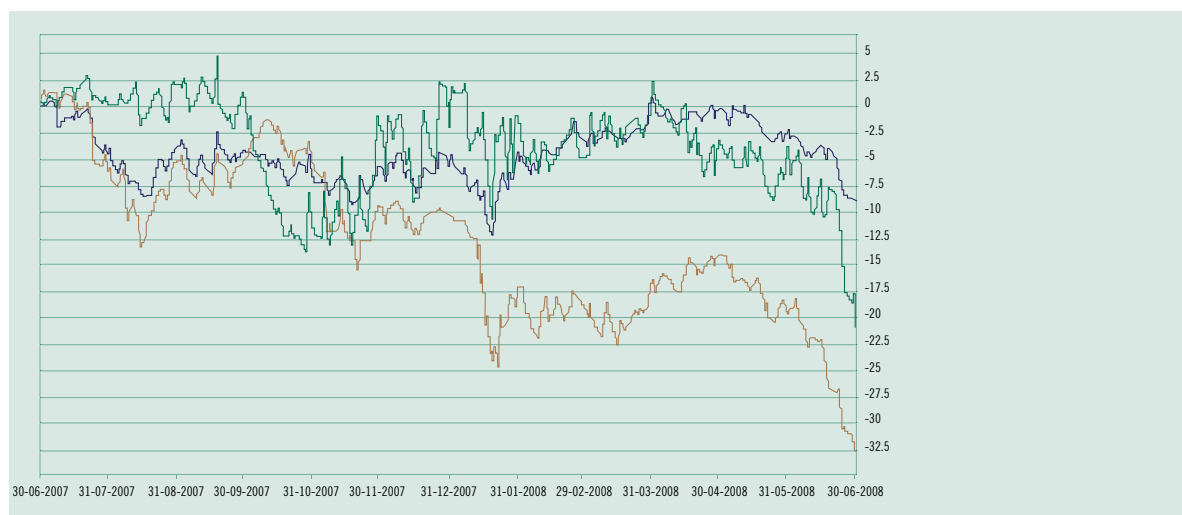
Also as a result of the current negative climate on the stock exchange the share price of Interest Offices has decreased on 30 June 2008 to € 23,73. Herewith the share quotes on 30 June 2008 with a discount of 4 % compared to the net asset value (fair value).

The free float on 30 June 2008 amounts 45,3 % (45,3 % end 2007). The daily average traded volume for the first half year amounts to 5.881 units.

### Share price Interest Offices



### Comparison Interest Offices with BEL Real Estate index and with BEL 20 Close index



## Statutory auditor's report

### INTERVEST OFFICES SA, PUBLIC PROPERTY INVESTMENT FUND UNDER BELGIAN LAW

LIMITED REVIEW REPORT ON THE CONSOLIDATED HALF-YEAR FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008

To the board of directors,

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed cash flow statement, condensed statement of changes in equity and selective notes (jointly the "interim financial information") of INTERVEST OFFICES SA, PUBLIC PROPERTY INVESTMENT FUND UNDER BELGIAN LAW ("the company") and its subsidiaries (jointly "the group") for the six months period ended 30 June 2008. 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 der 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 der 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 months period ended 30 June 2008 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

5 August 2008



The statutory auditor

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**DELOITTE Réviseurs d'Entreprises**  
SC s.f.d. SCRL  
Represented by Rik Neckebroeck





Brussels 7  
Strombeek - Bever

## REAL ESTATE PORTFOLIO

### Valuations as at 30 June 2008

On 30 June 2008, the valuation of the current real estate portfolio of Interest Offices has been carried out by the following property experts:

- Jones Lang LaSalle, represented by Rod Scrivener
- Cushman & Wakefield, represented by Kris Peetermans and Erik Van Dijck
- de Crombrugghe & Partners, represented by Guibert de Crombrugghe

The property experts analyse rental, sale and purchase transactions on a permanent basis. This makes it possible to analyse correctly the real estate trends on the basis of prices actually paid and thus to build up market statistics.

Expert	Property	Fair value (€ 000)	Investment value (€ 000)
Jones Lang Lasalle	Office buildings (except BXL 7/2)	404.074	414.176
Cushman & Wakefield	Semi-industrial properties	125.030	128.290
de Crombrugghe & Partners	Office building BXL 7/2, semi-industrial properties in Merchtem and Puurs	42.644	43.710
<b>Total</b>		<b>571.748</b>	<b>586.176</b>

## Key figures and charts

### Overview of the property portfolio including vacancies

Regions	Surface area offices (m <sup>2</sup> )	Surface area storage and others (m <sup>2</sup> )	Fair value (€ 000)	Investment value (€ 000)	Rent/year (€ 000)		Occupancy rate (%)
					Rental income	Rental income + vacancy	
<b>Offices</b>							
Brussels	84.388	2.482	180.840	185.361	13.002	14.530	89
E19 (incl. Malines)	104.281	11.516	182.856	187.427	14.719	15.873	93
Antwerp	27.289	1.153	42.750	43.819	3.441	3.757	92
Other regions	5.350	0	6.555	6.719	549	558	98
<b>Total offices</b>	<b>221.308</b>	<b>15.151</b>	<b>413.001</b>	<b>423.326</b>	<b>31.711</b>	<b>34.718</b>	<b>91</b>
<b>Semi-industrial properties</b>							
A12 (Brussels - Antwerp)	6.535	113.833	74.927	76.800	5.782	5.853	99
E19 (Brussels – Antwerp)	1.354	51.298	28.995	29.720	2.642	2.658	99
Ring Antwerp	1.770	28.449	18.103	18.690	1.286	1.286	100
Other regions	11.591	54.074	36.722	37.640	2.403	2.682	90
<b>Total semi-industrial properties</b>	<b>21.250</b>	<b>247.654</b>	<b>158.747</b>	<b>162.850</b>	<b>12.113</b>	<b>12.479</b>	<b>97</b>
<b>TOTAL INVESTMENT PROPERTIES</b>	<b>242.558</b>	<b>262.805</b>	<b>571.748</b>	<b>586.176</b>	<b>43.824</b>	<b>47.197</b>	<b>93</b>

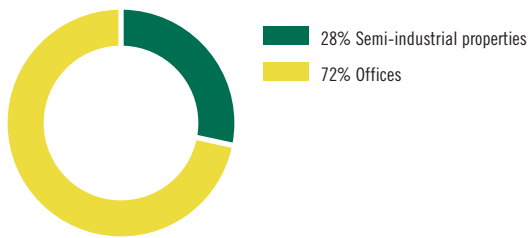




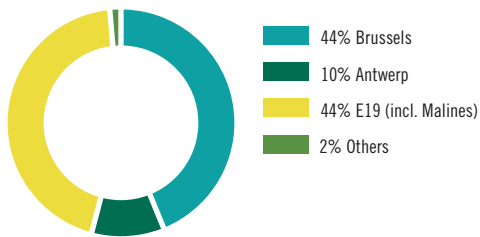
Semi-industrial  
Schelle

## Nature of the portfolio

On 30 June 2008, the portfolio consists of 72% of office buildings and 28 % of semi-industrial properties.

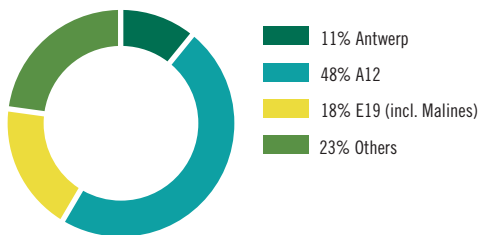


## Geografic spread



### Office buildings

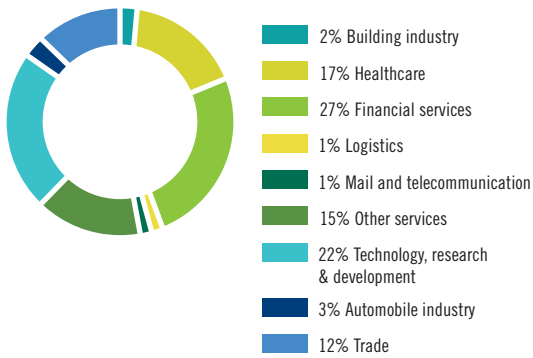
The axis Antwerp-Brussels is the most important and most liquid office region of Belgium.



### Semi-industrial properties

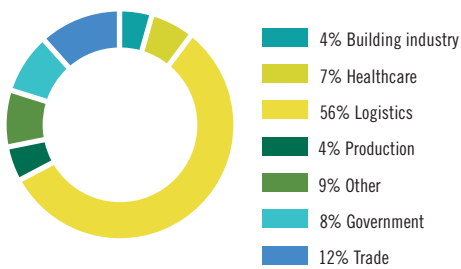
77 % of the logistic portfolio is located on the axis Antwerp-Brussels which is as a logistic cluster still the outstanding top location.

## Sector spread



### Office buildings

The tenants are well spread over different economic sectors. This reduces the risk of vacancy in case of fluctuations of the economy.

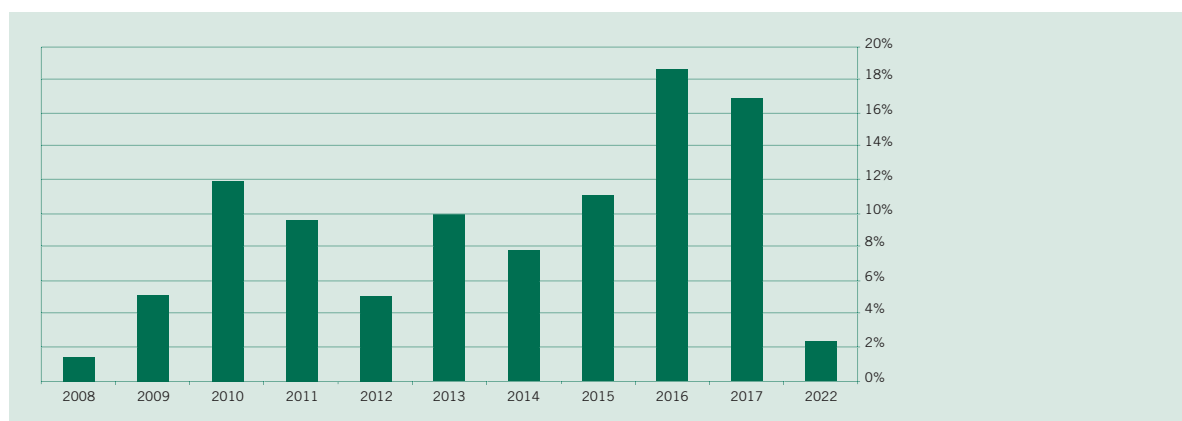


### Semi-industrial properties

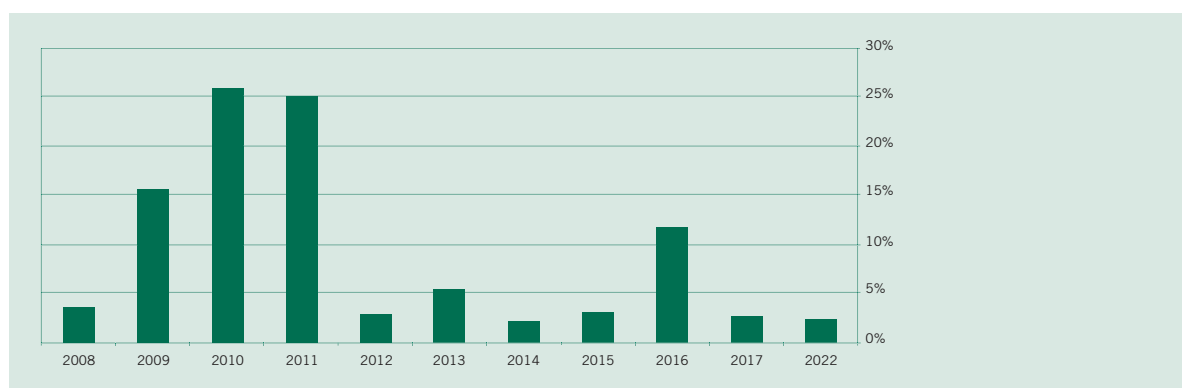
44 % of the logistic and semi-industrial portfolio is let to companies from outside the logistic sector which improves the stability of the rental income.



## Expiry date of the contracts of the real estate portfolio



## First interim expiry date of the contracts of the real estate portfolio



## Evolution of the real estate portfolio

	30.06.2008	31.12.2007	30.06.2007	31.12.2006
Investment value investment properties (€ 000)	586.176	579.475	540.535	519.653
Current rents (€ 000)	43.824	42.842	39.869	39.973
Yield (%)	7,5 %	7,4 %	7,4 %	7,7 %
Current rents, including estimated rental value of vacant properties (€ 000)	47.197	46.677	44.030	43.572
Yield if fully let (%)	8,1 %	8,1 %	8,1 %	8,4 %



## Real estate market<sup>3</sup>

### Economic climate

Since the second half of 2007 the economic growth slightly slows down. Furthermore, the economic climate is characterised by high inflation.

In Belgium, the employment figures are however high and are also one of the priorities of the governments. In this regard the long term previsions are good. On the short term, on the contrary, a weakening of the growth of the employment in 2008 is noticeable so that a certain weakening in the growth of the office market can be expected.

For all 2008, according to the estimates of the Federal Planning Bureau, the growth rate of the health price index would amount to 4 %. This is more than twice the growth rate known in Belgium for the last years, which will have a favourable effect on the rental income on the short term.

### Offices

#### Rental market

During the first half year of 2008, just like in 2007, most rental transactions are smaller transactions as the average surface area of the transactions amounts to 890 m<sup>2</sup>.

An important increase of the building costs in 2007 (approximately + 20 %) and current uncertainties on the investment market are the reason that nearly no new offices are built. It is expected that new projects will be proposed at higher rents, what indirectly will have a stabilizing effect on the rental value of the existing buildings.

The availability rate in the Brussels periphery slowly decreases but the offer remains substantial so that no significant rental grow has to be expected on the short term.

#### Investment market

The activity on the investment market is clearly lower than prior year as a result of the decrease of the investment sentiment and also due to the difficulty for many parties to obtain credits at interesting conditions.

Till now the weakening demand has not led to significant corrections in value for first class real estate. If the decrease of investment activities persists, a negative correction of the prices will be more likely. Currently the impact is difficult to assess.

### Logistic buildings

#### Rental market

Top rents in the surroundings of Brussels increased considerably compared to a year ago. For a long period these rents amounted to approximately 47 €/m<sup>2</sup>/year while presently the most expensive objects are proposed at prices of more than 55 €/m<sup>2</sup>/year.

Broadly speaking the rents on the logistic market remain stable compared to prior year. Demand and offer are relatively in balance and the underlying market factors remain healthy. As a result of the relatively low rents for logistic real estate and with increasing building costs, a positive development of the rents can be expected on term.

#### Investment market

Also for logistic buildings some uncertainty prevails and investors adopt a waiting attitude. Also here there are presently too few transactions showing a significant price correction.

<sup>3</sup> This text is based on a round table discussion with the property experts of Investest Offices on 18 June 2008.



## TERMINOLOGY

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### **Acquisition value of an investment property**

This term is used at the acquisition of a property. If transfer costs are paid, they are included in the acquisition value.

### **Corporate governance**

Corporate governance is an important instrument to constantly improve the management of the property investment fund and to protect the interest of the shareholders.

### **Current rents**

Annual rent on the basis of the rental situation on a certain moment in time.

### **Debt ratio**

The debt ratio is calculated as the liabilities (excluding provisions and accrued charges and deferred income) less the change in the fair value of the financial coverage instruments, divided by the total assets. By means of the RD of 21 June 2006, the maximum debt ratio for the property investment funds rose from 50 % to 65 %.

### **Distributable earnings**

The distributable earnings per share is the amount liable for compulsory distribution, divided by the weighted average number of ordinary shares.

### **Dividend yield**

The dividend yield is the gross dividend divided by the annual average of the share price.

### **Fair value of investment properties (in accordance with Beama interpretation of IAS 40)**

This value is equal to the amount at which a building might be exchanged between well-informed parties, agreeing and acting in conditions of normal competition. From the perspective of the seller they should be understood as involving the deduction of registration fees.

In practice this means that the fair value is equal to the investment value divided by 1,025 (for buildings with a value of more than € 2,5 million) or the investment value divided by 1,10/1,125 (for buildings with a value of less than € 2,5 million).

### **Free float**

Free float is the number of shares circulating freely on the stock exchange and therefore not in permanent ownership.

### **Gross dividend**

The gross dividend per share is the distributable operating result divided by the number of shares.

### **Investment value of an investment property**

This is the value of a building estimated by an independent property expert, and including the transfer costs without deduction of the registration fee. This value corresponds to the formerly used term "value deed in hand".

### **Liquidity of the share**

The ratio between the number of daily traded shares and the number of capital shares.

### **Net asset value (fair value)**

Total shareholders' equity divided by the number of shares.

### **Net asset value (investment value)**

Total shareholders' equity adjusted for the impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties, divided by the number of shares.

### **Net dividend**

The net dividend is equal to the gross dividend after deduction of withholding tax of 15 %.

### **Occupancy rate**

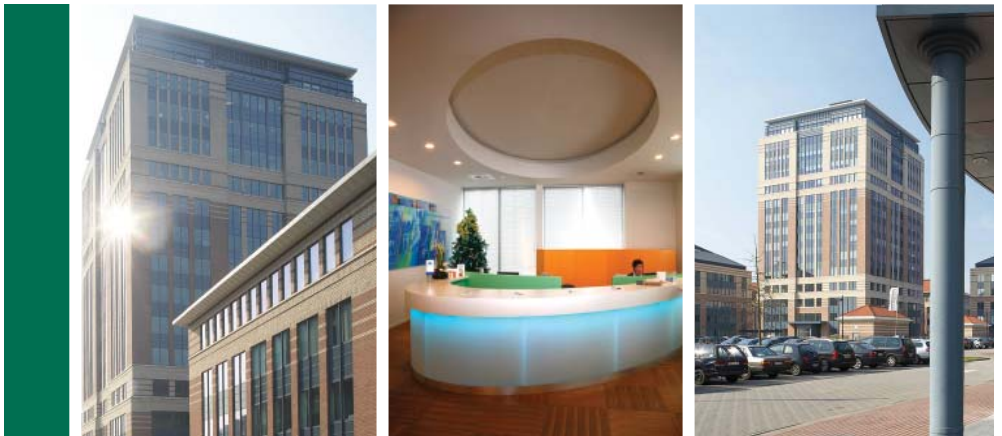
The occupancy rate is calculated as the ratio of the rental income to the same rental income plus the estimated rental value of the vacant locations for rent.

### **Ordinary earnings**

The ordinary earnings per share is the net result as published in the income statement, divided by the weighted average number of ordinary shares.

### **Yield**

Annual rental income compared to the investment value.



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