



INTERVEST
OFFICES

**HALF-YEARLY
FINANCIAL
REPORT**

of the board of directors
for the period
01.01 to 30.06.2010

Antwerp, 3 August 2010

INTERVEST
OFFICES

Operating distributable result decreases by 8 %

Decrease in value of real estate portfolio by 1,3 %¹

Expected gross dividend 2010 between € 1,75 and € 1,85 per share

1 INTERIM MANAGEMENT REPORT

1.1. Operating activities of the first semester 2010

For the first semester 2010, the operating distributable result² of the property investment fund Intervest Offices decreases to € 14,2 million or a reduction of approximately 8 % compared to the first semester 2009 (€ 15,5 million). This result mainly comes from the decrease of the rental income of the property investment fund by € 1,8 million, partly compensated by the reduction of the property charges by € 0,3 million, of the cost for refurbishment by € 0,1 million and of the financing costs by € 0,1 million.

The occupancy rate³ of Intervest Offices slightly decrease in the first semester 2010. On 30 June 2010, the total occupancy rate of the property investment fund is 87 % (88 % on 31 December 2009). The occupancy rate of the office portfolio decreases by 1 % to 89 % (a slight increase by 1 % compared to 31 March 2010). The occupancy rate of the semi-industrial portfolio goes from 83 % on 31 December 2009 to 81 % on 30 June 2010.



□ Mechelen Business Tower - Malines

Rental activity of the office portfolio

New lease contracts

In the first semester 2010, new lease contracts have been signed for a total space of 2.619 m², compared to 2.183 m² for the first semester 2009.

In 2010, the most important transactions are:

- letting in Mechelen Campus to LBC Belgium Holding for 579 m²
- letting in Intercity Business Park to CEWE Color Belgium for 420 m²
- letting in Vilvorde 3T Estate to INC Research for 371 m²
- letting in Inter Access Park in Dilbeek to Vendis Management for 364 m²

¹ By unchanged composition of the real estate portfolio.

² As legally speaking only the operating distributable profit of the statutory annual accounts can be distributed and not of the consolidated annual accounts, the present profit distribution is based on the statutory figures, taking into account non-distributable elements.

³ 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.

Renewals or extensions of current lease contracts

Globally in the office portfolio, in the first semester 2010 current lease contracts for a surface of 12.078 m² have been renegotiated or prolonged in 18 transactions (on a total office portfolio of approximately 236.000 m²). For the same period in 2009, 32.025 m² were renegotiated in 16 transactions (including the important transaction with PricewaterhouseCoopers at the boulevard de la Woluwe for a space of 23.712 m²).

In 2010, the most important transactions are:

- re-letting in Intercity Business Park in Malines to SGS for 4.026 m²
- re-letting in De Arend in Edegem to Euromex for 1.918 m²
- re-letting in Gateway House in Antwerp to Elegis for 1.457 m²
- re-letting and extension in Inter Access Park in Dilbeek to Edwards Lifesciences for 771 m²
- re-letting and extension in Intercity Business Park in Malines to SMA Benelux for 578 m²
- re-letting in Park Rozendal in Hoeilaart to Quality Business for 468 m²
- extension in Park Rozendal in Hoeilaart to Mylan for 461 m²

Rental activity in the semi-industrial portfolio

New lease contracts

New lease contracts have been concluded for a total surface of 32.119 m² in 4 transactions. For the same period in 2009, 7 transactions for a space of 19.327 m² were concluded.

In 2010, the most important transactions are:

- letting in Boom (Krekelenberg) to Ceva Logistics Europe for 18.080 m²
- letting of a part of the logistics building Neerland in Wilrijk to Transport VPD for 7.153 m²
- letting of a part of the logistics building Intercity Industrial Park in Mechelen to Pharma Logistics (DHL) for 6.465 m²

Renewals or extensions of current lease contracts

In the first semester 2010, there are no significant renewals or extensions of lease contracts in the semi-industrial portfolio.



□ Krekelenberg - Boom

Agreement with tenant Tibotec-Virco regarding its departure from Malines⁴

Tibotec-Virco is an important tenant of Intervest Offices which represents approximately 8 % of the rental income of the property investment fund and occupies about 19.526 m² office space and laboratories in the premises of Intervest Offices in Malines.

On request of Tibotec-Virco, which will transfer its activities to the plant of Janssen Pharmaceutica (Johnson & Johnson) in Beerse, the current rental contracts and the property lease contracts have been terminated in advance at the beginning of June 2010.

Tibotec-Virco will make all premises available to Intervest Offices before 30 September 2010 and will pay a fixed compensation consisting of the entire rent and the property lease compensations till the expiry dates of the contracts (resp. 30 November 2013 and 31 October 2014), as well as all rental charges and compensations linked to the execution and termination of these contracts. The received compensation for the rental income related to the future, will for IFRS purposes be spread into profit till the original expiry date of the lease contracts, unless an earlier re-letting would occur.

Subsequently, Intervest Offices puts up the spaces for rent. Within this context, an agreement has been made with Tibotec-Virco that in case of possible re-letting, 50 % of the net received rental income of the new tenant till respectively 30 November 2013 and 31 October 2014 will be retroceded to Tibotec-Virco.

For 2010, the impact of the departure of Tibotec-Virco is relatively limited (approximately € 450.000 rental income). Through the spread of the rental income the impact of the departure of Tibotec-Virco can be estimated as from 2011 at approximately 4 % of the rental income of Intervest Offices (approximately € 1,65 million). This impact can be limited in case of re-letting of the buildings.



□ Intercity Business Park - Malines

Disinvestment Latem Business Park⁵

On 17 May 2010, Intervest Offices obtained an agreement in principle to disinvest for an amount of € 7,2 million its non-strategic located office park known as “Latem Business Park”, composed of four office buildings located at Sint-Martens-Latem, Xavier de Cocklaan 66-72. The sales price is approximately 10 % above the expert’s value on 31 March 2010 which amounts to € 6,6 million (fair value as determined by the independent property expert of the investment fund). The transaction takes place at a gross initial yield of about 8,2 %.

The total surface area of the office park is 5.344 m² which is 1 % of the total leasable space of the property investment fund. The office park represents approximately 1,4 % of the rental income of Intervest Offices.

The transaction was concluded under the subsequent condition of suspension of a fiscal ruling by which the transfer, by means of the establishment of a long lease right against payment of a one-time ground rent, followed by the transfer of the bare ownership, is not susceptible to requalification. Intervest Offices obtained this fiscal ruling in July 2010 and the one-time ground rent was received from the buyer.

⁴ See presse release of 3 June 2010: Intervest Offices concludes an agreement with Tibotec-Virco and starts the re-letting.

⁵ See press release of 18 May 2010: Intervest Offices disinvests its office park known as “Latem Business Park”, consisting of four office buildings.

1.2. Real estate portfolio at 30 June 2010

Composition of the portfolio

Summary

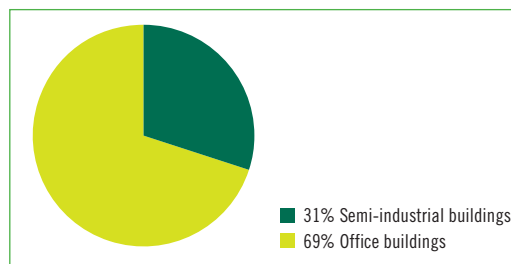
REAL ESTATE PATRIMONY	30.06.2010	31.12.2009
Fair value of investment properties (€ 000)	527.701	540.817
Investment value of investment properties (€ 000)	540.978	554.423
Assets held for sale (€ 000)	7.200	0
Occupancy rate (%)	87 %	88 %
Total leasable space (m ²)	535.426	540.770

Intervest Offices focuses on an investment policy based on the principles of high-quality professional real estate and the principles of risk diversification based on building type and geographic spread. On 30 June 2010 this risk spread is as follows:



□ Woluwe Garden - Sint Stevens Woluwe

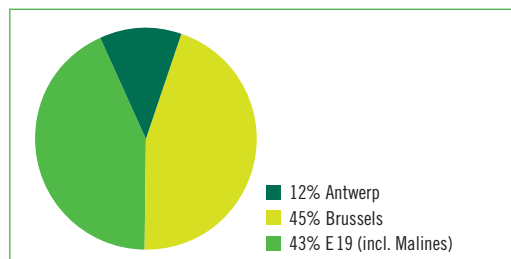
Nature of the portfolio



On 30 June 2010, the real estate portfolio consists of 69 % offices and 31 % semi-industrial properties.

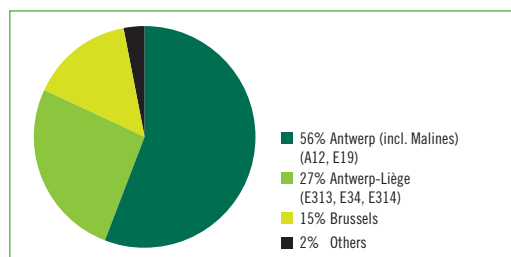
Geographic spread

Offices



The Antwerp-Brussels axis is still the most important and most liquid office region of Belgium. The entire office portfolio of Intervest Offices is located in this region.

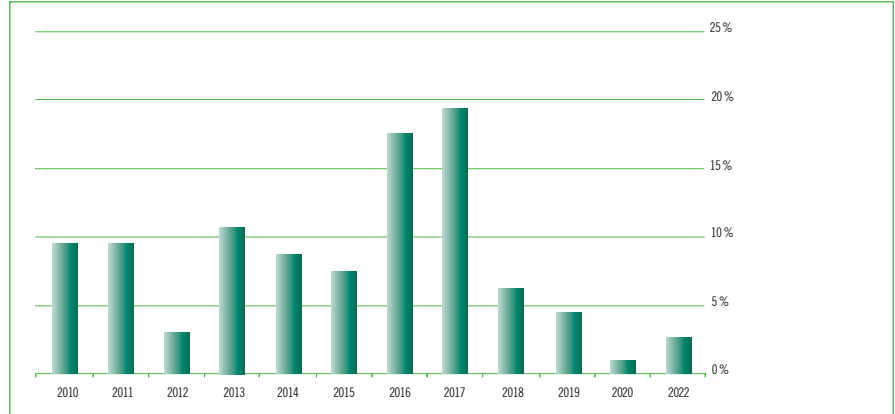
Logistic and semi-industrial properties



83 % of the logistics portfolio is located on the Antwerp-Malines axis (primarily the E19 and A12) and Antwerp-Liège (primarily the E313) which are the most important logistic axes in Belgium. 15 % of the properties are in the centre of the country, in the area of Brussels.

Evolution of the portfolio

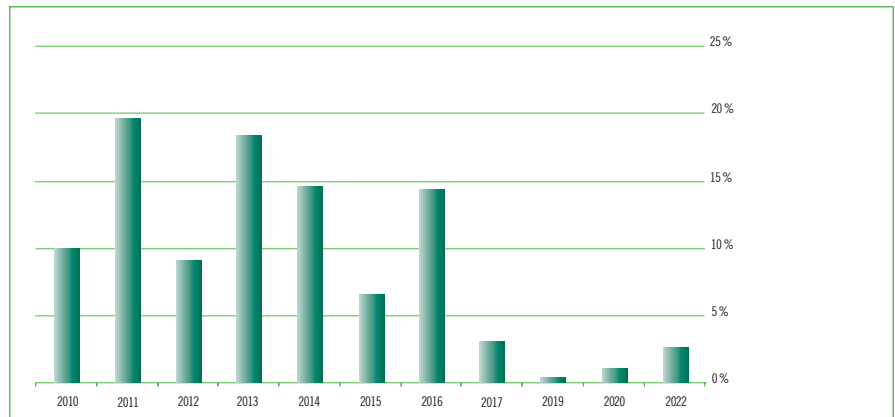
Expiry date of the lease contracts of the entire portfolio



The expiry dates are well spread over the coming years. Several large lease contracts run for a fixed period of 9 years or more, which strengthens the stability of the portfolio.

On 31 December 2009, approximately 15 % of the lease contracts had their expiry date in 2010. On 30 June 2010 this decreased to less than 10 %.

First interim expiry date of the lease contracts of the entire portfolio



The above graph shows a worst case scenario. On 31 December 2009, approximately 18 % of the lease contracts had their first expiry date in 2010. On 30 June 2010, this decreases to approximately 10 % through the extension of a number of lease contracts at market rates. It should be noted that for a number of important lease contracts (such as Tibotec-Virco) it is already clear that the tenant will effectively leave the premises. Through considerable efforts to re-let, the impact of the loss of rental income can be largely limited.



Inter Acces Park - Dilbeek

Valuation of the portfolio

Valuation of the portfolio by the property experts on 30 June 2010:

Valuator	Valued properties	Fair value (€ 000)	Investment value (€ 000)
Cushman & Wakefield	Office buildings	366.439	375.600
Jones Lang LaSalle	Semi-industrial properties	161.262	165.378
TOTAL		527.701	540.978

In the first semester 2010, the fair value of the real estate portfolio of the property investment fund decreases by € 13,1 million and amounts on 30 June 2010 to € 528 million (€ 541 million on 31 December 2009). This decrease of fair value results from:

- the sale of the office park Latem Business Park with a fair value of € 6,6 million (sales price of € 7,2 million).
- the decrease in fair value of the existing real estate portfolio by € 6,9 million or 1,3 % (compared to the total fair value on 31 December 2009, excluding Latem Business Park) because of the increasing vacancy in the real estate portfolio.
- investments in the existing real estate portfolio for € 0,4 million.

1.3. Market situation of professional real estate in 2010⁶

The office market

For the first semester 2010, the take-up of offices on the Belgian office market is in line with the five-yearly average.

The prime rents remain stable but owners still have to grant considerable incentives. The net rents are still under pressure in the centre of Brussels as well as in other important Belgian office markets (Brussels periphery, Antwerp, Malines and Ghent). Companies are however cost-conscious and often postpone their decision to move, which is in itself not unfavourable for keeping existing tenants.

In the first semester 2010, investments in office real estate are still at a very low level compared to 2008. Top yields for lease contracts of the type 6/9 remain however stable: for buildings let for a fixed term of minimum 9 years these top yields even slightly decrease.

The general expectation is that rents and yields have respectively reached their lowest and highest level, which should have a positive impact on the rental market as well as on the investment market in the future.



□ Brussels 7 - Strombeek-Bever

⁶ Source: JLL - "Market overview Q2 2010", Cushman & Wakefield - "Marketbeat Q2 2010".

The market of semi-industrial logistics real estate

Lettings on the logistics real estate market are at a historically low level: on the semi-industrial real estate market they are more or less in line with 2009.

In the area of logistic real estate, this can be explained by the fact that the so-called 3PL companies (third party logistics) follow a policy of minimal stocks. Besides, the number of logistic tenders of companies in the market are very limited. There is indeed interest from tenants (see also the recent lettings realised by Intervest Offices) but the decision process of the tenants is still very laborious.

Prime rents have even slightly decreased in these markets. It is generally expected that the pressure on the rents in the current tenant market will remain for a while.

The investment market for logistic real estate was very limited for the first semester 2010, whereby the (traditional smaller) semi-industrial transactions mostly resist. Here, top yields remain more or less stable.

1.4. Analysis of the results⁷

For the first semester 2010, the **rental income** of Intervest Offices amounts to € 19,9 million. This is a decrease by € 1,8 million compared to the first semester 2009 (€ 21,7 million), mainly due to:

- the decrease of the rental income of the semi-industrial building Neerland in Wilrijk for € 0,4 million after the departure of Brico Belgium at the end of April 2009
- the termination of the rental guarantee of the logistics development Herentals Logistics 2 on 30 September 2009 for € 0,5 million
- the termination of the rental guarantee in Mechelen Campus Tower on 30 June 2009 for € 0,2 million
- the departure of Tibotec-Virco from a part of Mechelen Campus for € 0,2 million
- the increasing vacancy in different other office buildings and logistic premises for € 0,5 million.

On 30 June 2010, the **property charges** of the property investment fund amount to € 1,6 million (€ 1,9 million). This considerable decrease is mainly due to the reduced costs for maintenance and repair works and the decrease of the vacancy costs (through the non-existence of the cost of the one-time lower than foreseen refund in 2009 from the Flemish government of property taxes on vacant buildings for the financial year 2005 and 2006).

In the first semester 2010, the **general costs** of the property investment fund amount to € 0,5 million and remain at the same level as in the first semester 2009.

The decrease of the rental income, partly compensated by the reduction of the property charges gives a decrease of the **operating result before result on the portfolio** by 7 % or approximately € 1,4 million to € 18,0 million (€ 19,5 million).

The **financial result (excl. changes in fair value IAS 39)** of the property investment fund has improved and amounts for the first semester 2010 to - € 3,8 million (- € 3,9 million). This improvement comes from the fact that the property investment fund has further benefited from the low interest rates in the financial market. For the first semester 2010 the average interest rate of the property investment fund amounts to approximately 3,2 % including bank margins (3,3 %).



□ Mechelen Campus - Malines

⁷ Between brackets comparable figures on 30 June 2009.

The **changes in fair value of the financial asset and liabilities (ineffective hedges - IAS 39)** comprise the decrease in the market value of the interest rate swaps which in accordance to IAS 39 cannot be classified as cash flow hedge instrument, for an amount of - € 0,6 million (€ 0 million).

The negative **change in fair value of the investment properties** amounts to - € 7,1 million (- € 19,0 million), mainly as a result of the increasing vacancy in the real estate portfolio.

For the first semester 2010, the **net result** of Intervest Offices amounts to € 7,0 million (- € 3,5 million) and can be divided in:

- the **operating distributable result** of € 14,2 million (€ 15,5 million) or a decrease by € 1,3 million or approximately 8 %. This result mainly comes from the decrease of the rental income partly compensated by the reduction of the property charges and the decrease of the financing costs of the property investment fund.
- the **result on portfolio** of - € 6,6 million (- € 19,0 million) as a result of the negative change in fair value of the real estate portfolio.
- the **changes in fair value of the financial assets and liabilities (ineffective hedges - IAS 39)** for an amount of - € 0,6 million (€ 0 million).

For the first semester 2010, the operating distributable result of Intervest Offices decreases to € 14,2 million (€ 15,5 million). This means an **operating distributable result** per share of € 1,02 for the first semester 2010 compared to € 1,12 for the same period of previous year.

On the consolidated balance sheet of Intervest Offices, the **non-current assets** mainly comprise the investment properties of the property investment fund. On 30 June 2010, the fair value of these investment properties amounts to € 528 million (€ 541 million on 31 December 2009). This decrease results, on the one hand, from the sale of the office park Latem Business Park with a fair value of € 6,6 million (sales price of € 7,2 million classified under asset held for sale) and, on the other hand, from the decrease of the fair value of the existing real estate portfolio by € 6,9 million.

The **current assets** amount to € 23 million and consist of € 7 million in assets held for sale, being Latem Business Park, of € 4 million in trade receivables (mainly recently rebilled property taxes), of € 10 million in tax receivables and other current assets (consisting mainly of the receivable on Tibotec-Virco), of € 1 million in cash on bank accounts and € 1 million in deferred charges and accrued income.

On 30 June 2010, after the payment of the dividend over 2009, the **net asset value** (fair value) of the share is € 19,70 (€ 21,39 on 31 December 2009). The share price on 30 June 2010 of the Intervest Offices share is € 21,41. Herewith the share is quoted with a premium of 9 % compared to the net asset value (fair value).



3T Estate - Vilvorde

The **non-current liabilities** mainly consist of non-current financial liabilities for an amount of € 211 million (€ 204 million on 31 December 2009). These comprise, on the one hand, € 136 million long-term bank financings of which the expiry date is after 30 June 2011, as well as the negative market value of the financial derivatives of € 6 million and, on the other hand, the bond loan issued in June 2010 for a net amount of € 74 million.

The **current liabilities** amount to € 65 million (€ 42 million on 31 December 2009) and consist of € 48 million in current financial debts (bank loans with an expiry date before 30 June 2011), of € 5 million in trade debts, of € 1 million in other current liabilities, and of € 11 million in accrued charges and deferred income.

The **debt ratio** of the property investment fund increases by 3 % on 30 June 2010 compared to 31 December 2009 (calculated in accordance with the Royal Decree of 21 June 2006) through the payment of the dividend for the financial year 2009 in April 2010.

CONSOLIDATED KEY FIGURES

PER SHARE

	30.06.2010	31.12.2009	30.06.2009
Number of shares entitled to dividend	13.907.267	13.907.267	13.907.267
Net result (6 months/1 year/6 months) (€)	0,50	-0,19	- 0,25
Operating distributable result (6 months/1 year/6 months) (€)	1,02	2,15	1,12
Net asset value per share (fair value) (€)	19,70	21,39	21,33
Net asset value per share (investment value) (€)	20,68	22,37	22,34
Share price on closing date (€)	21,41	21,90	18,75
Premium (+) / discount (-) to net asset value (fair value) (%)	9 %	2 %	- 12 %

1.5. Financial structure on 30 June 2010

Bond loan issuance for € 75 million

In June 2010 Intervest Offices successfully placed a 5 year bond loan on the Belgian market for a amount of € 75 million with an annual gross coupon of 5,1 %. The bond loan is issued in order to diversify the sources of financing and to consolidate the debt on the mid term without losing however the financial room for future growth. In view of the future negotiations regarding the renewal during 2011 of € 119 million bank debt, it is the aim of Intervest Offices to reduce the total outstanding bank debts for an amount of € 25 million or more, depending on new financial needs as a result of actual acquisition projects.

Through the issuance of the bond loan in June 2010, the average interest rate (by unchanged parameters regarding the market interest rates) of the property investment fund is expected to increase from 3,2 % to approximately 4,4 % on an annual basis.

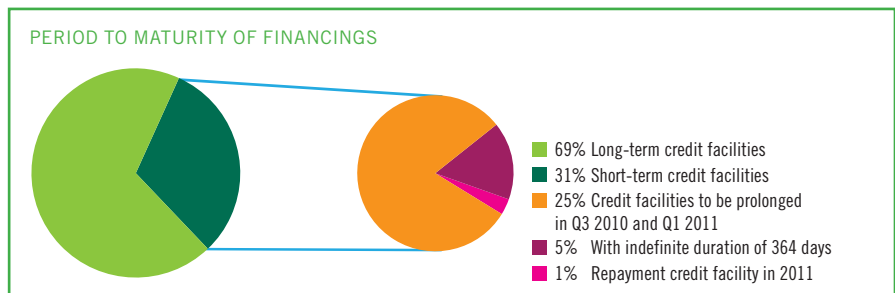
Characteristics financial structure

On 30 June 2010, the most important characteristics of the financial structure of Interest Offices are:

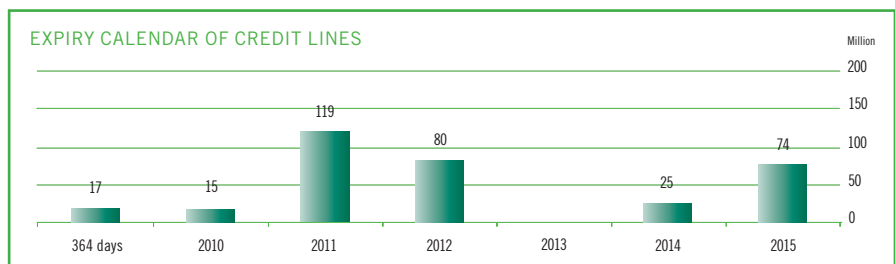
- Amount of financial debts: € 252 million (excluding market value of financial derivatives)
- 69 % of the financial debts are long-term financings with an average remaining duration of 2,8 years. 31 % of the financial debts are short-term financings, with 5 % consisting of financings with an indefinite duration progressing each time for 364 days (€ 17,5 million), 25 % of four credit facilities which have to be extended or repaid within the year (€ 83,6 million) and 1 % is an instalment in 2011 (€ 0,6 million).



□ Koralenhoeve - Wommelgem



- Not-withdrawn credit lines at financial institutions to meet fluctuations of liquidity needs and for financing of future investments: € 79 million
- Spread expiry dates of the credit facilities between 2010 and 2015.
During the second quarter 2010, Interest Offices finalised the negotiations for a long-term credit facility expiring in July 2010 (for an amount of € 25 million) with the same financial institution as the one who granted the original credit facility. The new credit facility, also for an amount of € 25 million, will have a duration of 4 years and is concluded at market rates.



- Spread of credit facilities over 5 European financial institutions and bondholders
- 71 % of the credit lines have a fixed interest rate, 29 % a variable interest rate. On 30 June 2010, 93 % of the withdrawn financings has a fixed interest rate and 7 % a variable interest rate.
- Fixed interest rates are fixed for a remaining period of 3,0 years in average
- Average interest rate for the first semester 2010: 3,2 % including bank margins (3,3 % for the first semester 2009)
- Value of financial derivatives: € 6,3 million in negative
- Limited debt ratio of 47 % (legal maximum: 65 %) (44 % on 31 December 2009)

1.6. Risks for the remaining months of 2010

Intervest Offices estimates the main risk factors and uncertainties for the remaining months of the financial year 2010 as follows:

- **Rental risks:**

Given the nature of the buildings which are mainly let to national and international companies, the real estate portfolio is to a certain degree sensitive to the economic situation. On the short term no direct risks are recognized that can fundamentally influence the results of the financial year 2010. Furthermore, within the property investment fund, there are clear and efficient internal control procedures to limit the debtors' risk.

- **Evolution of the value of the real estate portfolio:**

Given the evolution of the value of buildings that largely depends on the rental situation of the buildings (occupancy rate, rental income) the persisting difficult economic circumstances will have a possible negative influence on the valuation of buildings on the Belgian real estate market.

- **Evolution of the interest rates:**

Due to the financing with borrowed capital, the return of the property investment fund depends on the evolution of the interest rate. To limit this risk an appropriate ratio between borrowed capital with a variable interest rate and borrowed capital with a fixed interest rate is pursued at the composition of the credit facilities portfolio. On 30 June 2010, as a result of the issue of the bond loan, 93 % of the withdrawn credit facilities consists of financings with a fixed interest rate or fixed through interest rate swaps. Only 7 % of the credit facilities portfolio has a variable interest rate which is subject to unforeseen rises of the currently low interest rates.

1.7. Forecast for 2010



■ Neerland - Wilrijk

Although the investment-market activity is currently showing initial signs of recovery, this recovery is thus far limited to buildings with long-term lease contracts. It is expected that the general recovery of the investment market will only become structural when more certainty occurs with respect to the recovery on the rental markets. Expectations are that the space use for offices as well as for logistic real estate will decrease further in 2010 and that the first improvement can only be expected in the course of 2011. Regarding the financial and economic environment, it is supposed that the inflation will increase (1,5 % on an annual basis according to the estimates of the Federal Planning Bureau) and that the interest rate will remain at a very low level.

In the current circumstances, Intervest Offices is paying more attention than ever before to the relationship with its tenants. Financial concessions are sometimes required to ensure the continuity of the lease contracts, which is preferred above short-term profit.

In the coming months, Intervest Offices will pay all attention to the letting of the logistic buildings Herentals Logistics 1 & 2 (Atealaan - Herentals), Intercity Industrial Park (Oude Baan - Malines) and Neerland (Boomsesteenweg - Wilrijk). Since the complete vacancy of the building Neerland in Wilrijk as from the second quarter 2009, $\pm 14.200 \text{ m}^2$ have already been relet (nearly 50 % of the available space). In the second quarter 2010, 6.465 m^2 have been let to Pharma Logistics (DHL) in Intercity Industrial Park.

In the three mentioned buildings $\pm 70.000 \text{ m}^2$ are currently still available. There is for each of these locations some interest from candidate tenants to rent the buildings. It is currently too early to speak of a revival of the logistics market. Intervest Offices estimates its chances to attract new tenants for the logistic buildings higher than for the office buildings.

Intervest Offices follows the investment market with a particular attention. The relatively low debt ratio of 47 %, makes it possible for Intervest Offices to realise additional investments in the short term.

Because of the current very difficult market circumstances, Intervest Offices expects, on the basis of the half-yearly results and the forecasts on 30 June 2010 that the dividend per share for the financial year 2010 will be substantially lower than previous year. The rental income of the property investment fund will decrease further in the second semester 2010 through increasing vacancy. For the next quarters it can however be expected that technical costs and other property charges, through a proactive policy, will be lower than in 2009. Through the issuance of the bond loan in June 2010, the average interest rate (by unchanged parameters regarding the market interest rates) of the property investment fund is expected to increase for the financial year 2010 from 3,2 % to approximately 4,4 % on an annual basis.

As a consequence, Intervest Offices expects to be able to propose its shareholders for the financial year 2010 a gross dividend between € 1,75 and € 1,85 per share (€ 2,15 for the financial year 2009). Based on the closing share price on 30 June 2010 (€ 21,41) this represents a gross dividend yield between 8,2 % and 8,6 %.

2 CONDENSED CONSOLIDATED HALF-YEARLY FIGURES
2.1. Condensed consolidated income statement

<i>in thousands €</i>	30.06.2010	30.06.2009
Rental income	19.862	21.706
Rental related expenses	-24	-41
NET RENTAL INCOME	19.838	21.665
Recovery of property charges	311	314
Recovery of charges and taxes normally payable by tenants on let properties	8.046	2.929
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-31	-177
Rental charges and taxes normally payable by tenants on let properties	-8.043	-2.925
Other rental related income and expenses	64	60
PROPERTY RESULT	20.185	21.866
Technical costs	-227	-314
Commercial costs	-163	-152
Charges and taxes on unlet properties	-320	-438
Property management costs	-888	-927
Other property charges	-15	-25
PROPERTY CHARGES	-1.613	-1.856
OPERATING PROPERTY RESULT	18.572	20.010
General costs	-542	-559
Other operating income and costs	13	3
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	18.043	19.454
Result on sales of investment properties	494	0
Changes in fair value of investment properties	-7.123	-19.034
OPERATING RESULT	11.414	420
Financial income	22	85
Interest charges	-3.816	-3.930
Other financial charges	-6	-79
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-641	0
FINANCIAL RESULT	-4.441	-3.924
RESULT BEFORE TAXES	6.973	-3.504
TAXES	1	-16
NET RESULT	6.974	-3.520
<i>Note:</i>		
<i>Operating distributable result</i>	14.244	15.514
<i>Result on portfolio</i>	-6.629	-19.034
<i>Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)</i>	-641	0
Attributable to:		
Equity holders of the parent company	6.974	-3.520
Minority interests	0	0

2.2. Condensed consolidated statement of comprehensive income

<i>in thousands €</i>	30.06.2010	30.06.2009
NET RESULT	6.974	-3.520
Changes in fair value of financial assets and liabilities (effective hedges - IAS 39)	-664	-2.201
COMPREHENSIVE INCOME	6.310	-5.721
Attributable to:		
Equity holders of the parent company	6.310	-5.721
Minority interests	0	0

2.3. Condensed consolidated balance sheet

ASSETS <i>in thousands €</i>	30.06.2010	31.12.2009
Non-current assets	527.987	541.099
Intangible assets	64	68
Investment properties	527.701	540.817
Other tangible assets	208	200
Trade receivables and other non-current assets	14	14
Current assets	23.012	4.674
Assets held for sale	7.200	0
Trade receivables	3.854	1.404
Tax receivables and other current assets	9.791	1.994
Cash and cash equivalents	841	733
Deferred charges and accrued income	1.326	543
TOTAL ASSETS	550.999	545.773

SHAREHOLDERS' EQUITY AND LIABILITIES <i>in thousands €</i>	30.06.2010	31.12.2009
Shareholders' equity	273.943	297.533
Shareholders' equity attributable to the shareholders of the parent company	273.898	297.488
Share capital	126.729	126.729
Share premium	60.833	60.833
Reserves	105.592	128.278
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-13.606	-13.606
Changes in fair value of financial assets and liabilities	-5.650	-4.746
Minority interests	45	45
Liabilities	277.056	248.240
Non-current liabilities	212.086	205.807
Provisions	1.011	1.031
Non-current financial debts	210.555	204.254
<i>Credit institutions</i>	<i>136.290</i>	<i>204.236</i>
<i>Bond loan</i>	<i>74.250</i>	<i>0</i>
<i>Financial lease</i>	<i>15</i>	<i>18</i>
Other non-current liabilities	520	522
Current liabilities	64.970	42.433
Provisions	406	386
Current financial debts	48.056	36.585
<i>Credit institutions</i>	<i>48.050</i>	<i>36.579</i>
<i>Financial lease</i>	<i>6</i>	<i>6</i>
Trade debts and other current debts	4.697	1.946
Other current liabilities	837	656
Accrued charges and deferred income	10.974	2.860
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	550.999	545.773

2.4. Condensed consolidated cash flow statement

<i>in thousands €</i>	30.06.2010	30.06.2009
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	733	885
1. Cash flow from operating activities	13.979	22.472
Operating result	11.414	420
Interests paid	-3.784	-4.072
Other non-operating elements	-702	-10
Adjustment of the result for non-cash flow transactions	7.138	18.822
- Depreciations on intangible and other tangible assets	69	96
- Result on sales of investment properties	-494	0
- Changes in fair value of investment properties	6.923	18.741
- Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	641	0
- Other non-cash flow transactions (+/-)	-1	-15
Changes in working capital	-87	7.312
- Movement of assets	-3.183	-227
- Movement of liabilities	3.096	7.539
2. Cash flow from investment activities	-437	-121
Acquisition of intangible and other tangible assets	-73	-114
Investments in existing investment properties	-364	-7
3. Cash flow from financing activities	-13.434	-16.342
Repayment of loans	-87.779	-31.677
Drawdown of loans	30.000	43.265
Issuance of bond loan	74.250	0
Repayment of financial lease liabilities	-3	-4
Receipts from non-current liabilities as guarantee	-2	15
Dividend paid	-29.900	-27.941
CASH AND CASH EQUIVALENTS AT THE END OF THE SEMESTER	841	6.894

2.5. Condensed statement of changes in consolidated equity

<i>in thousands €</i>	Share capital	Share premium	Reserves	Impact on fair value*	Changes in fair value of financial assets and liabilities	Minority interests	Total shareholders' equity
Balance at 31 December 2008	126.725	60.833	159.529	-14.437	-2.448	163	330.365
Comprehensive income of the first semester 2009			-3.520		-2.201		-5.721
Transfer of the impact on fair value *			-488	488			0
Dividends financial year 2008			-27.941				-27.941
Merger 1 April 2009	4		117			-118	3
Balance at 30 June 2009	126.729	60.833	127.697	-13.949	-4.649	45	296.706
Balance at 31 December 2009 ⁸	126.729	60.833	128.278	-13.606	-4.746	45	297.533
Comprehensive income first semester 2010			6.974		-664		6.310
Transfer of the impact on fair value of financial assets and liabilities through the income statement 2009			240		-240		0
Dividends financial year 2009			-29.900				-29.900
Balance at 30 June 2010	126.729	60.833	105.592	-13.606	-5.650	45	273.943

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

⁸ The transfer of the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties is, as from the financial year 2010, not recorded during the financial year but only after approval of the result distribution by the general meeting of shareholders (in April of the next financial year).

2.6. Notes to the condensed consolidated half-yearly figures

Condensed consolidated income statement by segment

BUSINESS SEGMENT	Offices		Semi-industrial properties		Corporate		TOTAL	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009	30.06.2010	30.06.2009	30.06.2010	30.06.2009
<i>in thousands €</i>								
Rental income	14.543	15.288	5.319	6.418			19.862	21.706
Rental-related expenses	-6	-22	-18	-19			-24	-41
Rental related costs and income	346	185	1	16			347	201
PROPERTY RESULT	14.883	15.451	5.302	6.415			20.185	21.866
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	14.435	14.760	5.093	6.266	-1.485	-1.572	18.043	19.454
Result on sales of investment properties	494	0	0	0	0	0	494	0
Changes in fair value of investment properties	-6.059	-12.004	-1.064	-7.030	0	0	-7.123	-19.034
OPERATING RESULT OF THE SEGMENT	8.870	2.756	4.029	-764	-1.485	-1.572	11.414	420
Financial result					-4.441	-3.924	-4.441	-3.924
Taxes					1	-16	1	-16
NET RESULT	8.870	2.756	4.029	-764	-5.925	-5.512	6.974	-3.520

BUSINESS SEGMENT: KEY FIGURES	Offices		Semi-industrial properties		TOTAL	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009	30.06.2010	30.06.2009
<i>in thousands €</i>						
Fair value of investment properties	366.439	389.217	161.262	164.126	527.701	553.343
Investment value of investment properties	375.600	398.947	165.378	168.345	540.978	567.292
Assets held for sale	7.200	0	0	0	7.200	0
Accounting yield of the segment (%)	7,9 %	7,9 %	6,6 %	7,8 %	7,5 %	7,8 %
Total leasable space of the investment properties (m ²)	231.115	236.459	304.311	302.914	535.426	539.373
Occupancy rate of the investment properties (%)	89 %	92 %	81 %	91 %	87 %	92 %

Principles for the preparation of the half-yearly figures

The consolidated condensed half-yearly figures are prepared on the basis of the principles of financial reporting in accordance with IAS 34 "Interim financial reporting". In these condensed half-yearly figures the same principles and calculation methods are used as those used for the consolidated annual accounts at 31 December 2009.

Evolution of the investment properties

<i>in thousands €</i>	Investment properties	
	30.06.2010	30.06.2009
Amount at the end of the previous financial year	540.817	572.055
Sales of investment properties	-6.557	0
Investments in existing investment properties	364	50
Changes in fair value of investment properties (+/-)	-6.923	-18.762
Amount at the end of the semester	527.701	553.343

Overview of future minimum rental income

For an update of the future minimum rental income on 30 June 2010 is referred to the description of the evolution of the portfolio in paragraph 1.2. (supra) of the interim management report.

Non-current and current liabilities

An update of the financial structure as at 30 June 2010 is provided in paragraph 1.5. (supra) of the interim management report.

Off-balance sheet obligations

In the first semester 2010, there were no changes in the off-balance sheet obligations as described in note 23 of the Financial report of the Annual report 2009, except for the judgment of the Court of Cassation of 15 April 2010, rejecting the registered appeal of the property investment fund concerning the objections related to the fiscal year 1999 for Siref sa (tax assessment for an amount of € 137.718,51). The total amount of the tax disputes of € 919.795,96 of Siref sa, for which Intervest Offices is the legal successor under a universal title and for Beheer Onroerend Goed sa, Neerland sa and Immo Semi-Indus sa, for which Siref sa (and now the property investment fund) is the legal successor under a universal title, was already recorded by the property investment fund as outstanding debt.

Post-balance sheet event

There are no significant events to be mentioned that occurred after the closing of the accounts as at 30 June 2010.

⁹ This amount does not include possible interest on arrears.

2.7. 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-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 (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-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.

Antwerp, 3 August 2010

The statutory auditor

DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by



Frank Verhaegen



Kathleen De Brabander

3 STATEMENT TO THE HALF-YEARLY FINANCIAL REPORT

In accordance with article 13 § 2 of the Royal Decree of 14 November 2007, Reinier van Gerrevink, managing director and member of the management committee and Hubert Roovers, managing director, declare that according to their knowledge,

- a) the condensed half-yearly figures, prepared in accordance with the principles of financial information in accordance with IFRS and in accordance with IAS 34 *“Interim Financial Information”* as accepted by the European Union, give a true and fair view of the equity, the financial position and the results of Intervest Offices and the companies included in the consolidation
- b) the interim annual management report gives a true statement of the main events which occurred during the first six months of the current financial year, their influence on the condensed half-yearly figures, the main risk factors and uncertainties regarding the remaining months of the financial year, as well as the main transactions between related parties and their possible effect on the condensed half-yearly figures if these transactions should have a significant importance and were not concluded at normal market conditions.

These condensed half-yearly figures have been approved for publication by the board of directors of 2 August 2010.

Note to the editors: for more information, please contact:

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