



# Half-yearly financial report

of the board of  
directors for the  
period  
01.01.2012 to  
30.06.2012

# Half-yearly financial report



ANTWERP, 31 JULY 2012

Increase of operating distributable result of 29 %: € 0,90 per share (€ 0,71 in the first semester 2011)

€ 14 million investments in acquisitions and in existing real estate portfolio (2 % compared to fair value on 31 December 2011)

Slight decrease in fair value of existing real estate portfolio

Expected gross dividend 2012 between € 1,70 and € 1,80 per share (€ 1,73 for financial year 2011)

## 1. Interim management report

### 1.1 Operational activities

The operating distributable result of property investment fund Interinvest Offices & Warehouses has increased in the first semester of 2012 to € 12,8 million or a rise of 29 % compared to the first semester of 2011 (€ 9,9 million)<sup>1</sup>. This result derives primarily from the increase in rental income from acquisitions and lettings achieved in 2011 and 2012, from the decrease of property charges and from reduced financing costs of the property investment fund as new interest rate swaps at lower interest rates have taken effect. The average interest rate of the property investment fund for the first semester of 2012 amounts to approximately 3,8 %, including bank margins, compared to 4,8 % in the same period of 2011 (4,6 % for financial year 2011).

This means that the operating distributable result for the first semester of 2012 amounts to € 0,90 per share, compared to € 0,71<sup>1</sup> in the first semester of 2011.

On the basis of the half-yearly results and the forecast on 30 June 2012 the dividend for the financial year 2012 will probably be higher than previous year. The property investment fund expects to be able to propose its shareholders for the financial year 2012 a gross dividend between € 1,70 and € 1,80 per share (€ 1,73 for the financial year 2011). Based on the closing share price on 30 June 2012 (€ 19,40) this represents a gross dividend yield between 8,7 % and 9,2 %.

<sup>1</sup> Comparative figures for the first semester of 2011 have been adjusted in line with the amended valuation rule for compensation received as a result of early termination of lease contracts, as described in the 2011 Annual Report and in the press release on the annual results dated 14 February 2012. The effect on the comparative figures for the first semester of 2011 is a reduction of rental income and, as a result, a reduction of the net result and operating distributable result of the property investment fund, amounting to € 906.000 or 6,5 eurocent per share, in comparison with the published figures for the first semester of 2011 (see press release Half-yearly report dated 2 August 2011). To improve the readability of this press release, it has been decided to place the symbol  $\pi$  next to all comparative figures for financial year 2011 that have been adjusted with respect to the amended valuation rule and that appear in the published press release.

# Half-yearly financial report



In the first semester of 2012 Interinvest Offices & Warehouses has taken important steps towards further optimization and extension of its offices portfolio as well as its logistic portfolio.

✓ **Flexible work: RE:flex**

On 20 June 2012 Interinvest Offices & Warehouses has opened its new “RE:flex, flexible business hub” on the ground floor of Mechelen Campus Toren. This hub is a high-technical innovative office concept and has entirely been designed and created by Interinvest Offices & Warehouses. For the furniture there has been a cooperation through a partnership with Steelcase, one of the leading manufacturers of office furniture.

RE:flex gives, on the one hand, an answer to growing needs regarding flexibility and teamwork in a professional environment. A membership card (multiple formules possible) gives access to a flexible “third working space” and a range of facilities and services which are billed according to the actual use. The central location of Malines is an important asset (accessibility, parking spaces, less traffic-jam, etc.)

On the other hand RE:flex is equipped with state-of-the-art conference and meeting facilities, providing a good addition to existing offer in the center of Malines. The spaces are suitable for seminars, receptions, product presentations, team meetings, etc. The property investment fund has already a business center on the 14<sup>th</sup> floor in Mechelen Campus Toren where small office spaces with full service given by MC Square are let to starting or smaller companies. Following this success, an extension has been signed for the entire 12<sup>th</sup> floor in June 2012.



△ ▽ RE:flex - Mechelen Campus - Tower



# Half-yearly financial report



## ✓ Turn-key solutions

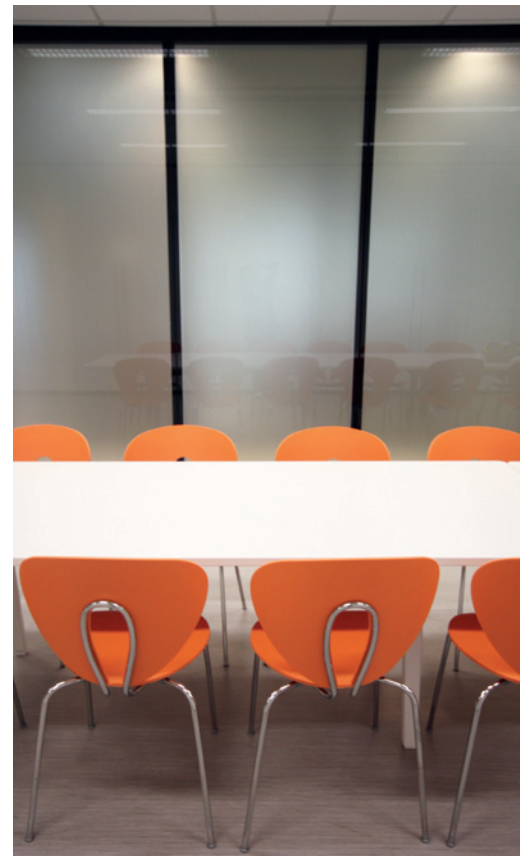
Interinvest Offices & Warehouses has further profiled itself as provider of turn-key housing solutions. Different projects have been achieved, the most successful being the design from A to Z of the 5<sup>th</sup> floor (1.630 m<sup>2</sup>) of the Gateway House in Antwerp for the new Antwerp office of DLA Piper.



The integrated solution offered by Interinvest Offices & Warehouses enables us to have at very short notice a brand new, state-of-the-art office space on the exact location.

BOB MARTENS - REGIONAL MANAGING PARTNER -  
DLA PIPER

▽ ▷ Gateway House  
Antwerp - Brusselsestraat 59



# Half-yearly financial report

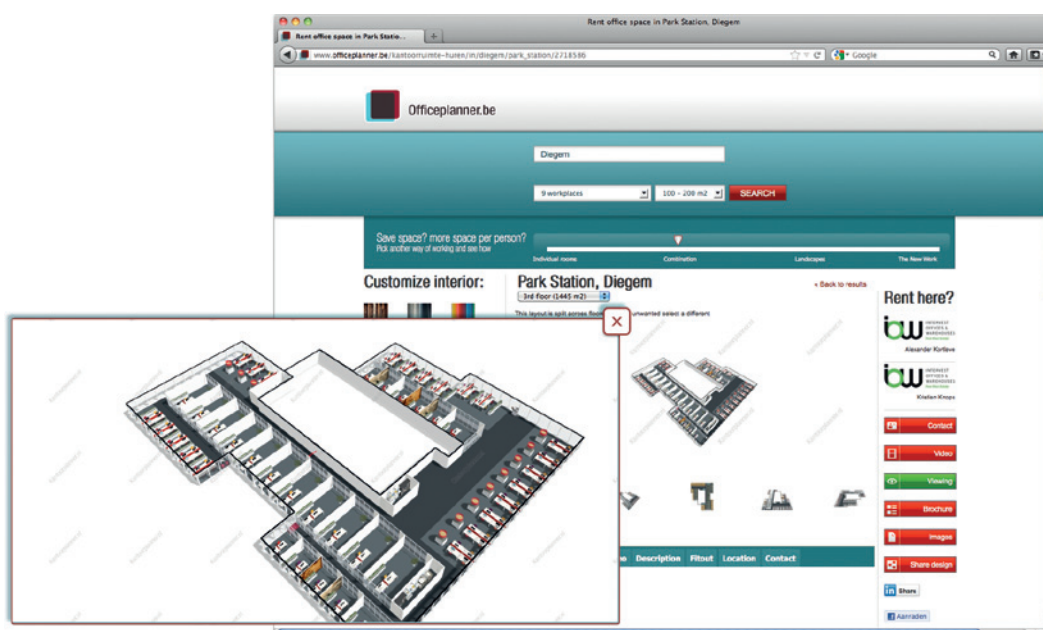


## ✓ Officeplanner.be

In the first semester of 2012 Interinvest Offices & Warehouses has started an online module “Officeplanner.be” for the further commercialization of its available office spaces. This online module for drawing plans of office spaces has been realized in cooperation with Kantoorplanner.nl.

Officeplanner.be brings candidate-tenant and lessor together in a unique way. By introducing online the location and the number of desired working space the candidate-tenant acquires immediately a view of the available buildings and spaces. As soon as the candidate-tenant chooses a building, he sees instantly the future office in 3D and video, obtaining herewith a good image of the possible design of the office space.

[www.officeplanner.be](http://www.officeplanner.be)



△ [www.officeplanner.be](http://www.officeplanner.be)

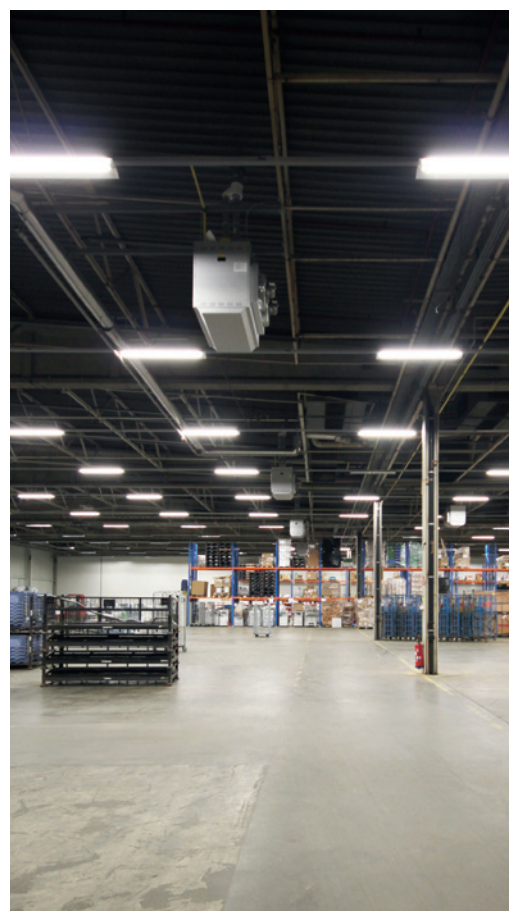


## ✓ **Renovation Herentals Logistics 1**

Meanwhile the partial renovation of the logistic site Herentals Logistics 1 has largely been achieved. In the meantime, major part of the renovated space is let to Kreate and Yusen Logistics. Given the interest of some candidate-tenants for qualitative new logistic real estate on this location, the property investment fund currently draws plans for the possible demolition of the not yet renovated part of Herentals Logistics 1 and the construction of a logistic warehouse with a surface area of approximately 19.000 m<sup>2</sup> that can be subdivided. This realization will contribute to the further radiance of Herentals Logistics as logistic center, along one of the most important logistic corridors of the country.

## ✓ **Acquisition of a second distribution center in Oevel**

Interinvest Offices & Warehouses has expanded on 29 May 2012 its real estate portfolio and has invested € 7,9 million in the acquisition of the long-lease rights of a second distribution center in Oevel. The site is located on the important logistic corridor Antwerp - Limbourg - Liège and is easy accessible via the E313 and the E314. This site is an extension of the state-of-the-art logistic site West-Logistics which was already acquired in 2011 and forms herewith one entity, enabling the further optimization of both sites.



△ Herentals Logistics 1 - Atealaan 34

▽ Oevel - Nijverheidsstraat 9



In July 2012 Interinvest Offices & Warehouses put further steps forwards to the extension and improvement of its logistic real estate portfolio.

✓ **Redevelopment of a part of the logistic site Neerland 1 in Wilrijk**

On 4 July 2012 the property investment fund obtained an agreement in principle with French car builder Peugeot (group PSA) for the renovation/conversion to a showroom and a workshop in the front part of the logistic building Neerland 1 in Wilrijk (located Boomsesteenweg next to IKEA), and this for the replacement of the current branch of Peugeot Antwerpen located Karel Oomsstraat in Antwerp.

The transaction includes a built-up surface area of approximately 5.000 m<sup>2</sup> on a ground area of nearly 11.000 m<sup>2</sup> (including parking spaces). The other part of the building (the rear) and the building Neerland 2 maintain their logistic activities.

In this framework the property investment fund will conclude a property lease for 15 years with Peugeot whereby the latter will have a purchase option at market value at the end of the contract.

The fair value of the concerned part of the building is valued by the property expert at € 4,0 million. The total estimated budget for the renovation/conversion amounts approximately to € 3,3 million. The transaction will generate for the property investment fund, in principle as from the fourth quarter of 2013 an annual rental income of approximately € 0,6 million, providing an initial yield of 8,2 % after the redevelopment. The financing of this investment will be funded from the existing credit lines of the property investment fund.

The agreement is concluded under the suspending condition of obtaining the necessary permits.

✓ **Agreement with Estée Lauder and UTi Belgium for the extension of the logistic site in Oevel**

The property investment fund has concluded an agreement in July 2012 with Estée Lauder as well as with its logistic service provider UTi Belgium to further extend the logistic site in Oevel. Under the suspending condition of obtaining the necessary permits an additional logistic building of 5.036 m<sup>2</sup> with parking spaces will be built between the two existing buildings. This site will be leased by UTi Belgium as from the third quarter of 2013 till 31 December 2023.

Simultaneously the existing lease contracts for warehouses with Estée Lauder as well as UTi Belgium are prolonged till 31 December 2023, being a prolongation of respectively 4,5 and 6 years of the existing lease contracts.

The total estimated budget for the extension amounts to € 3,3 to € 3,8 million. This transaction will generate for the property investment fund, in principle as from the third quarter of 2013 an additional annual rental income of approximately € 0,3 million. The financing of this investment will be funded from the existing credit lines of the property investment fund. The added value of the entire transaction (extension of the site and prolongation of the lease contracts) is estimated at approximately € 7 million after complete realization.

These new investments of 2011 and 2012, combined with commercial and marketing initiatives, constitute the basis for improvement of the results of the property investment fund in the long term.

## 1.2 Rental activity of the first semester of 2012

At 30 June 2012, the occupancy rate<sup>2</sup> of Interinvest Offices & Warehouses amounts to 86 %, remaining unchanged compared to 31 December 2011:

- ✓ The occupancy rate of the office portfolio amounts to 85 %, an increase by 1 % compared to the situation on 31 December 2011. This comes from the letting to Verhaeren & Co and the extension of MC Square, both on Mechelen Campus, and the extension of Biocartis at Intercity Business Park in Malines.
- ✓ The occupancy rate of the logistic portfolio amounts to 88 % which is a slight decrease compared to the situation on 31 December 2011, when the occupancy rate reached 91 %. This decrease is due mainly to the departure of a tenant in a building in Duffel Stocletlaan.

### Rental activity of the office portfolio

#### New lease contracts

In the first semester of 2012 new lease contracts have been signed for a total space of 3.200 m<sup>2</sup> in 6 transactions, compared to the 5.464 m<sup>2</sup> in the first semester of 2011.

In 2012, the most important transactions are:

- ✓ letting to Verhaeren & Co in Mechelen Campus for 2.149 m<sup>2</sup>
- ✓ letting to Tempo-Team Projects in Vilvorde 3T Estate for 636 m<sup>2</sup>

#### Renewals or extensions of current lease contracts

In the office portfolio in the first semester of 2012, current lease contracts have been renegotiated or prolonged for a space of 14.571 m<sup>2</sup> in 18 transactions (on a total office portfolio of approximately 231.000 m<sup>2</sup>). For the same period in 2011, 15 transactions for a space of 11.343 m<sup>2</sup> were renegotiated.

In 2012, the most important transactions are:

- ✓ prolongation of Kuwait Petroleum (Q8) in Antwerp Gateway House for 4.996 m<sup>2</sup>
- ✓ extension of Biocartis in Mechelen Intercity Business Park for 2.639 m<sup>2</sup>
- ✓ prolongation and extension of MC Square in Mechelen Campus for 1.583 m<sup>2</sup>
- ✓ prolongation of Sungard in Mechelen Campus for 1.050 m<sup>2</sup>
- ✓ temporary prolongation of Telenet in Mechelen Campus for 653 m<sup>2</sup>
- ✓ prolongation and extension of Info Support at Intercity Business Park in Malines for 541 m<sup>2</sup>



△ Gateway House - Antwerp - Brusselsestraat 59

<sup>2</sup> The occupancy rate is calculated as the ratio of the commercial rental income to the same rental income plus the estimated rental value of the vacant locations for rent. The commercial rental income is the contractual rental income and the rental income of already signed lease contracts regarding locations which are contractually vacant on balance sheet date.



## Rental activity of the logistic portfolio

### New lease contracts

In the logistic portfolio, one new lease contract has been concluded in first semester of 2012 for a total space of 1.482 m<sup>2</sup> (Galy Sport in Berchem-Sainte-Agathe). For the same period in 2011, 2 transactions have been concluded for a space of 68.795 m<sup>2</sup>, regarding mainly the letting of 50.994 m<sup>2</sup> to Nike Europe in June 2011.

Given the fast intervention of Intervest Offices & Warehouses to change the intended use of the warehouse and the offices, we could settle on the ideal location.

YVES LABEEUW - GALY SPORT - BUSINESS MANAGER

### Renewals at end of lease contracts, extensions and prolongation of existing lease contracts

In the logistic portfolio, lease contracts for a space of 9.517 m<sup>2</sup> have been prolonged or extended in first semester of 2012 in 2 transactions. For the first semester of 2011, also two transactions were concluded for a space of 6.125 m<sup>2</sup>.

In 2012 these transactions are:

- ✓ extension of Yusen Logistics Benelux in Herentals Logistics 1 for 1.455 m<sup>2</sup>
- ✓ extension of Party Rent/Expo Rent in Aartselaar Dijkstraat for 8.062 m<sup>2</sup>



△ Sint-Agatha-Berchem Technology Center -  
Technologiestraat 11, 15, 51, 55, 61, 65

## Further re-letting of ex Tibotec-Virco spaces in Malines to Biocartis and Verhaeren & Co

In March 2012, Intervest Offices & Warehouses has concluded two additional lease contracts with biotechnology company Biocartis for additional space of respectively 1.254 m<sup>2</sup> for offices and 1.415 m<sup>2</sup> for laboratories at Intercity Business Park in Malines. Both lease contracts have a fixed term of 15 years, with a termination option after 9 years. This further extension of Biocartis represents a gross rental income of approximately € 420.000 an annual basis<sup>3</sup>. With a total surface of 6.639 m<sup>2</sup> of offices and laboratories, leased for a long term, Biocartis is now the largest tenant of Intervest Offices & Warehouses at Intercity Business Park. As a result of this re-letting transaction, the property investment fund has included in the first quarter of 2012 a part

of the compensation received in 2010 from Tibotec-Virco as profit, for an amount of € 0,5 million. Besides, a lease contract has also been concluded in the first quarter of 2012 with Verhaeren & Co (road construction) for a surface area of 2.149 m<sup>2</sup> of offices and warehouse space in Mechelen Campus (building F, formerly leased by Tibotec-Virco). The lease contract has a duration of 9 years, with an option to terminate after 6 years.

As a result of the above-mentioned transactions with Biocartis and Verhaeren & Co, 96 % of the space previously leased by Tibotec-Virco has already been re-leased as on 31 March 2012 to tenants within or outside the existing portfolio of Intervest Offices & Warehouses (being 18.725 m<sup>2</sup> out of a total of 19.526 m<sup>2</sup>).

Given the good cooperation with the management department of the lessor during a.o. the fitting out of our production department, the interesting leasing conditions and the easy accessibility of the location, we have decided to proceed to an additional extension of 1.254 m<sup>2</sup> offices and 1.415 m<sup>2</sup> laboratories.

MARNIK DE TROYER - FINANCE DIRECTOR - BIOCARTIS

## 1.3 Investments in the first semester of 2012

### Acquisition of a second distribution center in Oevel and agreement to extension

Intervest Offices & Warehouses has expanded in the first semester of 2012 its real estate portfolio and has invested € 7,9 million in the acquisition of the long-lease rights of a second distribution center in Oevel. The site is located on the important logistic corridor Antwerp - Limbourg - Liège and is easy accessible via the E313 and the E314. This site is an extension of the state-of-the-art logistic site West-Logistics which was already acquired in 2011 and forms herewith one entity, enabling the further optimization of both sites.

This site comprises several connecting warehouse spaces, forming one entity together and which have thoroughly been renovated in 2004 for the purpose of the current activities. Besides, separate offices are located on the site. This site consists of a total of 8.814 m<sup>2</sup> warehouse space, 2.178 m<sup>2</sup> office space, 504 m<sup>2</sup> social areas and outside parking spaces. The building is connected by means of a conveyor to the adjacent buildings of West-Logistics, forming herewith one operational entity.

<sup>3</sup> For the period March 2012 to respectively November 2013 and October 2014, half of the net rental income from these lease contracts will be shared with Tibotec-Virco, in keeping with the 2010 agreement regarding retrocession of rental income (see press release dated 3 June 2010).

The building is entirely let till 2019 to cosmetics concern Estée Lauder. The warehouses are used as fine-picking warehouses as a complement to the European Distribution Center for Northern Europe of Estée Lauder, run by UTi in West-Logistics. The fine-picking warehouses are highly automatized.

This acquisition generates rental income for the property investment fund of € 0,7 million on an annual basis and contributes immediately to the operating distributable result of the property investment fund.

The acquisition price of the long-lease rights of this logistic site amounts to € 7,9 million. On 30 June 2012 the fair value of this site amounts to € 8,3 million. This acquisition provides Intervest Offices & Warehouses an attractive gross initial yield of 9 %. The long-lease rights still have a remaining term of 92 years.

Subsequently, the property investment fund has concluded an agreement in July 2012 with Estée Lauder as well as its logistic service provider UTi Belgium to further extend the site. The buildings of West-Logistics and the distribution center of Estée Lauder will be completely united with each other so that both sites are not only connected by a conveyor but also by a physical building.

Under the suspending condition of obtaining the necessary permits an additional logistic building of 5.036 m<sup>2</sup> with parking spaces will be built between the two existing buildings. This site will be leased by UTi Belgium till 31 December 2023 through a lease agreement. Simultaneously the existing lease contracts for warehouse spaces with Estée Lauder as well as UTi Belgium will be prolonged till 31 December 2023, being a prolongation of respectively 4,5 and 6 years of the existing lease contracts. This extension allows a more efficient organization of the supply of goods and guarantees the presence of this logistic hub in the long run.

The fair value of the entire logistic distribution center of Estée Lauder and the logistic buildings of West-Logistics, is currently estimated by the property expert at € 29,4 million. The total estimated budget for the extension amounts to € 3,3 to € 3,8 million. This transaction will generate for the property investment fund, in principle as from the third quarter of 2013 an additional annual rental income for an amount of approximately € 0,3 million. The added value of the entire transaction (extension of the site and prolongation of the lease contracts) is estimated at approximately € 7 million after complete realization.

▽ Oevel - Nijverheidsstraat 9



## 1.4 Real estate portfolio on 30 June 2012

### Composition of the portfolio

| REAL ESTATE PATRIMONY                             | 30.06.2012 | 31.12.2011 | 30.06.2011 |
|---|------------|------------|------------|
| Fair value of investment properties (€ 000)       | 594.824    | 581.305    | 540.740    |
| Investment value of investment properties (€ 000) | 609.773    | 595.919    | 554.341    |
| Occupancy rate (%)                                | 86 %       | 86 %       | 84 %       |
| Total leasable space (m <sup>2</sup> )            | 638.720    | 627.096    | 553.221    |

The fair value of the real estate portfolio of the property investment fund has increased by € 13,5 million and amounts on 30 June 2012 to € 595 million (€ 581 million on 31 December 2011).

This increase in fair value is mainly the effect of:

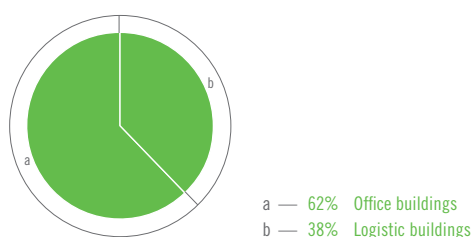
- ✓ the acquisition of a second distribution center in Oevel, having a fair value of € 8,3 million on 30 June 2012
- ✓ a stable fair value of the office portfolio through, on the one hand, an increase in value of Intercity Business Park in Malines, and through additional lettings to Biocartis, compensated, on the other hand, by the decrease in value for the buildings in the Brussels periphery
- ✓ the increase in fair value of the logistic portfolio by € 5,2 million as a result mainly of the delivery of the offices in Herentals Logistics 2, renovation works in Herentals Logistics 1 and a new contract for solar panels in Duffel Stocletlaan.

### Risk spread in the portfolio

Intervest Offices & Warehouses 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 in the real estate portfolio. On 30 June 2012 this risk spread is as follows:

#### Nature of the portfolio

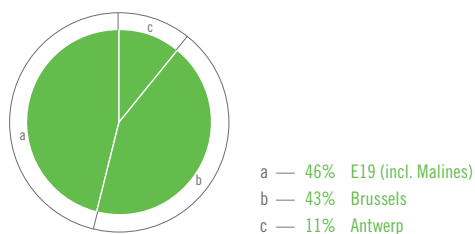
On 30 June 2012, the real estate portfolio of Intervest Offices & Warehouses consists of 62 % offices and 38 % logistic buildings.



## Geographic spread

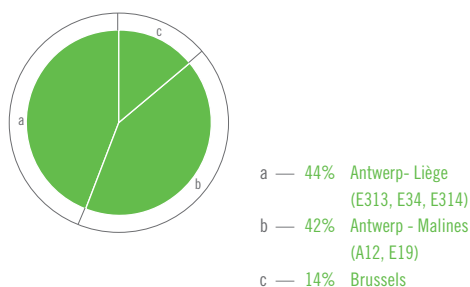
### Office buildings

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



### Logistic buildings

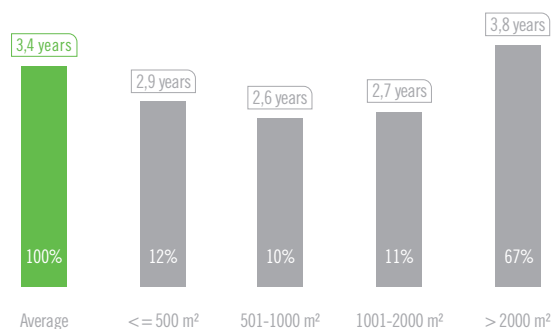
86 % of the logistic portfolio is located on the Antwerp-Malines axis (primarily the E19 and A12) and Antwerp-Liege (primarily the E313) which are the most important logistic axes in Belgium. 14 % of the properties are in the center of the country, in the area of Brussels.



## Evolution of the portfolio

### Average duration of the office lease contracts until the next expiry date

For offices, the average rental period (starting from 1 July 2012) until the next expiry date is 3,4 years. For large office tenants (above 2.000 m<sup>2</sup>) comprising 67 % of the office portfolio and having a great impact on the recurring rental income, the next expiry date (starting from 1 July 2012) is only about 3,8 years. The lease contracts, expiring in the period 2012 - 2014, are thus mainly smaller spaces, representing a more limited risk to the total rental income of Intervest Offices & Warehouses.



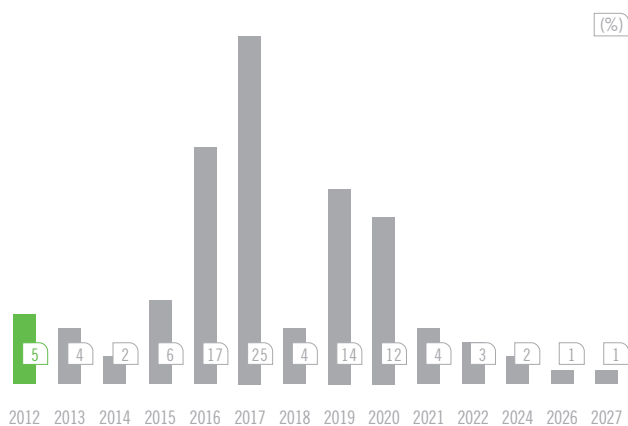
On 30 June 2012, the average remaining duration of the lease contracts in the office portfolio is 3,4 years, a slight increase compared to the situation on 31 December 2011. For spaces above 2.000 m<sup>2</sup>, it is 3,8 years.



## Expiry date of the lease contracts of the entire portfolio

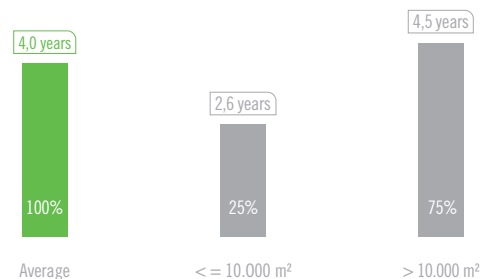
The expiry dates are well spread over the coming years. Several large lease contracts run for a fixed period of 9 years or more, which strengthens the stability of the portfolio.

On 31 December 2011, approximately 6 % of the lease contracts had their expiry date in 2012. On 30 June 2012 this has decreased to 5 %. The part of the lease contracts expiring in the next 3 years has decreased to 11 % compared to 12 % on 31 December 2011.



## Average duration of the logistic lease contracts until the next expiry date

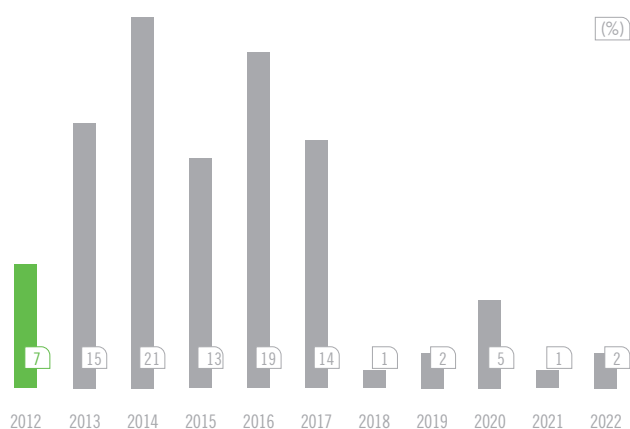
For the logistic properties the average duration of the lease contract until the next expiry date is 4,0 years on 30 June 2012, which is a slight decrease compared to 31 December 2011 when it reached 4,3 years. For important tenants (above 10.000 m<sup>2</sup> in warehouse spaces) the next expiry date is only within 4,5 years. In addition, the share of these tenants (above 10.000 m<sup>2</sup>) has increased from 72 % on 31 December 2011 to 75 % on 30 June 2012.



For the logistic portfolio, the average remaining duration of the lease contracts with a surface above 10.000 m<sup>2</sup> is 4,5 years.

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

This graph shows a worst case scenario. On 31 December 2011, approximately 10 % of the lease contracts had their first expiry date in 2012. On 30 June 2012, this has decreased to 7 % through the prolongation of a number of lease contracts at market rates. On the basis of the contacts with its tenants, the property investment fund expects that approximately half of them will prolong the lease contract after the interim expiry date.



△ Billboard RE:flex center

## Valuation of the portfolio

Valuation of the portfolio by the property experts on 30 June 2012:

| Property expert     | Valued properties   | Fair value (€ 000) | Investment value (€ 000) |
|---------------------|---------------------|--------------------|--------------------------|
| Cushman & Wakefield | Office buildings    | 370.459            | 379.720                  |
| Jones Lang LaSalle  | Logistic properties | 224.365            | 230.053                  |
| <b>TOTAL</b>        |                     | <b>594.824</b>     | <b>609.773</b>           |

## 1.5 Market situation of professional real estate in 2012

### The office market

In the first semester of 2012, the take-up of offices in the Belgian office market reaches approximately 373.000 m<sup>2</sup> (of which 245.000 m<sup>2</sup> in Brussels, including the periphery)<sup>4</sup>. This is still lower than the average on the last five years, but it represents nevertheless an increase of more than 75 % compared to 2011.

Currently, prime rents still remain stable showing even a slight upward trend due to a decrease of the offer of qualitative office buildings and little speculative developments during the last two years. Net rents are still under pressure, namely in the Brussels periphery. Owners still have to grant considerable incentives, reductions and/or rent free periods to attract new tenants. On the other hand moving decisions are often postponed due to the economic uncertainty.

Investments in office properties are at a historically low level in the first semester of 2012<sup>5</sup>. Top yields remain stable to a large extent. An increase in activity can probably be expected in the second semester of 2012 due to growing appetite of investors for a large range of products and locations, but the investment market focusses mainly on commercial real estate, representing almost half of the investment volume.

### The market of logistic real estate<sup>6</sup>

The rental market for logistic and semi-industrial real estate has performed well in the first semester of 2012. Total take-up amounts to 825.000 m<sup>2</sup> in the first semester of 2012, which is a healthy level, considering the fragile situation of the economy and the limited economic growth. The activity is mainly concentrated on the axis Antwerp-Brussels. Prime rents are showing an upward trend following the limited vacancy and the absence of speculative projects. The expectation is that this trend will carry on in the next months, as the demand for qualitative logistic real estate will not decrease.

The investment market for logistic and semi-industrial real estate still remains very low. Prime yields remain stable owing to the limited offer. Due to the limited offer an improvement can be expected in the short term as a result of growing attention of investors for this segment.

<sup>4</sup> Source: Expertise News - 13 July 2012

<sup>5</sup> Source: Consultation with Cushman & Wakefield - July 2012

<sup>6</sup> Source: Belgium Q2 2012 Industrial Marketbeat Snapshot Cushman & Wakefield

## 1.6 Analysis of the results<sup>7</sup>

For the first semester of 2012, the **rental income** of the property investment fund amounts to € 20,4 million. This is an increase of € 2,5 million or 14 % compared to the first semester of 2011 (€ 17,9 million), mainly as a result of acquisitions and lettings realised in 2011 and 2012.

The **recovery of property charges** shows in the first semester of 2012 an income of € 0,9 million (€ 0,6 million) and comprises for € 0,6 million the received refurbishment fees taken into profit.

The **other rental-related income and expenses** show in the first semester of 2012 an income of € 0,2 million (€ 0,4 million) and include the taking profit of the compensations for rental charges (received from Tibotec-Virco) following the additional letting to Biocartis at Intercity Business Park.

On 30 June 2012, the **property charges** of the property investment fund amount to € 2,3 million (€ 2,5 million). This decrease by € 0,2 million comes mainly from the decrease of the costs for maintenance and repair.

The **general costs** amount to € 0,7 million in the first semester of 2012, thus maintaining the level of the first semester of 2011 (€ 0,7 million).

The increase in rental income and in property management income as well as the stable property charges ensure that the **operating result before result on portfolio** increases by 17 %, or € 2,7 million, to € 18,3 million (€ 15,6 million).

The **changes in fair value of investment properties** amount in the first semester of 2012 to - € 0,2 million (€ 4,0 million). This slight decrease in fair value is the combined effect of:

- ✓ a decrease in fair value of the office portfolio of € 3,2 million or 0,8 % compared to the fair value on 31 December 2011, mainly through the adjustment of the estimated rental values for the offices in the Brussels periphery
- ✓ an increase in fair value of the logistic portfolio of € 3,0 million or 1,4 % compared to the fair value on 31 December 2011, mainly through the renovation of Herentals Logistics 1, a new contract for solar panels on the Duffel Stocletlaan building and a prolongation of the lease contract for 9 years for the building in Aartselaar, Dijkstraat.

The **financial result (excl. change in fair value - IAS 39)** for the first semester of 2012 amounts to - € 5,5 million (- € 5,6 million). Despite higher credit facility withdrawals resulting from real estate acquisitions realised in 2011 and 2012 (on 30 June 2012 approximately € 56 million higher than on 30 June 2011) the net interest charges of the property investment fund decrease by € 0,2 million due to the use of new interest rate swaps at lower interest rates. The average interest rate for the property investment fund for the first semester of 2012 is approximately 3,8 %, including bank margins (4,8 %).

<sup>7</sup> Comparative first semester 2011 figures, adjusted in line with the amended valuation rule for compensation received as a result of early termination of rental contracts, are shown in brackets.

The **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** include the decrease in market value of interest rate swaps that, in line with IAS 39, cannot be classified as cash flow hedging instruments, in the amount of - € 1,9 million (- € 0,1 million).

The **net result** of Interinvest Offices & Warehouses for the first semester of 2012 amounts to € 10,4 million (€ 13,9 million) and may be divided into:

- ✓ the **operating distributable result** of € 12,8 million (€ 9,9 million) or an increase of € 2,9 million or approximately 29 %. This result is derived primarily from an increase in rental income of the property investment fund following acquisitions and lettings realised in 2011 and 2012, from a decrease of property charges and from lower financial charges of the property investment fund as a result of the use of new interest rate swaps at lower interest rates.
- ✓ the **result on portfolio** for an amount of - € 0,5 million (€ 4,1 million).
- ✓ **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** for an amount of - € 1,9 million (- € 0,1 million).

This generates per share for the first semester of 2012 an **operating distributable result** of € 0,90 (€ 0,71).

On the consolidated balance sheet the **non-current assets** comprise mainly the investment properties of the property investment fund. On 30 June 2012, the fair value of these investment properties amounts to € 595 million (€ 581 million on 31 December 2011).

This increase is mainly the effect of:

- ✓ the acquisition of a second distribution center in Oevel, having a fair value of € 8,3 million on 30 June 2012.
- ✓ a stable fair value of the office portfolio through, on the one hand, an increase in value of Intercity Business Park in Malines, and through additional lettings to Biocartis, compensated, on the other hand, by the decrease in value for the buildings in the Brussels periphery.
- ✓ the increase in fair value of the logistic portfolio by € 5,2 million mainly following renovation works in Herentals Logistics 1, the delivery of the offices in Herentals Logistics 2 and a new contract for solar panels in Duffel Stocletlaan.

The **current assets** amount to € 11 million (€ 12 million) and consist of € 5 million in trade receivables (mainly invoicing of service charges and billing of property tax to tenants, executed in June 2012), of € 3 million in tax receivables and other current assets and of € 2 million in deferred charges and accrued income.



# Half-yearly financial report



| KEY FIGURES PER SHARE   | 30.06.2012 | 31.12.2011 | 30.06.2011 <sup>π</sup> |
|---|------------|------------|-------------------------|
| Number of shares entitled to dividend                         | 14.199.858 | 13.907.267 | 13.907.267              |
| Net result per share (6 months/1 year/6 months) (€)           | 0,73       | 1,30       | 1,00                    |
| Operating distributable result (6 months/1 year/6 months) (€) | 0,90       | 1,56       | 0,71                    |
| Gross dividend (6 months/1 year/6 months) (€)                 | 0,90       | 1,73       | 0,71                    |
| Net asset value (fair value) (€)                              | 19,40      | 20,42      | 19,94                   |
| Net asset value (investment value) (€)                        | 20,43      | 21,37      | 20,91                   |
| Share price on closing date (€)                               | 19,40      | 18,15      | 22,25                   |
| Premium (+)/ discount (-) to net asset value (fair value) (%) | 0 %        | -11 %      | 12 %                    |

On 30 June 2012, after payment of the dividend over 2011, the **net asset value (fair value)** of the share is € 19,40 (€ 20,42 on 31 December 2011). The share price on 30 June 2012 of the Intervest Offices & Warehouses share (INTO) is also € 19,40. Herewith the share is quoted exactly at the net asset value (fair value).

The shareholders of Intervest Offices & Warehouses have chosen for 27,35 % of their shares for a contribution of their dividend rights in return for new shares instead of payment of the dividend in cash. This led on 24 May 2012 to a strengthening of the **shareholders' equity** of Intervest Offices & Warehouses by € 5,2 million (capital increase and share premium) through the creation of 292.591 new shares, bringing the total number of Intervest Offices & Warehouses' shares as from 25 May 2012 to 14.199.858 units. The new shares participate in the result of the property investment fund as of 1 January 2012.

The **non-current liabilities** mainly consist of non-current financial liabilities for an amount of € 273 million (€ 259 million on 31 December 2011). These comprise mainly € 199 million long-term bank financings of which the expiry date is situated after 30 June 2013 and of the bond loan issued in June 2010 for a amount of € 75 million.

The **current liabilities** amount to € 50 million (€ 46 million on 31 December 2011) and consist of € 38 million in current financial debts (bank loans with an expiry date before 30 June 2013), of € 4 million in trade debts and other current debts, and of € 8 million in accrued charges and deferred income.

The **debt ratio** of the property investment fund has increased on 30 June 2012 by 2,2 % compared to 31 December 2011 and amounts to 52,1 %<sup>8</sup> (calculated in accordance with the Royal Decree of 7 December 2010).

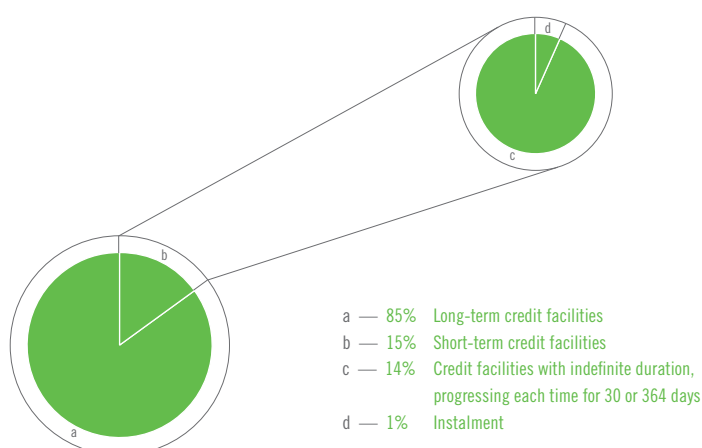
<sup>8</sup> For the further explanation regarding the evolution of the debt ratio is referred to punt 1.7 Financial structure on 30 June 2012.

## 1.7 Financial structure on 30 June 2012

The most important characteristics of the financial structure of Interinvest Offices & Warehouses on 30 June 2012 are:

- ✓ Amount of financial debts: € 311 million (excluding the market value of financial derivatives).
- ✓ 85 % long-term financings with an average remaining duration of 3,2 years.
- ✓ 15 % short-term financings, with 14 % consisting of financings with an unlimited duration progressing each time for 364 or 30 days and 1 % being an instalment on an investment credit facility. The next date of maturity for a credit facility of the property investment fund is only in December 2013 (€ 10 million), which means that the property investment fund does not need to carry out any major refinancing of its credit portfolio in the second semester of 2012 nor in 2013.

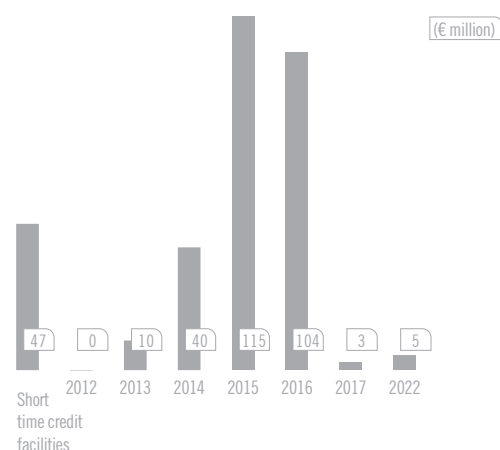
### Duration of the financings



- ✓ € 13 million non-withdrawn credit lines at financial institutions for counterbalancing the fluctuations in liquidity needs of the property investment fund.
- ✓ Spread of credit facilities over 5 European financial institutions and bondholders.

- ✓ Spread of expiry dates of credit facilities between 2013 and 2022.

### Expiry calendar of financings



- ✓ 60 % of the credit lines have a fixed interest rate, 40 % have a variable interest rate. On 30 June 2012, 63 % of the withdrawn financings have a fixed interest rate or are fixed by interest rate swaps and 37 % a variable interest rate.
- ✓ Interest rates are fixed for a remaining average period of 3,5 years.
- ✓ Average interest rate for the first semester of 2012: 3,8 % including bank margins (4,8 % for the first semester of 2011).
- ✓ Market value of financial derivatives: € 6,7 million negative.
- ✓ Debt ratio of 52,1 % (legal maximum: 65 %) (49,9 % on 31 December 2011).
- ✓ In the first semester of 2012 there have been no amendment to the existing contractual covenants and on 30 June 2012 the property investment fund complies with these covenants.

## Note to the evolution of the debt ratio

In order to guarantee a proactive policy of the debt ratio, a public property investment fund having a debt ratio higher than 50 %, should prepare a financial plan, pursuant to article 54 of the Royal Decree of 7 December 2010 relating to property investment funds. This plan contains an implementation scheme describing the measures to be taken to avoid that the debt ratio would exceed 65 % of the consolidated assets.

On 30 June 2012 the consolidated debt ratio of Intervest Offices & Warehouses amounts to 52,1 %, exceeding herewith the threshold of 50 % for the first time in its history. During its history the debt ratio of Intervest Offices & Warehouses has never transcended the threshold of 65 %.

The increase of the debt ratio from 49,9 % on 31 December 2011 to 52,1 % on 30 June 2012 comes from the acquisition of the long-lease rights of the second distribution center in Oevel in May 2012 and the payment of the dividend of the financial year 2011, also in May 2012. The shareholders' equity of the property investment fund has at that moment been strengthened with approximately € 5,2 million as 27,35 % of the shareholders invested again in new shares by means of the optional dividend.

On the basis of the current debt ratio of 52,1 % on 30 June 2012, Intervest Offices & Warehouses still has an additional investment capacity of approximately € 223 million, without exceeding herewith the maximum debt ratio of 65 %. The capacity for further investments amounts to approximately € 120 million before exceeding the debt ratio of 60 %.

Valuations of the real estate portfolio have also an impact on the debt ratio. Taking into account the current capital structure, the maximum debt ratio of 65 % would only be transcended in case of a possible decrease in value of the investment properties by approximately € 120 million or 20 % compared to the real estate portfolio of € 595 million on 30 June 2012. With unchanged current

rents, it means an increase of the yield, used for the valuation of the properties, of 1,9 % on average (from 7,3 % on average to 9,2 % on average). With unchanged yield, used for the valuation of real estate properties, it means a decrease of current rents of € 9 million or 20 %.

Intervest Offices & Warehouses believes that the current debt ratio is at an acceptable level, offering a sufficient margin to absorb potential decreases in value of the real estate properties.

On the basis of the current financial plan it is supposed that the debt ratio of Intervest Offices & Warehouses will fluctuate in the course of 2012 and 2013 between 50 % and 55 %, compared to 52,1 % on 30 June 2012.

This assessment takes into account the following elements:

- ✓ The achievement of the current investment program (approximately € 1 million in the second semester of 2012).
- ✓ No planned disinvestments during the second semester of 2012.
- ✓ Profit allocation which takes into account the foreseen profit expectation for the financial years 2012 and 2013 and the dividend payment for the financial year 2012.
- ✓ An optional dividend in May 2013 for the financial year 2012 whereby the investment capacity herewith liberated can be used for new investments.
- ✓ A stable value of the real estate portfolio of the investment property fund.

This forecast can be influenced by unforeseen circumstances. In this respect reference is made specifically to the chapter "Major risk factors and internal control and risk management systems" of the Report of the board of directors of the Annual report 2011.

The board of directors of Interinvest Offices & Warehouses is of the opinion that the debt ratio will not exceed 65 % and that presently, given the current economic and real estate trend, the planned investments and the expected evolution of the shareholders' equity of the property investment fund, no additional measures have to be taken.

The property investment fund will follow the evolution of the debt ratio scrupulously, take necessary measures if an unforeseen event should occur which has a relatively important impact on the forecast formulated in this plan and will if necessary communicate immediately.

## 1.8 Risks for the remaining months of 2012

Interinvest Offices & Warehouses estimates the main risk factors and uncertainties for the remaining months of the financial year 2012 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 2012. 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 could 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 2012, 63 % of the withdrawn credit facilities consists of financings with a fixed interest rate or fixed through interest rate swaps. Only 37 % of the credit facilities portfolio has a variable interest rate which is subject to unforeseen rises of the currently low interest rates.

## 1.9 Composition of the management committee

The board of directors of Intervest Offices & Warehouses has decided that as from 1 July 2012, Luc Feyaerts sprl, permanently represented by Luc Feyaerts, will join the management committee of the company and will occupy the position of chief operating officer (COO).

Luc Feyaerts is active since 2008 at Intervest Offices & Warehouses as Head of asset management. He was previously employed at KPMG Tax Consultants where he exercised several positions and evolved to the position of Director (2007). Luc Feyaerts is Master in Law (KU Leuven) and has a D.E.S. in fiscal law (ULB 1997). He is in addition Postgraduate in Finance and Corporate Finance (KU Leuven 2004).

Therefore the management committee of Intervest Offices & Warehouses comprises of:

- ✓ Jean-Paul Sols sprl, permanently represented by Jean-Paul Sols, chief executive officer, chairman of the management committee
- ✓ Inge Tas, chief financial officer
- ✓ Johan Buijs, director
- ✓ Luc Feyaerts sprl, permanently represented by Luc Feyaerts, chief operating officer



## 1.10 Forecast for 2012

The market circumstances in 2012 remain difficult because of the persistent financial crisis in the Eurozone. The number of new visits and consequently the number of transactions are very limited in the office market in the Brussels periphery. When lease contracts are nevertheless concluded, they are often concluded at low rents. The office market in other cities (Malines and Antwerp) resists relatively well, which for instance is proved by the recent transactions with DLA Piper and Verhaeren & Co. In this framework it has to be observed that the property investment fund managed in less than 18 months to re-let at market conditions practically all space formerly used by Tibotec-Virco.

Intervest Offices & Warehouses is convinced that through a proactive asset management, besides the offer of turn-key housing solutions and the further development of "a third working space" possibilities (with a first initiative at Mechelen Campus), investments in offices are still profitable.

Prospects regarding logistic activities are more favourable in the short term: the relatively limited offer of qualitative logistic real estate and the concrete interest of candidates for available spaces keep rents at a good level. On different locations the property investment fund expects to conclude long-term lease contracts, generating profit as from 2013. Intervest Offices & Warehouses anticipates on this through the further development and extension of its logistic portfolio (currently 38 % of the total portfolio).

Besides, the property investment fund is optimistic regarding the termination of its current lease contracts. A number of lease contracts have already be prolonged in the first semester of 2012. For the second semester particular attention will be given to the prolongation of the lease contracts having an interim of final expiry date in 2012 and 2013.

As a result of the amended valuation rules of the property investment fund and due to the current economic climate, Intervest Offices & Warehouses has decided to modify its dividend distribution policy with effect from financial year 2012 (dividend payable in 2013), so that the pay-out ratio will be between 80 % and 100 % of the operating distributable profit, depending on the compensation received for early termination of rental contracts and other compensation for rental damage.

On the basis of the half-yearly results and the forecast on 30 June 2012 the dividend for the financial year 2012 will probably be higher than previous year. The property investment fund expects to be able to propose its shareholders for the financial year 2012 a gross dividend between € 1,70 and € 1,80 per share (€ 1,73 for the financial year 2011). Based on the closing share price on 30 June 2012 (€ 19,40) this represents a gross dividend yield between 8,7 % and 9,2 %.

## 2. Condensed consolidated half-yearly figures

### 2.1 Condensed consolidated income statement

| in thousands €   | 30.06.2012    | 30.06.2011 <sup>†</sup> |
|--|---------------|-------------------------|
| Rental income  | 20.367        | 17.859                  |
| Rental-related expenses  | -29           | -28                     |
| <b>NET RENTAL INCOME</b>   | <b>20.338</b> | <b>17.831</b>           |
| Recovery of property charges   | 856           | 570                     |
| Recovery of rental charges and taxes normally payable by tenants on let properties     | 4.513         | 2.097                   |
| Costs payable by tenants and borne by the landlord for rental damage and refurbishment | -221          | -87                     |
| Rental charges and taxes normally payable by tenants on let properties                 | -4.514        | -2.087                  |
| Other rental-related income and expenses   | 244           | 428                     |
| <b>PROPERTY RESULT</b>   | <b>21.216</b> | <b>18.752</b>           |
| Technical costs  | -293          | -550                    |
| Commercial costs   | -136          | -93                     |
| Charges and taxes on unlet properties  | -507          | -546                    |
| Property management costs  | -1.174        | -1.117                  |
| Other property charges   | -152          | -166                    |
| <b>PROPERTY CHARGES</b>  | <b>-2.262</b> | <b>-2.472</b>           |
| <b>OPERATING PROPERTY RESULT</b>   | <b>18.954</b> | <b>16.280</b>           |
| General costs  | -700          | -683                    |
| Other operating income and costs   | 27            | 12                      |
| <b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>                                     | <b>18.281</b> | <b>15.609</b>           |
| Changes in fair value of investment properties   | -165          | 4.040                   |
| Other result on portfolio  | -314          | 38                      |
| <b>OPERATING RESULT</b>  | <b>17.802</b> | <b>19.687</b>           |

## 2.1 Condensed consolidated income statement (continued)

| in thousands €  | 30.06.2012    | 30.06.2011 <sup>†</sup> |
|---|---------------|-------------------------|
| <b>OPERATING RESULT</b>   | <b>17.802</b> | <b>19.687</b>           |
| Financial income  | 5             | 47                      |
| Net interest charges  | -5.472        | -5.680                  |
| Other financial charges   | -7            | -9                      |
| Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) | -1.945        | -57                     |
| <b>FINANCIAL RESULT</b>   | <b>-7.419</b> | <b>-5.699</b>           |
| <b>RESULT BEFORE TAXES</b>  | <b>10.383</b> | <b>13.988</b>           |
| Taxes   | -9            | -36                     |
| <b>NET RESULT</b>   | <b>10.374</b> | <b>13.952</b>           |
| <b>Attributable to:</b>   |               |                         |
| Equity holders of the parent company  | 10.375        | 13.953                  |
| Minority interests  | -1            | -1                      |
| <b>Note:</b>  |               |                         |
| Operating distributable result  | 12.798        | 9.931                   |
| Result on portfolio   | -479          | 4.078                   |
| Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) | -1.945        | -57                     |

## 2.2 Condensed consolidated statement of comprehensive income

| in thousands €   | 30.06.2012    | 30.06.2011 <sup>†</sup> |
|--|---------------|-------------------------|
| <b>NET RESULT</b>  | <b>10.374</b> | <b>13.952</b>           |
| Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting | -58           | 2.545                   |
| <b>COMPREHENSIVE INCOME</b>  | <b>10.316</b> | <b>16.497</b>           |
| <b>Attributable to:</b>  |               |                         |
| Equity holders of the parent company   | 10.317        | 16.498                  |
| Minority interests   | -1            | -1                      |

## 2.3 Condensed consolidated balance sheet

| ASSETS in thousands €                          | 30.06.2012     | 31.12.2011     |
|--|----------------|----------------|
| <b>Non-current assets</b>                      | <b>595.138</b> | <b>581.672</b> |
| Intangible assets                              | 39             | 37             |
| Investment properties                          | 594.824        | 581.305        |
| Other tangible assets                          | 261            | 316            |
| Trade receivables and other non-current assets | 14             | 14             |
| <b>Current assets</b>                          | <b>10.682</b>  | <b>12.462</b>  |
| Assets held for sale                           | 0              | 4.005          |
| Trade receivables                              | 4.741          | 1.687          |
| Tax receivables and other current assets       | 3.391          | 4.520          |
| Cash and cash equivalents                      | 404            | 407            |
| Deferred charges and accrued income            | 2.146          | 1.843          |
| <b>TOTAL ASSETS</b>                            | <b>605.820</b> | <b>594.134</b> |

## 2.3 Condensed consolidated balance sheet (continued)

| SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €                                | 30.06.2012     | 31.12.2011     |
|--|----------------|----------------|
| <b>Shareholders' equity</b>  | <b>275.485</b> | <b>284.018</b> |
| <b>Shareholders' equity attributable to the shareholders of the parent company</b> | <b>275.447</b> | <b>283.978</b> |
| Share capital  | 129.395        | 126.729        |
| Share premium  | 63.378         | 60.833         |
| Reserves   | 72.299         | 78.398         |
| Net result of the financial year   | 10.375         | 18.018         |
| <b>Minority interests</b>  | <b>38</b>      | <b>40</b>      |
| <b>Liabilities</b>   | <b>330.335</b> | <b>310.116</b> |
| <b>Non-current liabilities</b>   | <b>280.385</b> | <b>264.426</b> |
| Non-current financial debts  | 273.173        | 259.143        |
| <i>Credit institutions</i>   | <i>198.608</i> | <i>184.650</i> |
| <i>Bond loan</i>   | <i>74.550</i>  | <i>74.475</i>  |
| <i>Financial lease</i>   | <i>15</i>      | <i>18</i>      |
| Other non-current financial liabilities  | 6.688          | 4.685          |
| Other non-current liabilities  | 524            | 598            |
| <b>Current liabilities</b>   | <b>49.950</b>  | <b>45.690</b>  |
| Provisions   | 172            | 172            |
| Current financial debts  | 38.018         | 34.018         |
| <i>Credit institutions</i>   | <i>38.012</i>  | <i>34.012</i>  |
| <i>Financial lease</i>   | <i>6</i>       | <i>6</i>       |
| Trade debts and other current debts  | 3.563          | 2.641          |
| Other current liabilities  | 406            | 399            |
| Accrued charges and deferred income  | 7.791          | 8.460          |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>                                  | <b>605.820</b> | <b>594.134</b> |

## 2.4 Condensed consolidated cash flow statement

| in thousands €  | 30.06.2012    | 30.06.2011 <sup>†</sup> |
|---|---------------|-------------------------|
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>                   | <b>407</b>    | <b>816</b>              |
| <b>1. Cash flow from operating activities</b>   | <b>10.458</b> | <b>7.683</b>            |
| Operating result  | 17.802        | 19.687                  |
| Interests paid  | -6.814        | -7.653                  |
| Other non-operating elements  | -1.956        | -56                     |
| <b>Adjustment of the result for non-cash flow transactions</b>                            | <b>2.186</b>  | <b>-3.002</b>           |
| ✓ Depreciations on intangible and other tangible assets                                   | 77            | 77                      |
| ✓ Changes in fair value of investment properties  | 165           | -4.040                  |
| ✓ Other result on portfolio   | 314           | -38                     |
| ✓ Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) | 1.946         | 57                      |
| ✓ Spread of rental discounts and rental benefits granted to tenants                       | -314          | 38                      |
| ✓ Other non-cash flow transactions  | -2            | 904                     |
| <b>Changes in working capital</b>   | <b>-760</b>   | <b>-1.293</b>           |
| Movement of assets  | -3.609        | -827                    |
| Movement of liabilities   | 2.849         | -466                    |
| <b>2. Cash flow from investment activities</b>  | <b>-9.657</b> | <b>-10.148</b>          |
| Acquisitions of investment properties   | -7.966        | -7.730                  |
| Investments in existing investment properties   | -5.718        | -2.290                  |
| Acquisition of intangible and other tangible assets                                       | 22            | -128                    |
| Income from disposal of investment properties   | 4.005         | 0                       |
| <b>3. Cash flow from financing activities</b>   | <b>-804</b>   | <b>2.563</b>            |
| Repayment of loans  | -27.042       | -8.020                  |
| Drawdown of loans   | 45.000        | 36.050                  |
| Repayment of financial lease liabilities  | -3            | -3                      |
| Receipts from/repayment of non-current liabilities as guarantee                           | 90            | -14                     |
| Dividend paid   | -18.849       | -25.450                 |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE SEMESTER</b>                               | <b>404</b>    | <b>914</b>              |

## 2.5 Condensed statement of changes in consolidated equity

| in thousands €   | Share capital  | Share premium | Reserves      | Net result of the financial year <sup>II</sup> | Minority interests | Total shareholders' equity <sup>II</sup> |
|--|----------------|---------------|---------------|--|--------------------|--|
| <b>Balance at 31 december 2010<sup>II</sup></b>  | <b>126.729</b> | <b>60.833</b> | <b>81.289</b> | <b>19.977</b>                                  | <b>41</b>          | <b>288.869</b>                           |
| Comprehensive income of the first semester 2011  |                |               | 2.545         | 13.953   | -1                 | 16.497                                   |
| Transfers through result allocation 2010:  |                |               |               |  |                    |  |
| ✓ Transfer from the result on portfolio to the reserves for the balance of changes in investment value of real estate  |                |               | -8.675        | 8.675  |                    | 0  |
| ✓ Transfer of changes in fair value of financial assets and liabilities to the reserve for the balance of changes in fair value of authorized hedging instruments that are not subject to hedge accounting |                |               | 655           | -655   |                    | 0  |
| Allocation of additional result 2010 due to change in valuation rules to carried forward results   |                |               | 2.545         | -2.545   |                    | 0  |
| Other mutations  |                |               | 2             | -2   |                    | 0  |
| Dividends financial year 2010  |                |               |               | -25.450  |                    | -25.450                                  |
| <b>Balance at 30 June 2011<sup>II</sup></b>  | <b>126.729</b> | <b>60.833</b> | <b>78.361</b> | <b>13.953</b>                                  | <b>40</b>          | <b>279.916</b>                           |
| <b>Balance at 31 December 2011</b>   | <b>126.729</b> | <b>60.833</b> | <b>78.398</b> | <b>18.018</b>                                  | <b>40</b>          | <b>284.018</b>                           |
| Comprehensive income of the first semester 2012  |                |               | -58           | 10.375   | -1                 | 10.316                                   |
| Transfers through result allocation 2011:  |                |               |               |  |                    |  |
| ✓ Transfer from the result on portfolio to the reserves for the balance of changes in investment value of real estate  |                |               | 1.245         | -1.245   |                    | 0  |
| ✓ Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties   |                |               | -1.365        | 1.365  |                    | 0  |
| ✓ Transfer of changes in fair value of financial assets and liabilities to the reserve for the balance of changes in fair value of authorized hedging instruments that are not subject to hedge accounting |                |               | -4.175        | 4.175  |                    | 0  |
| ✓ Allocation to results carried forward from previous years  |                |               | 605           | -605   |                    | 0  |
| ✓ Allocation to other reserves and minority interest   |                |               | 13            | -12  | -1                 | 0  |
| Issue of shares for optional dividend financial year 2011  | 2.666          | 2.545         |               |  |                    | 5.211                                    |
| Dividends financial year 2011  |                |               | -2.364        | -21.696  |                    | -24.060                                  |
| <b>Balance at 30 June 2012</b>   | <b>129.395</b> | <b>63.378</b> | <b>72.299</b> | <b>10.375</b>                                  | <b>38</b>          | <b>275.485</b>                           |



## 2.6 Notes to the condensed consolidated half-yearly figures

### Condensed consolidated income statement by segment

| BUSINESS SEGMENT                                   | Offices       |                          | Logistic properties |              | Corporate     |               | TOTAL         |                          |
|--|---------------|--------------------------|---------------------|--------------|---------------|---------------|---------------|--------------------------|
| in thousands €                                     | 30.06.2012    | 30.06.2011 <sup>II</sup> | 30.06.2012          | 30.06.2011   | 30.06.2012    | 30.06.2011    | 30.06.2012    | 30.06.2011 <sup>II</sup> |
| Rental income                                      | 13.041        | 12.562                   | 7.326               | 5.297        |               |               | 20.367        | 17.859                   |
| Rental-related expenses                            | 1             | 21                       | -30                 | -49          |               |               | -29           | -28                      |
| Property management costs and income               | 505           | 898                      | 373                 | 23           |               |               | 878           | 921                      |
| <b>Property result</b>                             | <b>13.547</b> | <b>13.481</b>            | <b>7.669</b>        | <b>5.271</b> |               |               | <b>21.216</b> | <b>18.752</b>            |
| <b>Operating result before result on portfolio</b> | <b>12.922</b> | <b>12.611</b>            | <b>7.262</b>        | <b>4.848</b> | <b>-1.903</b> | <b>-1.850</b> | <b>18.281</b> | <b>15.609</b>            |
| Changes in fair value of investment properties     | -3.162        | 990                      | 2.997               | 3.050        |               |               | -165          | 4.040                    |
| Other result on portfolio                          | -123          | 142                      | -191                | -104         |               |               | -314          | 38                       |
| <b>Operating result of the segment</b>             | <b>9.637</b>  | <b>13.743</b>            | <b>10.068</b>       | <b>7.794</b> | <b>-1.903</b> | <b>-1.850</b> | <b>17.802</b> | <b>19.687</b>            |
| Financial result                                   |               |                          |                     |              | -7.419        | -5.699        | -7.419        | -5.699                   |
| Taxes  |               |                          |                     |              | -9            | -36           | -9            | -36                      |
| <b>NET RESULT</b>                                  | <b>9.637</b>  | <b>13.743</b>            | <b>10.068</b>       | <b>7.794</b> | <b>-9.331</b> | <b>-7.585</b> | <b>10.374</b> | <b>13.952</b>            |

### Key figures

| BUSINESS SEGMENT                          | Offices    |            | Logistic properties |            | TOTAL      |            |
|---|------------|------------|---------------------|------------|------------|------------|
| in thousands €                            | 30.06.2012 | 30.06.2011 | 30.06.2012          | 30.06.2011 | 30.06.2012 | 30.06.2011 |
| Fair value of investment properties       | 370.459    | 364.800    | 224.365             | 175.940    | 594.824    | 540.740    |
| Investment value of investment properties | 379.720    | 373.920    | 230.053             | 180.421    | 609.773    | 554.341    |
| Total leasable space (m <sup>2</sup> )    | 231.109    | 231.109    | 407.611             | 322.112    | 638.720    | 553.221    |
| Occupancy rate (%)                        | 85 %       | 84 %       | 88 %                | 83 %       | 86 %       | 84 %       |

## Principles for preparation of 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 2011.

## Evolution of investment properties

|  | Investment properties |                |
|--|-----------------------|----------------|
| in thousands €   | 30.06.2012            | 30.06.2011     |
| <b>Amount at the end of the preceding financial year</b> | <b>581.305</b>        | <b>526.680</b> |
| Acquisitions of investment properties                    | 7.966                 | 7.730          |
| Investments in existing investment properties            | 5.718                 | 2.290          |
| Changes in fair value of investment properties (+/-)     | -165                  | 4.040          |
| <b>Amount at the end of the semester</b>                 | <b>594.824</b>        | <b>540.740</b> |

Acquisitions of investment properties are related to the investment on 29 May 2012 of € 7,9 million for the acquisition of the long-lease rights of the second distribution center in Oevel.

Investments in existing investments properties in the first semester of 2012 are related mainly to the renovation works in Herentals Logistics 1 (€ 0,8 million), the delivery of the offices in Herentals Logistics 2 (€ 1,7 million) and the extension of Biocartis at Intercity Business Park in Malines (€ 1,9 million).

## Overview of future minimum rental income

For an update of the future minimum rental income on 30 June 2012 is referred to the description of the evolution of the portfolio in paragraph 1.1. and 1.4 (supra) of the Interim management report.

## Non-current and current liabilities

An update of the financial structure of Intervest Offices & Warehouses as at 30 June 2012 is provided in paragraph 1.7. (supra) of the Interim management report.

No new credit agreements or new hedging instruments/interest rate swaps have been concluded in the first semester of 2012.

As mentioned in the Annual report 2011, the credit facility agreements which expired at the beginning of 2012, have been replaced by additional withdrawals of already existing credit facility agreements.

## Off-balance sheet obligations

In the first semester of 2012, there have been no changes in the off-balance sheet obligations of the property investment fund as described in note 26 of the Financial report of the Annual report 2011.

## Post-balance sheets events

There are no significant events to be mentioned that occurred after the closing of the accounts as at 30 June 2012, except for:

- ✓ the agreement with Peugeot concluded in July 2012 for the redevelopment of a part of the logistic site Neerland 1 in Wilrijk, whereby the property investment fund has contracted an off-balance sheet obligation of approximately € 3,3 million (see point 1.1 Operational activities of the Interim management report)
- ✓ the agreement with Estée Lauder and UTi Belgium concluded in July 2012 for the extension of the logistic site in Oevel, whereby the property investment fund has contracted an off-balance sheet obligation of approximately € 3,3 to € 3,8 million (see point 1.1 Operational activities of the Interim management report).

## 2.7 Statutory auditor's report

INTERVEST OFFICES & WAREHOUSES SA,  
PUBLIC PROPERTY INVESTMENT FUND UNDER BELGIAN LAW  
LIMITED REVIEW REPORT ON THE CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH  
PERIOD ENDED 30 JUNE 2012

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 Interinvest Offices & Warehouses SA, public property investment fund under Belgian law ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2012.

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 international financial reporting standard IAS 34 - *Interim Financial Reporting* as adopted by the European Union.

Our limited review of the interim financial information was conducted in accordance with international standard ISRE 2410 - *Review of interim financial information performed by the independent auditor of the entity*. 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 International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on the interim financial information.

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 2012 is not prepared, in all material respects, in accordance with IAS 34 - *Interim Financial Reporting* as adopted by the European Union.

Antwerp, 30 July 2012

The statutory auditor,

DELOITTE Bedrijfsrevisoren / Reviseurs 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, the board of directors, composed of Paul Christiaens (chairman), Jean-Pierre Blumberg, Nick van Ommen, Johan Buijs, Daniel van Dongen and Thomas Dijkstra, declares that according to its 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 & Warehouses sa and the companies included in the consolidation
- b) the Interim 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 30 July 2012.

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

INTERVEST OFFICES & WAREHOUSES SA, public property investment fund under Belgian law,  
Jean-Paul Sols - CEO or Inge Tas - CFO, T + 32 3 287 67 87, [www.intervestoffices.be](http://www.intervestoffices.be)