

ANNUAL REPORT 2007



INTERVEST
OFFICES

FINANCIAL CALENDAR

Announcement annual results as at 31 December 2007: Tuesday 19 February 2008

General meeting of shareholders: Wednesday 2 April 2008 at 4.30 pm

Dividend payable: as from Friday 18 April 2008

Announcement results as at 31 March 2008: Tuesday 13 May 2008

Announcement half year results as at 30 June 2008: Tuesday 5 August 2008

Announcement results as at 30 September 2008: Monday 3 November 2008

KEY FIGURES

INVESTMENT PROPERTY	31.12.2007	31.12.2006
Total lettable area (m ²)	505.363	452.168
Occupancy rate (%)	92 %	92 %
Fair value of investment properties (€ 000)	565.043	506.741
Investment value of investment properties (€ 000)	579.475	519.653
BALANCE SHEET INFORMATION	31.12.2007	31.12.2006
Shareholders' equity (€ 000)	348.521	333.102
Debt ratio RD 21 June 2006 (max. 65 %) (%)	39 %	45 %
RESULTS (€ 000)	31.12.2007	31.12.2006
Net rental income	41.083	42.414
Property management costs and income	445	590
Property result	41.528	43.004
Property charges	-4.040	-3.840
General costs and other operating cost and income	-1.241	-1.344
Operating result before result on the portfolio	36.247	37.820
Result on the portfolio	13.036	18.464
Operating result	49.283	56.284
Financial result	-9.556	-12.041
Taxes	-29	-38
Net result	39.698	44.205
DATA PER SHARE	31.12.2007	31.12.2006
Number of shares	13.900.902	13.882.662
Number of shares entitled to dividend	13.900.902	13.882.662
Net asset value (fair value) (€)	25,07	23,99
Net asset value (investment value) (€)	26,11	24,92
Gross dividend (€)		1,87
Net dividend (€)	1,65	1,59
Share price on closing date (€)	29,65	28,47
Premium to net asset value (fair value) (%)	18 %	19 %

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LETTER TO THE SHAREHOLDERS

Dear shareholder,

The financial and operating results of Intervest Offices for the year 2007 are very satisfying.

The property investment fund succeeded to let the real estate portfolio grow with an investment value of € 43 million. During the first half year of 2007 we have acquired the building Exiten (3.881 m²) in Zellik as well as the tower building of Mechelen Campus (15.400 m²). During the second half of 2007 we succeeded to acquire the Siemens Site in Herentals (40.000 m²). This investment provides a guaranteed net rental income till the end of 2010 and offers an interesting development potential.

The value of the portfolio, without these new investments, experiences in 2007 a considerable revaluation (€ 13 million). The semi-industrial buildings increase in value with € 10 million. The value of the office portfolio rises with € 3 million.

The occupancy rate of Intervest Offices remains stable at 92 %, thanks to an active asset management. Expiring leases are entirely compensated by new lease contracts. Intervest Offices could also maintain in 2007 the permanently high occupancy rate of its semi-industrial portfolio of 96 % and performs herewith better than the average. In this logistic segment the property investment fund has realised one of the most important lease transaction of the market by re-letting the semi-industrial building in Wommelgem (24.719 m²) at rental prices conforming the market.

The distributable operating result (excluding the result on the portfolio) amounts to € 26,7 million, which enables us to offer you for 2007 a gross dividend per share of € 1,94 compared to € 1,87 in 2006. This means an increase of the distributable earnings per share of nearly 4 %. Herewith the gross dividend yield for 2007 of the property investment fund amounts to 6,7 %.

Last stock market year and particularly the second half of the year have been very stirring. The subprime crisis has occasioned important corrections of share prices, from which defensive values such as property investment funds could not escape. The share price of Intervest Offices resisted well within this context.

On 31 December 2007, the debt ratio amounts to 39 %. Due to the changes of the RD of 21 June 2006, the maximum debt ratio for the property investment funds increased to 65 %. This offers for the future an interesting investment potential without having to appeal to the capital market.

On the short-run Intervest Offices will once more aim to guarantee the rental revenues from the existing buildings for a longer period by extending the duration of the leases in consultation with the tenants. The growth of the rental income is also high on the agenda and will amongst others be realised by the further reduction of the vacancy and by attracting new tenants.

The next years we wish to extend the position of Intervest Offices as important player on the office market and the semi-industrial market.

We thank our shareholders for the confidence they have placed in our management and our collaborators for their efforts.

The board of directors



Reinier van Gerrevink
Managing director

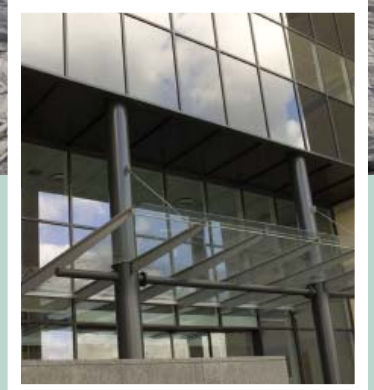


Jean-Pierre Blumberg
Chairman of the board of directors





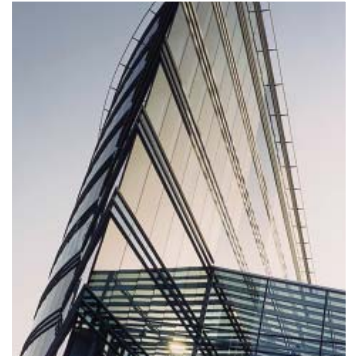
Inter Acces Park
Dilbeek



Park Station
Diegem

REPORT OF THE BOARD OF DIRECTORS

Mechelen Business Tower
Malines



PROFILE

Interinvest Offices invests in high-quality Belgian business property which is leased to first-class tenants. The property in which is invested, consists mainly of up-to-date buildings that are strategically located outside town centres. In order to optimize the risk profile, investments in town centres could also be considered. Investments in semi-industrial properties fit in the same objective.

The current portfolio consists of 72 % offices and 28 % semi-industrial premises. The total fair value as at 31 December 2007 amounts to € 565 million (investment value € 579 million).

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

INVESTMENT POLICY

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

The property investment fund maintains an investment policy focused on high-quality business properties which are leased to first-class tenants. These properties do not require major repair work in the short term and are situated at strategic locations by preference on the axis Antwerp – Brussels. Other locations are taken into consideration as far as they benefit the stability of the rental income.

Business property in this sense means not only office buildings, but also semi-industrial buildings, warehouses and high-tech buildings. In principle, there are no investments in residential and retail properties.

Interinvest Offices' aim is to make its share more attractive by guaranteeing a high liquidity, by expanding its property portfolio and by improving the risk spread.

Liquidity of the share

Liquidity is determined by the extent to which the shares can be traded on the stock market. Companies with high liquidity are more likely to attract important investors, which improves growth opportunities.

High liquidity allows new shares to be issued more easily (in the event of capital increases, contributions of property or mergers), which is also of major importance to growth.

To improve its liquidity, Interinvest Offices has concluded a liquidity agreement with ING Bank. The liquidity of most Belgian property investment funds is fairly low. One important reason for this is that these funds are often too small - in terms of both market capitalisation and free float - to gain the attention of professional investors. In addition, shares in property investment funds are generally purchased as longer-term investments rather than on a speculative basis, which reduces the number of transactions.

During 2007, the free float of the share decreased from 48,9 % to 45,3 %.

Expansion of the property portfolio

A large portfolio clearly offers a number of benefits:

- it helps to **spread the risk** for the shareholders. Potential geographic fluctuations in the market can be absorbed by investing in real estate throughout Belgium. This also means that the company is not dependent on one or a small number of major tenants or projects.
- the achieved **advantages of scale** allow the portfolio to be managed more efficiently, with the result that a greater amount of operating profit can be distributed. It concerns, for instance, the costs of maintenance and repair, the long term renovation costs, consultancy fees, publicity costs, etc.
- if the size of the total portfolio increases, this **strengthens the management's negotiating position** in discussing new terms of lease and offering new services, alternative locations, etc.

- it allows a specialised management team to use its knowledge of the market to pursue an innovative and creative policy, resulting in **an increase of shareholder's value**. This makes it possible to realise growth, not only in terms of the number of properties let, but also in the value of the portfolio. This kind of active management can lead to the renovation and optimisation of the portfolio, negotiations on new terms of lease, an improvement in the quality of the tenants, the offering of new services, etc.

The board of directors takes extreme care to ensure that all growth is in the exclusive interest of the shareholders. In particular, the board of directors will remain alert on any form of conflict of interest with the majority shareholder.

Each acquisition must be checked against the following criteria:

Property-related criteria:

1. quality of the buildings (construction, finishing, number of parking spaces)
2. location/accessibility/visibility
3. quality of the tenants
4. respect for the legal provisions and regulations (permits, soil pollution, etc.)
5. the Brussels office market or other large cities
6. potential for re-rental.

Financial criteria:

1. increase in earnings per share
2. exchange ratio based on net asset value (investment value)
3. prevention of dividend yield dilution.

Improvement of risk spread

Interest Offices tries to spread its risk in a variety of ways. As such, tenants often operate in widely divergent sectors of the economy, such as the computer industry, media, consultancy, telecommunications, travel and the food industry.

Furthermore, the expiry dates and first interim expiry dates of the leases are monitored to be relatively well spread.

CORPORATE GOVERNANCE

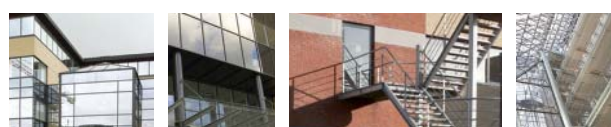
General

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

Since 1 January 2005 directives are applicable in Belgium concerning corporate governance for companies quoted on the stock exchange, summarized in the “Belgian Corporate Governance Charter” of the Lippens Commission.

Interest Offices strictly respects the principles of the Corporate Governance Charter. From the terms of the code is only derogated when specific circumstances requires it. In this case the derogation is explained in accordance to the “comply or explain” principle.

The complete ‘Corporate Governance Charter’ that sets out in writing the important internal procedures for the administrative bodies of Interest Offices can be consulted on the company website (www.intervest.be).





Composition and operation of the board of directors

The board of directors comprises 6 members, 3 of which are independent directors. The directors are appointed for a period of 3 years, but their appointment can be revoked at any time by the general meeting.



Jean-Pierre Blumberg
Chairman, independent director
 Plataandreef 7
 2900 Schoten
 Term: April 2010
 Managing partner
 Linklaters De Bandt



Reinier van Gerrevink
Director (managing as from 1 January 2008)
 Bankastraat 123
 NL-2585 EL 's Gravenhage
 Term: April 2008
 Chief executive officer
 VastNed Group



Hubert Roovers
Managing director
 Franklin Rooseveltlaan 38
 NL- 4835 AB Breda
 Term: April 2008
 Managing director
 Invest Retail sa



Nick van Ommen
Independent director
 Beethovenweg 50
 NL-2202 AH Noordwijk aan Zee
 Term: April 2010
 Director of companies



Joost Rijnboutt
Independent managing director
 Leopold de Waelplaats 28/42
 2000 Antwerpen
 Term: Till 31 December 2007
 Managing director
 Invest Retail sa



Hans Pars
Director
 Platolaan 44
 NL- 3707 GG Zeist
 Term: April 2010
 Chief investment officer
 VastNed Group

In 2007, Joost Rijnbouts and Huub Roovers have been charged with monitoring the day-to-day management, in application of article 4 § 1 5° of the RD of 10 April 1995 on property investment funds. As from 1 January 2008, Reinier van Gerrevink has been appointed as managing director in succession to Joost Rijnbouts.

During the financial year 2007, Reinier van Gerrevink, Hans Pars and Hubert Roovers have represented the majority shareholder VastNed Offices/Industrial.

According to the decision of the general meeting of 4 April 2007, the mandate of Joost Rijnbouts has ended at his request on 31 December 2007. The board of directors thanks Joost Rijnbouts heartily for his contribution during many years to the board of directors of Intervest Offices. Joost Rijnbouts has been replaced as independent director by means of cooptation as from 1 January 2008 by European Maritime Surveys Organisation sprl (abbreviated EMSO sprl) with business manager and permanent representative Prof. dr. Chris Peeters.



EMSO sprl, permanently represented by Prof. dr. Chris Peeters
Independent director

Jan Moorkensstraat 68, 2600 Berchem
Cooptation as from 1 January 2008
Transport economist, managing director Policy Research Corporation sa

The board of directors has met ten times in 2007. All directors have attended all meetings, except for Hans Pars on 7 May 2007, Reinier van Gerrevink on 31 October 2007 and Nick van Ommen on 5 December 2007.

The most important items on the agenda in 2007 have been:

- Approval of the quarterly, half-yearly and annual figures
- Approval of the annual accounts and the statutory reports
- Approval of the budgets and the business plan 2008
- Discussion on the real estate portfolio (investments and disinvestments, tenancy issues, valuations, etc.)
- Acquisition of Mechelen Tower, Exiten and Herentals Logistics
- Merger of Intervest Offices with Zuidinvest sa and Mechelen Campus 3 sa
- Composition of the audit committee and change of the chairman of the board of directors
- Cooptation of director EMSO, sprl, permanently represented by Prof. dr. Chris Peeters

Composition and operation of the audit committee

The audit committee comprises three directors: Nick van Ommen (chairman), Jean-Pierre Blumberg and Hans Pars. As from 1 January 2008 Hans Pars has been replaced by EMSO sprl, permanently represented by Prof. dr. Chris Peeters. The term of their mandate in the audit committee is not specified.

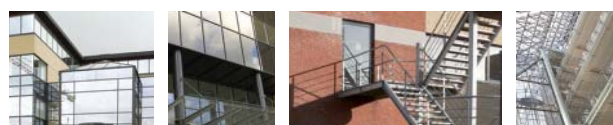
The audit committee met four times in 2007. All the members attended all meetings, except for Hans Pars on 7 May 2007.

The most important items on the agenda in 2007 have been:

- Discussion on the quarterly, half-yearly and annual figures
- Analysis of the annual accounts and statutory reports
- Discussion on the budgets
- Analysis of the recommendations of the statutory auditor
- Analysis of the internal control systems of the company

The committee reports its conclusions and recommendations directly to the board of directors.

The members do not receive any additional remuneration for this mission, apart from their normal director's fee.





The management committee

In 2007, the management committee is composed as follows:

- Sprl Jean-Paul Sols, represented by Jean-Paul Sols, chief executive officer, chairman of the management committee
- Inge Tas, chief financial officer
- Reinier van Gerrevink, managing director

Under article 524bis of the Company Code and article 15 of the company's articles of association, the board of directors transferred certain management powers. The rules pertaining to the composition and operation of the management committee are described in more detail in the company's Corporate Governance Charter that can be consulted on the website (www.intervest.be).

Remuneration

The directors representing the majority shareholder have waived a director's fee. The independent, non-executive directors receive an annual fixed fee.

The fixed fees in 2007 amount to:

- € 15.000 per annum as chairman of the board of directors
- € 14.000 per annum as member of the board of directors
- € 0 per annum as member of a committee
- € 0 per annum for performing the role of chairman of a committee

Since the management committee in 2007 only comprises two people who are remunerated for their performance, the board of directors is, for reasons of privacy, of the opinion that a joint disclosure of the total remuneration package is sufficient here and that the individual remuneration of the ceo (and therefore that of the other committee member) does not need to be disclosed.

The amount of the remuneration allocated in 2007 to the members of the management committee and the managing director is € 230.219 and a variable remuneration of € 39.000.

In the financial year 2007, no shares or share options have been allocated to the members of the management committee.

The members of the management committee are appointed for an indefinite period and the dismissal compensation is equivalent to twelve months to eighteen months fixed fee.

Statutory auditor

The statutory auditor, appointed by the general meeting of shareholders, is Deloitte Bedrijfsrevisoren BV in the form of co-operative partnership, which is represented by Rik Neckebroeck, company auditor.

Property surveyors

The property portfolio is valued each quarter by three independent surveyors, namely: Jones Lang LaSalle, Cushman & Wakefield and de Crombrugge & Partners.

Compliance officer

According to the principles 3.7. and 6.8. as well as appendix B of the Belgian Corporate Governance code the company nominated Inge Tas, member of the management committee and cfo as "Compliance officer", charged with the supervision on the compliance of the rules on market abuse. These rules are imposed by the Law of 2 August 2002 concerning the supervision on the financial sector and the financial services and Directive 2003/6/EC concerning insider trade and market manipulation.

Conflicts of interest

If a director, because of his other board mandates, or for any other reason, has an interest of a nature relating to property law that is in conflict with a decision or action that pertains to the authority of the board of directors, article 523 of the Belgian Company Code will be applied and the director in question will be asked not to take part in the debate on decisions or actions, or in the vote (article 523 in fine). In the event of a possible conflict of inte-

rest with a majority shareholder of the company, the procedure of article 524 of the Company Code shall apply. At the same time, reference should be made to the RD of 10 April 1995, Section 3, articles 22 to 27 on avoiding conflicts of interest.

In this frame the board of directors wishes to mention that the procedure for avoiding conflicts of interest has been applied in July 2007 with the acquisition of the shares of Mechelen Campus 3 sa. It is referred to note 27 of the financial report for a more detailed description of the applied procedure.

“Comply or explain” principle

In 2007 a derogation of the following terms of the code mentioned below occurred (explain):

Terms 5.3 and 5.4 on the operation of the committee (incl. appendix D & E)

The board of directors has decided not to set up an appointment committee or a remuneration committee. The board sees the relevant tasks of these committees as tasks of the full board of directors. The limited size of the board makes an efficient debate on these subjects possible.

Management committee

The management committee does not comprise all executive directors. Because of the specificity of the composition of the management committee (and article 4 § 1 5° of the RD of 10 April 1995 on property investment funds that expressly requires that two directors supervise the day-to-day management) this is a derogation from clause 6.2.

Remuneration

As stated above, as long as the management committee only comprises two remunerated members, the board of directors will give priority to clause 7.16. at the expense of clause 7.15. As a result, the fees of the two remunerated members of the executive management will only be disclosed jointly and not separately.

RISK MANAGEMENT

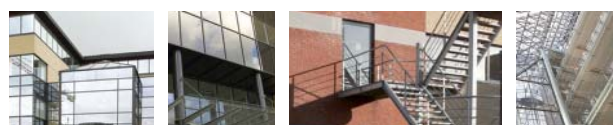
In 2007, the board of directors of Intervest Offices has once more paid a lot of attention to risk management within the company. Strategic risk management gives on a systematic, structured and proactive way, a view of the opportunities and threats of the company and leads to the determination of important management measures and management systems.

On the base of COSO, the reference frame for internal control that has been developed by ‘The Committee of Sponsoring Organizations of the Treadway Commission’ (COSO), Intervest Offices has identified the risks mentioned below and linked them to adequate management measures.

Strategic risks

These risks are in a large measure determined by the strategic choices made by Intervest Offices in order to limit the sensibility to external factors. The size of these risks is determined by the strategic choices regarding the investment policy, as the choice of:

- **type of real estate:** basically the choice is made to invest in the office sector, where to be able to anticipate the office cycle, a minimum percentage of investments in offices in liquid real estate markets, a maximum exposure of investments in a certain location/region, a maximum risks in relation to the yield are pursued. Besides investing in offices, it is possible to invest in well let semi-industrial and logistic spaces.
- **Period of investment:** on the basis of the knowledge of the economic and real estate cycles it is attempted to anticipate as good as possible to the upward and downward movements of the markets.



Operating risks

These risks arise from the daily transactions and (external) events which are executed within the strategic frame, such as:

- **investment risks:** within Intervest Offices internal control measures have been taken to limit the risk of wrong investment decisions. A precise evaluation is made of the risk profile on the basis of market research, the evaluation of the future yields (return), a screening of the existing tenants, a study of the environmental and permit requirements, an analysis of the fiscal risks, etc.
- **rental risks:** these risks are related to the type and location of the property, the extent in which it must compete with the neighbouring buildings, the quality of the property, the quality of the tenant and the lease. Intervest Offices makes continuously an inventory of the development of these factors. On a regular base a risk profile is attributed to each property (on the base of own local knowledge and information of external valuers). In function of the risk profile a certain return on a certain period has to be realised that is compared to the expected return on the basis of the internal return model. On this basis, an analysis is made in which project additional investments have to be made, where the tenant mix has to be adapted and which buildings have to be taken into consideration for sale. Besides, each quarter the vacancy and the vacancy risk are analysed, considering the expiry dates of the leases. Within the rules of the current lease legislation a balanced spread of the duration of the leases is pursued. In this way it is possible to anticipate in time to future lease resignations and contract reviews.
- **cost control – risks:** the risk exists that the net return on real estate is influenced negatively by high operational costs and investments. Within Intervest Offices different internal control measures are applied which limit this risk, such as the periodical comparison of maintenance budgets with the reality and approval procedures for contracting maintenance and investment obligations.
- **debtor's risks:** within Intervest Offices clear procedures apply for screening tenants when new leases are concluded. At the conclusion of leases, guarantees are paid or bank guarantees are deposited. Besides internal control procedures have been installed to guarantee that lease receivables are recovered in time and that lease arrears are effectively followed up. The financial and property administration controls conscientiously the lease arrears to limit them.
- **Legal and fiscal risks:** contracts to be signed with third parties are, as the complexity requires it, checked with external advisors, in order to limit the risk of financial and reputation damage as a result of inadequate contracts. Further, Intervest Offices is assured against liabilities resulting from its activities or its investments. Tax law plays an important role for investment in real estate (VAT, registration rights, exit tax, ground rent tax in case of split acquisitions, withholding tax, ..., etc.). These tax risks are continuously monitored and where necessary supported by external advisors.

Financial risks

- **Financing risk:** the real estate portfolio can be financed partly with shareholders' equity and partly with borrowed capital. A relative increase of borrowed capital compared to shareholders' equity can result in a higher return (so called 'leverage'), but also in an increased risk. In case of disappointing returns from properties and decreases in value the risk exists that a high degree of leverage interest and instalment requirements of borrowed capital and other payment obligations can not be met. Financing with new borrowed capital can in this case not be obtained or at very unfavourable conditions. To be able to fulfil the payment obligations properties then have to be sold, incurring the risk that it can not be realised at the most favourable conditions. The value development of the office portfolio is mainly determined by developments on the real estate market. Intervest Offices aims at a balanced ratio for the financing of its real estate with shareholders' equity and borrowed capital.

Besides Intervest Offices aims to secure the access to the capital market through providing transparent information and regular contacts with bankers and (potential) shareholders and through the increase of the liquidity of the share. Finally for long term financing, a balanced spread of the refinancing dates and a weighted average duration between 3,5 and 5,0 year is targetted.

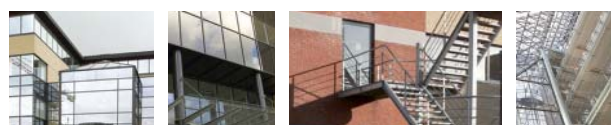
- **liquidity risk:** Intervest Offices has to generate sufficient cash flow to satisfy its daily payment obligations. On the one hand, this risk is limited by the measures described under operational risks, whereby the risk of losing cash flows by, for instance, vacancy, bankruptcy of tenants is limited. Intervest Offices must, on the other hand, dispose of sufficient credit facilities in order to face fluctuations in liquidity needs. Therefore cash flow forecasts are made. Besides, Intervest Offices has foreseen enough credit facilities at its bankers to face these fluctuations. To be able to call on this credit facilities, the conditions of bank facilities must permanently be met.
- **rental risk:** as a result of the financing with borrowed capital, the return also depends on the developments of the interest rate. To limit this risk by composition of the borrowed portfolio, a relation of one third short term borrowed capital and two third long term borrowed capital (with fixed interest rate) is pursued. Depending on the developments of the interest rates it can be temporary deviated from. Besides, within the long term borrowed capital a balanced spread of the dates of review of the interest rates and the duration of minimum 3 years. During 2006 a number of interest rate swaps has been concluded with duration of 5 year to limit the interest rate risk.

Compliance risk

This contains the risk that important laws and regulations are not adequately complied with and that employees do not act honestly. Intervest Offices limits this risk by making employees conscious of this risk and it takes care that they are sufficiently informed of the modifications of important laws and

regulations, supported by external legal advisors. In order to guarantee an honest company culture Intervest Offices has already drawn up in the past an internal code of conduct and a whistleblower's code.

Intervest Offices spends adequate attention to the control of the above mentioned risks. Intervest Offices remains, regarding its dimension, a limited organisation without separate internal audit department. Due to the limited complexity of the daily transactions and the short reporting and communication lines, the board of directors estimates this adequate from a point of view of risk management.





Aartselaar Lease Company
Aartselaar

REPORT OF THE MANAGEMENT COMMITTEE



MARKET REPORT¹

The office market

The Brussels office market and the periphery

Take-up

In 2007 the take-up on the Brussels office market (including the periphery) amounts approximately to 524.000 m² compared to largely 600.000 m² last year and more than 680.000 m² in 2005.

The weaker performance of the Brussels office market is attributed to the limited take-up of office spaces by the European institutions. In the periphery, where the buildings of Intervest Offices are located the take-up of 141.055 m² is higher than the average of the last 7 years.

Three-quarter of the take-up has to be attributed to the private sector and one quarter to the public sector. The take-up of the service sector concerns mainly locations outside the CBD (65 %) and more specifically the periphery. The tendency of migration of companies from the Brussels territory to the periphery continues.

The take-up of the private sector increases less in Brussels than in other European capital cities.

In 2007, 470 lease contracts have been signed with companies; for more than half of these cases it concerns small office spaces of less than 499 m².

Availability and future supply

During the third quarter of 2007, the vacancy rate reached the lowest level since 2003, namely 9,5 %. The year 2007 finally finished with a total vacancy rate of 9,8 % which is 20 base points lower than in the fourth quarter of 2006. For 2008 the speculative offer remains under control and it is expected that the total vacancy rate will fluctuate around 10 %.

In 2007, a total of 248.716 m² office spaces has been added to the rental market, or 38 % below the five year's average of 399.000 m².

In the periphery, the vacancy decreased to 18,5 % (21,2 % end 2006). The expected deliveries in 2008

are estimated at only 35.213 m², contributing to the further decrease of the vacancy in 2008.

Rents and yields

The top rents that are reached in Brussels lie around € 300/m²/year. These prices are recorded during the first quarter of 2007 at the Place Schuman and the Square de Meeûs in the Leopold quarter.

Globally the annual rents in the top quartile remained stable during all the year 2007, at € 209/m²/year. The prime rents in the periphery amount to € 165/m²/year. The average rent lies around € 130/m²/year.

After the record investment level of 2007 in Belgium, the top yields for leases with a duration of 6 years decreased with 50 base points. In the Brussels CBD top yields for leases for 3/6/9 years lie around 5,5 %. Top yields in the periphery lie around 6,25 %.

At the end of 2007, the first rumours about yield decompression were spread however few market references can be found.

The Antwerp office market

Supply

Antwerp is, after Brussels, the second most important office market in Belgium. Joint initiatives of the city of Antwerp, Voka Chamber of Commerce Antwerpen-Waasland and the real estate sector must lead to an energetic promotion of Antwerp for the location of head offices. Especially if it concerns head offices located in the Benelux, the strategic location of Antwerp is an undeniable asset.

Presently, the office stock approaches 1,85 million m². In Antwerp, the vacancy rate amounts to about 8,7 %. Top rents lie around € 140/m²/year.

In 2007, approximately 40.500 m² office space has been delivered in Antwerp. For 2008, it is expected that around 38.100 m² will be added to the market.

¹ The market report is based on information from Jones Lang LaSalle, CB Richard Ellis, DTZ and Expertise.

Demand

The take-up reaches about 105.373 m² and remains herewith almost stable compared to 2006.

Investments and yields

Also this year the investment market has been very active in Antwerp. More than 170.000 m² changed from owner on the Antwerp market, representing an investment volume of about € 428 million.

Several important transactions of more than € 50 million have been recorded, which is exceptional for the Antwerp office market.

Top yields (3/6/9 leases) also decreased on the Antwerp office market to about 6,2 %. In 2006 top yields still lied between 6,75 % and 6,5 %.

The Malines office market

The rental market

Malines is located on the axis Antwerp – Brussels, one of most important economic axes of Belgium. Intervest Offices occupies as owner of 115.797 m² offices in Malines a very strong market position. Intervest Offices is the owner of Mechelen Business Tower (let to EDS), Mechelen Campus and the largest part of Intercity Business Park.

The office market of Malines is characterised by a large number of qualitative buildings, from a technical point of view (newly build, the newest techniques such as air conditioning and modern architecture) as well as from geographic point of view (easily accessible by public transport and located along the E19 between Brussels and Antwerp).

The stock is presently estimated at about 245.000 m². Besides, important developments of about 139.000 m² are planned for the coming years.

In 2007, the office take-up amounts to 15.800 m². The average yearly take-up over the last 7 years amounts to 16.800 m².

The top rent lying between € 125 to 130/m²/year remains unchanged compared to 2006 and is reached for buildings such as Mechelen Campus. The average rent in Malines lies around € 115/m²/year.

Investments and yields

There is a vivid interest from investors for Malines. The most important transaction has been the acquisition by Intervest Offices of Mechelen Tower and building F of Mechelen Campus.

The semi-industrial property market

The market of semi-industrial real estate or warehousing market consists of two segments: the logistics market and the semi-industrial market.

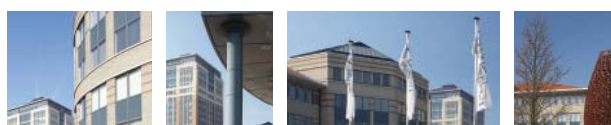
The logistic market focuses on large (European or national) distribution centres (> 5.000 m²) and logistic centres (> 10.000 m²). These buildings have sufficient loading wharfs (1 per 1.000 m²), a minimum free height of 8 metres and the floors have a minimum load bearing capacity of 3 tonnes/m². The office section is also limited (< 10 % of the total constructed surface area).

There are four major axes in this market:

- Brussels-Antwerp (top location)
- Antwerp-Ghent
- Antwerp-Limburg-Liège
- Mons-Charleroi-Liège

Belgium still occupies a first range position for logistic activities thanks to its central location, its good infrastructure and a high qualified working market.

The **semi-industrial market** consists mainly of individual units measuring a maximum of 5.000 m². The number of loading wharfs and cargo ports is limited and the office section occupies up to 50 % of the total constructed surface area. The most significant concentration is the Golden Triangle (Brussels – Antwerp – Ghent) including Waals-Brabant. Other important clusters are located in the vicinity of the E313 including Herentals, Geel and Laakdal, Liège and Charleroi.



The rental market

In 2007, the rental market of semi-industrial buildings and logistic buildings has performed well. The total take-up amounts to 1.045.000 m². With 713.000 m², the take-up of logistic spaces corresponds to the average take-up. The take-up of semi-industrial spaces has doubled compared to 2006.

Top rents increase by approximately 6,4 % for the logistic buildings and remain stable for the semi-industrial buildings.

The axis Antwerp-Brussels is the most important location for the logistic sector. Rents lie between € 43/m²/year and € 50/m²/year. In this region about 301.000 m² logistic spaces are rent.

The most important axis is Antwerp-Limburg-Liège. Rents lie between € 40/m²/year and € 43/m²/year. In this region about 160.000 m² have been taken up.

The supply for 2008 is important and amounts to about 673.000 m², from which 68 % are already let. Risk development is therefore rather limited.

The investment market

Logistic as well as semi-industrial buildings have again increased in value in 2007. Top yields for logistic buildings lie presently around 6 % and the most expensive semi-industrial buildings are sold at a yield of 6,75 %.

In 2007 a record amount of € 444 million has been invested in semi-industrial buildings and logistics. This represents about 9 % of all investments in real estate.

The interest from domestic as well as foreign investors still grows. The contribution of foreign investors presently reaches approximately 34 %.



Exiten
Zellik



Mechelen Campus Tower
Malines

IMPORTANT DEVELOPMENTS IN 2007

Investments

In 2007, Intervest Offices has succeeded to invest a considerable part of the liberated financial means from the sale of five office buildings end 2006 in high qualitative buildings with a good return. In 2007, three real estate transactions have been concluded, two in office buildings and one on the semi-industrial/logistic market.

The total investment value for these three transactions amounts to € 43 million and generates about € 3,2 million additional rental income for 2008.

Acquisition office building “Exiten”

End May 2007, Intervest Offices has obtained the control over Zuidinvest sa, owner of the “Exiten” office building with an occupancy rate of 96 % for an amount of € 8.490.000 and a gross initial yield of 7,35 %

It concerns an ideally located office building, highly visible and close to exit 10 of the Brussels Ring road in Zellik. The office is easily accessible with public transport (train and bus connections at walking distance). For years, Intervest Offices is already familiar with this region as the fully let Inter Access Park is also located here.

“Exiten” has been developed by CIP sa in 2002. The building has an attractive architecture according to the design of the architects’ firm M&M Jaspers, J. Eysers and Partners.

The building has a lettable surface of 3.880 m² and is rented for 96 % to five tenants, namely Gras Savoye, IFM Electronic, Interelecta, Sapsa Bedding and Interbati. For the vacant space, a rental guarantee has been obtained from the sellers till 30 June 2008. The gross rental income amounts to € 624.000 on a yearly basis. From the end of May 2007, the investment contributes to the distributable operating result of 2007 with a rental income of € 0,4 million.

Acquisition office building “Mechelen Campus Tower”

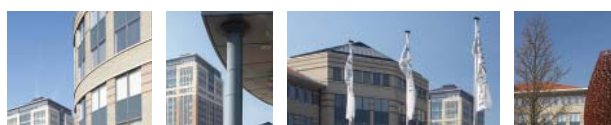
Mid 2007, Intervest Offices has purchased the majority of the shares of the real estate company Mechelen Campus 3, owner of two office buildings in Mechelen in the ‘Mechelen Campus’ business park.

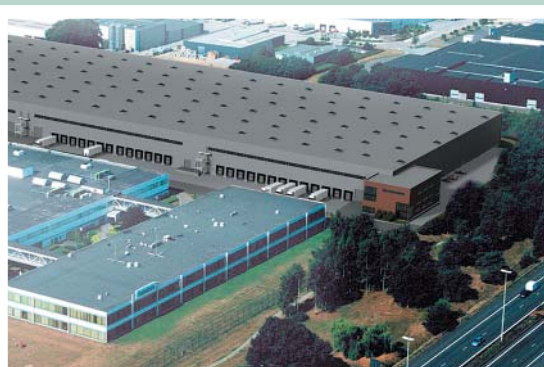
The acquired office buildings have a lettable surface area of 15.400 m², of which 12.800 m² are for the account of Mechelen Campus Tower and 2.600 m² for the adjacent office building. These office buildings form the final phase of the acquisition of the entire site of Mechelen Campus, of which the other office buildings are already owned by Intervest Offices.

The office buildings are let for about 80% at a rental income which is conforming the market. Mechelen Campus Tower is partly let to Borealis Polymers, a prominent international producer of synthetic materials. The adjacent office building is entirely let to the pharmaceutical company Tibotec-Virco (a subsidiary of Johnson & Johnson).

These two office buildings offer an initial rental income of € 2,1 million on an annual basis. As from 1st of July, these office buildings contribute to the operating result of Intervest Offices with a rental income of € 1 million. For the vacant spaces a rental guarantee is granted by the seller, Uplace Group sa, for a duration of 2 years, from 1st July 2007 on.

The investment value of the property amounts to € 26,8 million (fair value € 26,1 million). The acquisition results from the framework convention concluded in the past between VastNed Offices Belgium and Uplace Group. With the payment of a premium of € 0,5 million to VastNed Offices Belgium, Intervest Offices sa has acquired the right to purchase the shares of Mechelen Campus 3 sa and has bought these shares directly from Uplace Group sa. In accordance with article 524, § 1, 1° of the Company code and article 24, § 1, 3° of the RD of 10 April 1995 concerning property investment funds, Intervest Offices has respected the procedures related to the conflicts of interest (see note 27 of the financial report).





Acquisition Herentals Logistics

At the end of November 2007, Intervest Offices has acquired the present operational main office of Siemens located along the Atealaan in Herentals and concluded a framework convention for the acquisition of the adjacent vacant land parcels along the motorway E313. These parcels are meant for the future development of 40.000 m² logistic buildings, which will be realised by Intervest Offices in two phases as from the beginning of 2008.

Intervest Offices has acquired with both transactions 14 hectare of the Siemens site which covers a total surface area of 18 hectare. On the part of the site that is not acquired by Intervest Offices, new office buildings of Siemens-Nokia Networks are constructed.

The existing Siemens building is located on a total surface area of 79.767 m². This acquisition comprises the purchase of the shares of Nieuw Temse Recycling sa. The economic transfer took place on 30 November 2007. Furthermore, a management agreement has been concluded with the sellers whereby Intervest Offices benefits from a fixed rental income of € 500.000 per year till December 2010. At the expiry of the management agreement two options are possible: demolition of the building for the redevelopment of a new and larger distribution centre of about 40.000 m² or further optimization of the present building and re-rental.

The framework convention for the acquisition of the logistic development concerns in a first phase the construction of 20.000 m² (2 units of 10.000 m²). The delivery is presently planned for August 2008. This part of the transaction comprises the purchase of the shares of Edicorp sa, foreseen after the delivery of the logistic object. The economic transfer of the building and the entire land (62.335 m²) will take place at the time of the acquisition of the shares. After the transfer of the shares, Intervest Offices obtains during one year a rental guarantee, conforming market conditions.

In a later phase, Intervest Offices can proceed on

this land to a further development of 20.000 m² logistic buildings for its own account (2 units of 10.000 m²).

The investment value of the transaction amounts to about € 8 million for the acquisition of the existing building (which is lower than the value determined by the independent property expert) and € 15 million for the first phase of the logistic development. The transaction contributes directly to the operating result of 2007. The net initial yield after the complete development of the logistic site will amount to about 7%.

The building to be constructed comprises all characteristics of a state of the art distribution centre. The logistic development will be realised by Cordeel, a company specialised in industrial constructions.

With this acquisition the property investment fund has acquired an ideal located site on one of the important logistic corridors in Belgium, near the access of the E313 and with high visibility. This acquisition offers a perfect relation risk/yield through the combination of fixed direct rental income and the future development potential.

Disinvestments

At the end of 2006 Intervest Offices has proceeded to the disinvestment of five office buildings with a transaction value of € 92,5 million. This disinvestment concerns the office parks Greenhill Campus, Airway Park, Atlas Park and two individual office buildings. As a result of this disinvestment the rental income decreases in 2007 with about € 2,5 million compared to the financial year 2006. 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.

During the first quarter of 2007, Intervest Offices has obtained the fiscal ruling and finalized the transaction whereby the transfer of the financial

means for an amount of € 92,5 million has taken place in the second quarter of 2007.

Furthermore, Intervest Offices has not proceeded during the year 2007 to disinvestments in its portfolio.

Rentals

Offices

• New tenants

In 2007, new lease contracts have been concluded with less rental incentives, which shows a gradual recovery of the market. In the office portfolio of the property investment fund new leases have been signed for a total surface area of 6.242 m² during 2007, attracting 15 new tenants. The most important transactions have been concluded in Gateway House in Antwerp (1.173 m² to Apcoa and 411 m² to CRH Construction Accessoires Europe), in Intercity Business Park in Malines (1.843 m² to Fanuc Robotics Benelux) and on Mechelen Campus (1.009 m² to Sungard Benelux).

• Renewals by end of lease, extensions and prolongation of leases

In the office portfolio, 26 transactions have been renegotiated for a surface area of 12.325 m². Important transactions are the renewal of 1.918 m² by Euromex in De Arend, an extension of 1.089 m² by Tibotec on Mechelen Campus and an prolongation for 2.680 m² by IBS on Latem Business Park.

Semi-industrial

New tenants

In the semi-industrial portfolio the most important transaction has been the lease concluded with PGZ Belgium for a surface area of 24.719 m² with a fixed duration of 10 year in a logistic building in Wommelgem. The rent is lower than the previous rent but the obtained rent of € 42/m²/year (storage) and € 92/m²/year for the offices corresponds to the rent applicable for new or recent buildings on this location.

• Renewals by end of lease, extensions and prolongation of leases

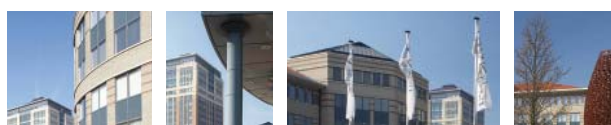
In the semi-industrial portfolio, leases have been renegotiated for a surface area of 7.412 m² in 3 transactions. The most important transactions are the prolongation for a surface area of 5.500 m² by Völlers in Antwerp and the extension for a surface area of 1.744 m² by Brico in Berchem-Sainte-Agathe.

Merger of 18 October 2007

On 18 October 2007, the extraordinary general meeting of shareholders approved the merger by acquisition by Intervest Offices sa of two limited liability companies, i.e. Mechelen Campus 3 sa (owner of the 'Mechelen Campus Tower' building) and Zuidinvest sa (owner of the 'Exiten' building).

The merger of Mechelen Campus 3 has been realised through the issue of 17.093 new shares Intervest Offices. The merger of Zuidinvest is realised through the issue of 1.147 new shares Intervest Offices. The new shares are entitled to dividend from 1 January 2007. All 18.240 new shares are allocated to Belle Etoile sa, a subsidiary of VastNed Offices/Industrial. After the merger, the share capital of Intervest Offices is represented by 13.900.902 shares and amounts to € 126.725.150,79.

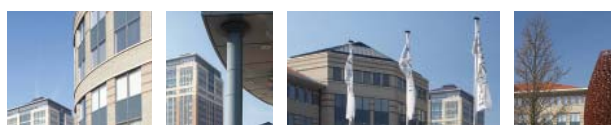
This merger can be seen as a formal and logical step as Intervest Offices has already previously acquired approximately 95 % of the shares of the companies Mechelen Campus 3 sa and Zuidinvest sa and this as a part of the further extension of the real estate patrimony of Intervest Offices.



SUMMARY OF THE ACCOUNTS

INCOME STATEMENT <i>in thousands €</i>	2007	2006
Rental income	41.205	42.527
Rental related expenses	-122	-113
Property management costs and income	445	590
Property result	41.528	43.004
Property charges	-4.040	-3.840
General costs and other operating income and expenses	-1.241	-1.344
Operating result before result on the portfolio	36.247	37.820
Result on disposals of investment properties	0	-2.181
Changes in fair value of investment properties	13.036	20.645
Operating result	49.283	56.284
Financial result	-9.556	-12.041
Taxes	-29	-38
Net result	39.698	44.205
RESULT PER SHARE	2007	2006
Number of ordinary shares in circulation	13.900.902	13.882.662
Net earnings per ordinary share (in €)	2,86	3,18
Distributable earnings per share (in €)	1,94	1,87

BALANCE SHEET <i>in thousands €</i>	31.12.2007	31.12.2006
ASSETS		
Non current assets	569.601	511.244
Intangible assets	121	101
Investment properties	565.043	506.741
Other tangible fixed assets	316	401
Financial fixed assets	4.107	2.899
Trade receivables and other non current assets	14	1.102
Current assets	7.724	97.100
Assets held for sale	0	92.500
Trade receivables	3.833	2.338
Tax receivables and other current assets	1.726	479
Cash and cash equivalents	684	510
Deferred charges and accrued income	1.481	1.273
Total assets	577.325	608.344
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	348.521	333.102
Non current liabilities	208.436	267.241
Provisions	1.169	1.416
Non current financial debts	206.840	265.412
Other non current liabilities	427	413
Current liabilities	20.368	8.001
Provisions	410	424
Current financial debts	14.678	1.212
Trade debts and other current debts	3.096	1.998
Other current liabilities	401	2.847
Accrued charges and deferred income	1.784	1.520
Total shareholders' equity and liabilities	577.325	608.344



COMMENTS ON THE ACCOUNTS²

Dividend Intervest Offices increases in 2007 from € 1,87 to € 1,94 per share

Income statement

At the end of 2006 the property investment fund proceeded to the sale of five office buildings with an important vacancy. In 2007 the liberated financial means have been used for the reinvestment in the office buildings Exiten and Mechelen Campus Tower and in the logistic complex Herentals Logistics. As a result of this reorganisation of the real estate portfolio of the property investment fund, the rental income slightly decreases in 2007 with 3 % to € 41,2 million (€ 42,5 million). In 2007, the occupancy rate of the real estate portfolio remains stable and amounts on 31 December 2007 to 92 % (92% at the end of 2006).

On 31 December 2007, the property charges amount to € 4,0 million (€ 3,8 million). This rise is mainly due to the increase of the technical costs for maintenance works and the increase of the commercial costs resulting from the marketing efforts of the property investment fund. The general costs and other operating income and expenses amount to € 1,2 million which is € 0,1 lower than previous year.

In 2007, the fair value of the real estate portfolio of the property investment fund Intervest Offices shows a revaluation of € 13,0 million (€ 20,6 million). This increase in value results from the important demand on the investment market, mainly for semi-industrial buildings.

The financial result improves considerably to - € 9,5 million (- € 12,0 million) due to the significant decrease in 2007 of bank overdrafts as a result of the sale transaction end 2006. Furthermore, in spite of the important rise of the short-term interest rates, Intervest Offices has maintained its average interest rate lower than in 2006 by the refinancing of its credit facilities at the beginning of 2007 at considerable more attractive conditions and by the use of interest rate swaps. On 31 December 2007 these interest rate swaps have a market value of € 4,1

million (€ 2,9 million). The increase of the market value of these financial instruments results from the rise of the interest rates in 2007. Finally, the property investment fund has received at the beginning of 2007 moratory interests for an amount of € 0,8 million from the sale transaction of five of its office buildings. Hence, the settlement of this sale transaction has in totality a one-time positive effect on the net result of the investment property fund of € 0,2 million. The average interest rate amounts to 4,1 % in 2007 compared to 4,4 % in 2006.

As a result of the important decrease of the financial charges and in spite of the lower rental income, the distributable operating result of Intervest Offices has strongly improved in 2007. Taking into account the 13.900.902 shares, this means for the financial year 2007 a gross dividend of € 1,94 per share compared to € 1,87 in 2006. This represents an increase of the dividend with nearly 4 % per share.

The net result of the property investment fund for the financial year 2007 is € 4,5 million lower and amounts to € 39,7 million, compared to € 44,2 million in 2006. This net result can be divided in € 26,7 operating result (€ 25,7 million) and € 13,0 million result on the portfolio (€ 18,5 million). The decrease of this net result is due to the lower non-realised capital gains on the real estate portfolio resulting from the valuation of external independent property experts.

Assets

On 31 December 2007, the fair value of investment properties amounts to € 565 million (€ 507 million on 31 December 2006). This rise is due to the increase in value of the existing buildings for € 13 million and the acquisition of the Exiten building for € 8 million, the Mechelen Campus Tower building for € 27 million, the semi-industrial building of Herentals Logistics for € 8 million, as well as the investments within the portfolio.

The other tangible fixed assets consist of € 0,3 million in furniture and fixtures, vehicles and equipment.

² Comparable figures 31 December 2006 between brackets.

The financial fixed assets for an amount of € 4,1 million represent the current market value of the financial instruments (IRS) which Intervest Offices concluded at the beginning of the financial year 2006 as hedging for the variable interest rates on the long-term financial debts. The increase of the market value of these financial instruments results from the rise of the interest rates in 2007.

The current assets amount to € 8 million and consist of € 4 million trade receivables, € 1 million in tax receivables and other current assets, € 0,7 million on cash on bank accounts and € 1 million of deferred charges and accrued income. The sales value of 5 sold buildings has been classified on 31 December 2007 as assets held for sale (under current assets) for an amount of € 92,5 million.

Liabilities

Shareholders' equity of the property investment fund amounts to € 349 million. The share capital (€ 126,7 million) has increased in 2007 with € 6.000 as a result of the merger carried out on 18 October 2007. The share premium remains unchanged compared to prior year.

The reserves amount to € 141 million and mainly consist of unrealized gains as a result of the valuation of the property portfolio at investment value. These non-distributable reserves have increased by € 15 million compared to prior year, due to the increase in value of the real estate in 2007.

Conform to the Beama-interpretation of IAS 40 (publication of the Belgian Association of Asset Managers of 8 February 2006), the real estate portfolio is valued at fair value instead of investment value, resulting in an adjustment of shareholders' equity that amounts to € 14 million on 31 December 2007.

In 2007, the total amount of shares increased with 18.240 units as a result of the merger by acquisition carried out on 18 October 2007 with the limited liability companies Zuidinvest sa and Mechelen Campus 3 sa. Consequently, on 31 December 2007

the number of shares amounts to 13.900.902. All 18.240 new shares are allocated to Belle Etoile sa, subsidiary of VastNedOffices/Industrial sa. The new shares are entitled to dividend in the result of Intervest Offices as from 1 January 2007.

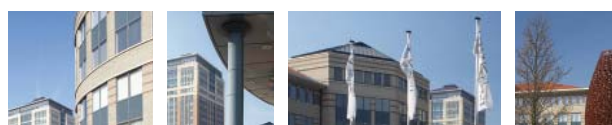
On 31 December 2007 the net asset value (fair value) of the share amounts to € 25,07 (€ 23,99 on 31 December 2006). Given that the share price on 31 December 2007 is € 29,65, the Intervest Offices share is quoted with a premium of 18 % compared to this net asset value (fair value).

The non-current liabilities decrease, compared to prior year with € 59 million to € 208 million due to the lower amount of bank overdrafts. The non-current provisions amount to € 1 million and consist of provisions for rental guarantees and for fiscal disputes in connection with the non tax-deductibility of provisions and the retroactivity of mergers. The non-current financial debts amount to € 207 million and consist of long-term bank loans at a fixed or variable interest rate, covered by financial instruments. The other non-current liabilities (€ 0,4 million) consist of cash guarantees received from tenants and miscellaneous debts.

The current liabilities increase by € 12 million and amount to € 20 million on 31 December 2007. These current liabilities consist of € 0,4 million of provisions for rental guarantees, for € 15 million of current financial debts (bank loans with an expiry date in 2008), for € 3 million of trade debts and invoices to be received for € 0,4 million of current liabilities, and finally for € 1,8 million in accrued charges and deferred income.

With the refinancing, the use of financial instruments and the received moratory interest from the sale transaction, the average interest rate paid for the financial year 2007 decreases considerably and amounts to 4,1 % compared to 4,4 % in 2006.

According to the calculation method of article 6 of the RD of 21 June 2006, the debt ratio amounts to 39 % on 31 December 2007 (45 % on 31 December 2006).





PROFIT DISTRIBUTION 2007

The board of directors proposes to distribute the consolidated profit for the financial year follows:

In million €

Profit of the financial year	€ 39.698
transfer of the result on the portfolio to the reserves not available for distribution	- € 13.036
profit to be carried forward	€ 26.662

To the general meeting of shareholders on 2 April 2008, will be proposed to distribute a gross dividend of € 1,94 per share. This is € 1,65 net after deduction of 15 % withholding tax. Taking into account 13.900.992 shares which will participate in the full result for the financial year this means a distributable dividend of € 26.967.750.³

The dividend is higher than the required minimum of 80 % of the net profit as the property investment fund in accordance with its policy pays out 100% of the distributable profit in 2007.

The dividend will be payable as of 18 April 2008. As far as the bearer shares are concerned, this can be on submission of dividend certificate number 9.

³ As legally speaking only the profit of the statutory annual accounts can be distributed and not the consolidated profit the present profit distribution has been based on the statutory results.

OUTLOOK FOR 2008

This summer the credit and liquidity problems originating in the United States, which have affected the international financial market and mainly the weakened American labour market, overshadow the economic outlook in Europe. The underlying foundations seem however strong enough to keep up the European expansion phase. Traditionally the Belgian economy will follow. Most indicators show that the best in this cycle is behind us, but confirm that the economic growth will stay at around 2 %. Meanwhile the Belgian real estate and mortgage market remains healthy. American situations are therefore excluded. Besides, the long lasting government negotiations have on the short run no economic repercussion, but imply that crucial structural measures will not be taken⁴.

For the short range Intervest Offices aims to improve the quality of the portfolio by investing the financials means, coming from the sale end 2006 of five office buildings, in high qualitative buildings with a good return. Investment opportunities are permanently examined so that also in 2008 a further growth of the fund is considered.

In this frame Intervest Offices has concluded a framework convention for the acquisition of the adjacent vacant land parcels along the motorway E313 on the Siemens site in Herentals. These parcels are meant for the future development of 40.000 m² logistic buildings, which will be realised by Intervest Offices in two phases as from the beginning of 2008. The first phase concerns the construction of 20.000 m². The delivery is presently planned for August 2008 whereby Intervest Offices benefits from a rental guarantee during one year conforming market conditions. In a later phase, Intervest Offices can proceed on this land to a further development of 20.000 m² logistic buildings for its own account. The investment value of the transaction amounts to € 15 million for the first phase of the logistic development. The net initial yield after the complete development of the logistic site will amount to about 7%. The transaction contributes directly to the operating result of 2008.

Further, Intervest Offices will once more aim in 2008 to secure the rental revenue from the existing buildings for a longer period by extending the duration of the leases in agreement with the tenants.

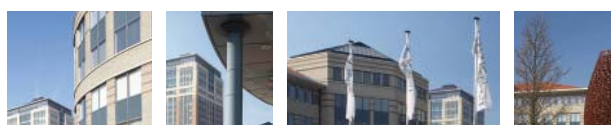
The growth of the rental income is also high on the agenda. This will be realised by reducing the vacancy and by attracting new tenants.

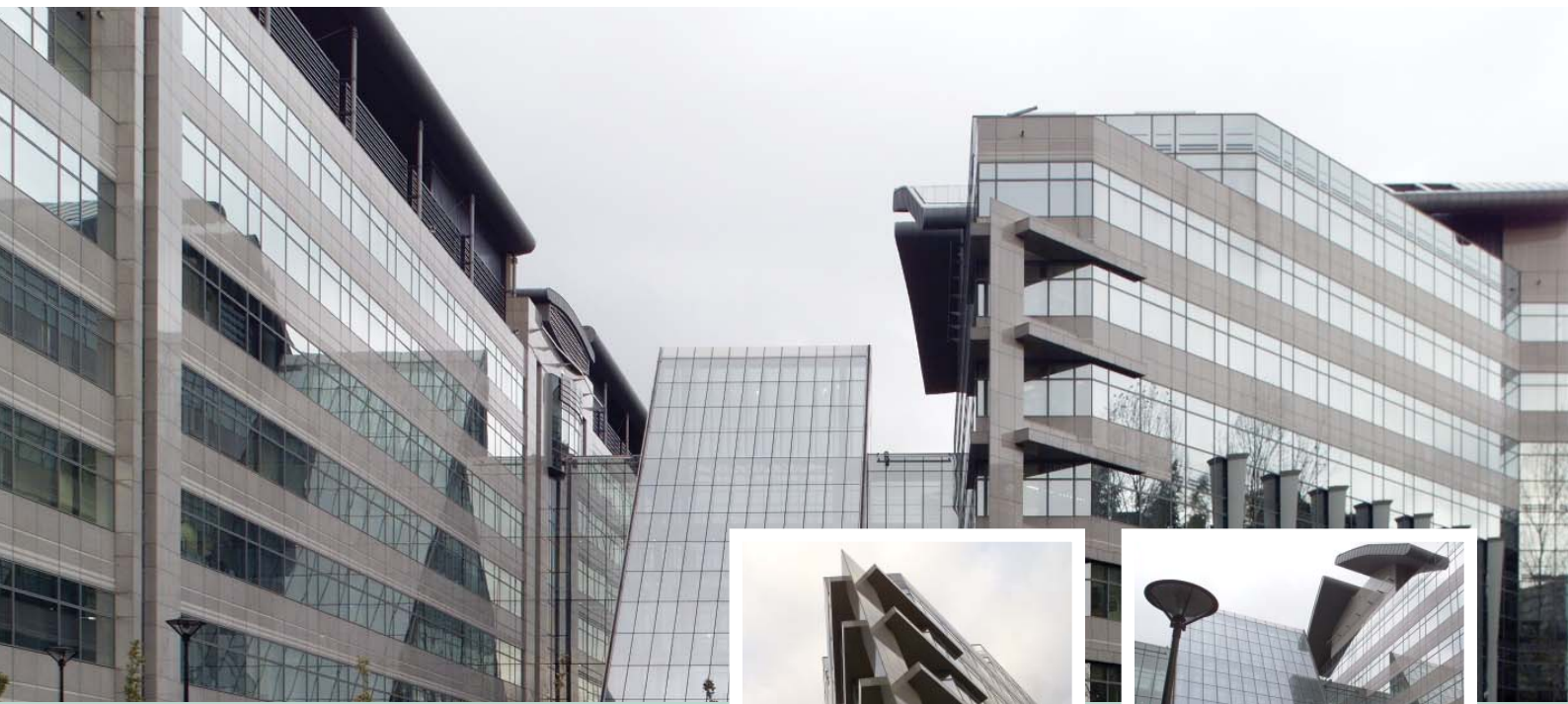
The relation and partnership with the real estate agents is therefore very important. A lot of attention is paid to this, by maintaining good professional relations as well as by offering commercial incentive programs.

Intervest Offices also presents itself as partner to its tenants in case of growth and changing needs concerning the housing of their offices. If no appropriate solution can be found within the portfolio of Intervest Offices, tenants are guided by Intervest Offices to the development of new buildings which can be included in the portfolio of the property investment fund. This approach allows to offer an added value to the project developers.

On the medium term Intervest Offices aims to extend its position as important player in office buildings in the periphery and in semi-industrial properties.

⁴ KBC Asset Management – Economical outlook 2007 – 4th quarter 2007.





Woluwe Garden
Sint-Stevens-Woluwe

REPORT ON THE SHARE



STOCK MARKET INFORMATION

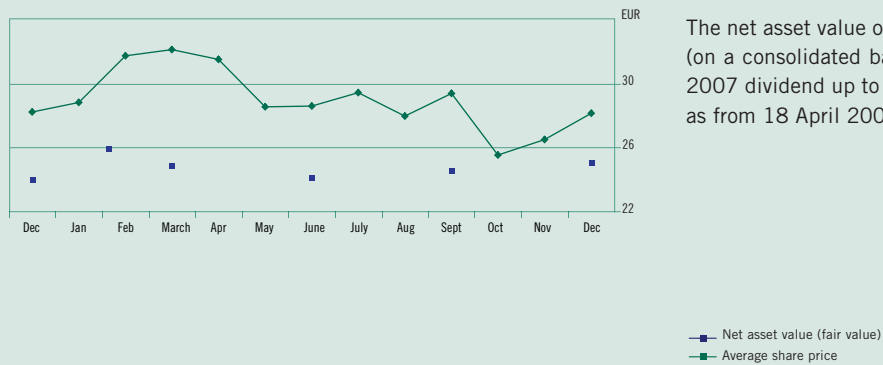
EVOLUTION OF THE SHARE PRICE



In 2007 the share price was subject to a certain amount of fluctuation. At its lowest point it reached € 25,10 (29 October) and at its highest € 32,90 (13 April). The decrease at the end of April is explained by the payment of the dividend over the financial year 2006. The decrease during the months September and October results from the credit crisis in the United States. The share price of Interest Offices resisted hereby better than the sector.

■ Share price Interest Offices €

PREMIUM INTEREST OFFICES



The net asset value of Interest Offices (on a consolidated basis) includes the 2007 dividend up to the payment date as from 18 April 2008.

■ Net asset value (fair value)
■ Average share price

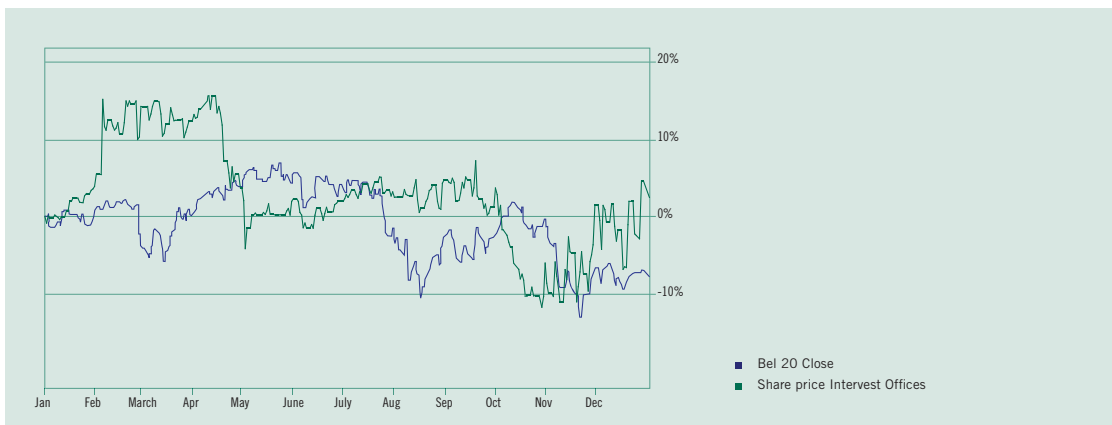
COMPARISON INTEREST OFFICES WITH BEL REAL ESTATE INDEX



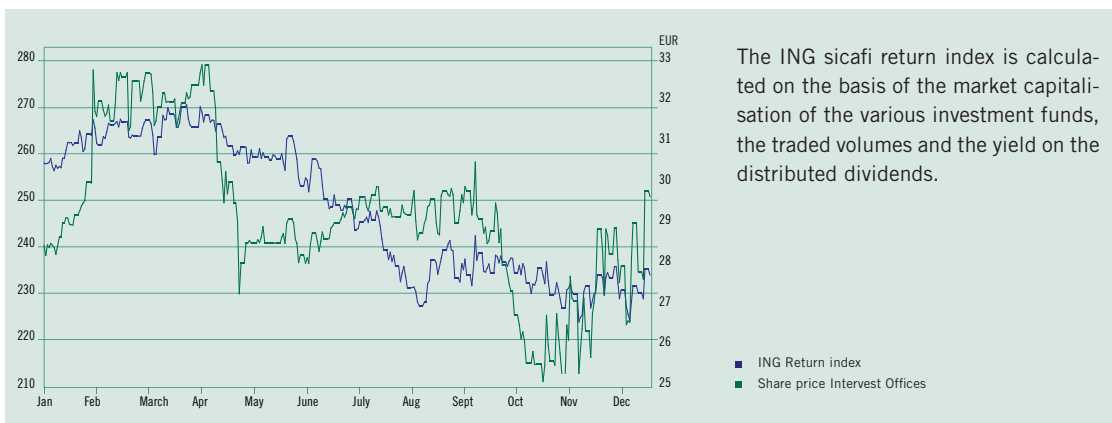
■ Bel Real Estate
■ Share price Interest Offices

The share of Intervest Offices (INTO) is listed on Euronext Brussels and is taken up in the stock market indexes (indices) BEL Real Estate and also EPRA/NAREIT Europe, ING Sicafi-index and GPR 250 Europe

COMPARISON INTERVEST OFFICES WITH BEL CLOSE INDEX

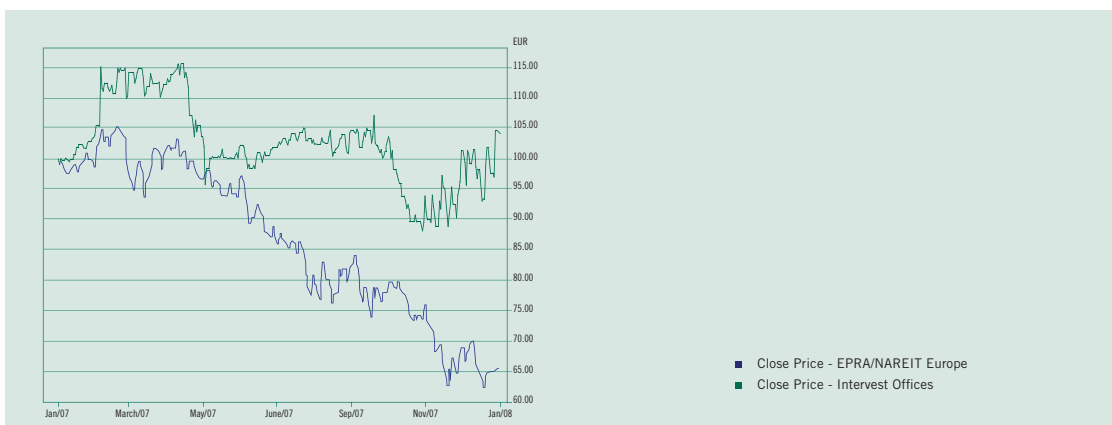


COMPARISON INTERVEST OFFICES WITH THE ING SICAFI INDEX

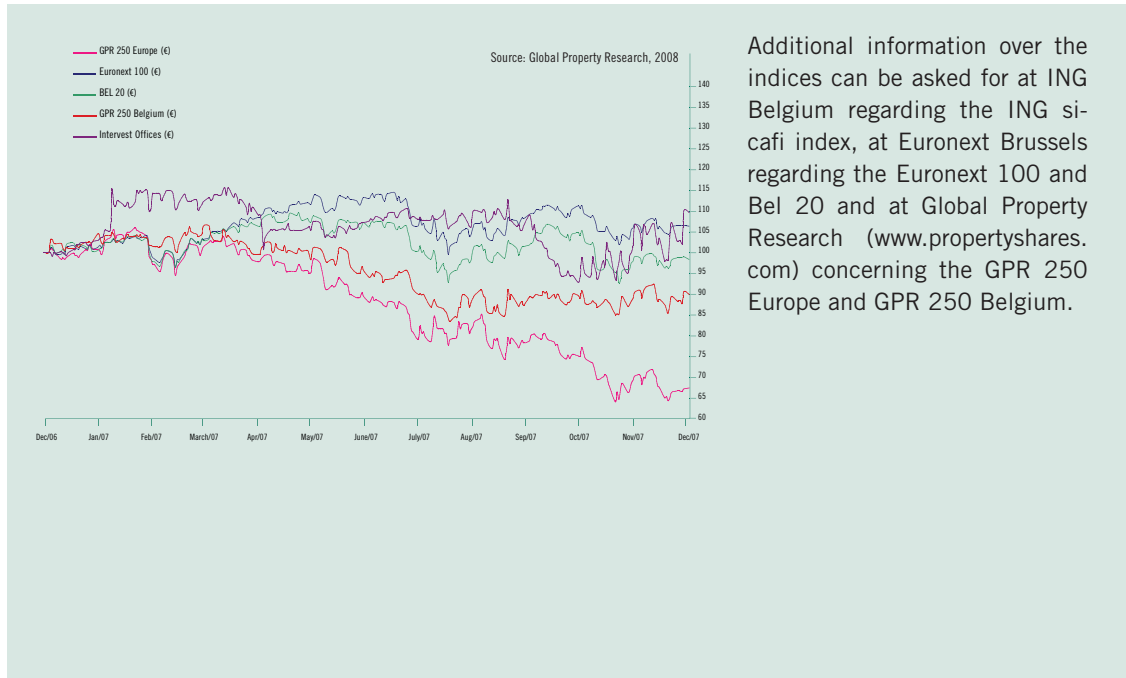


The ING sicafi return index is calculated on the basis of the market capitalisation of the various investment funds, the traded volumes and the yield on the distributed dividends.

COMPARISON INTERVEST OFFICES WITH EPRA/NAREIT EUROPE INDEX

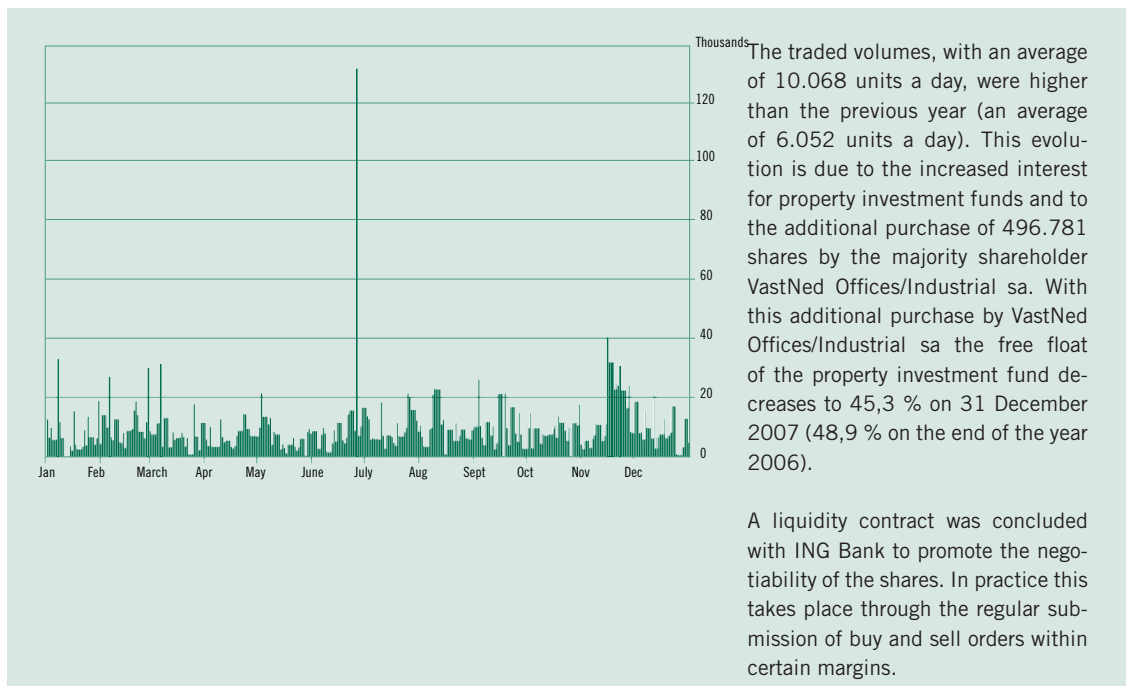


COMPARISON INTEREST OFFICES WITH GPR INDEXES



Additional information over the indices can be asked for at ING Belgium regarding the ING si-cafi index, at Euronext Brussels regarding the Euronext 100 and Bel 20 and at Global Property Research (www.propertyshares.com) concerning the GPR 250 Europe and GPR 250 Belgium.

TRADED VOLUMES INTEREST OFFICES



DIVIDEND AND NUMBER OF SHARES

	31.12.2007
Number of shares at the end of the period	13.900.902
Number of shares entitled to dividend	13.900.902

Share price (€)	31.12.2007
Highest	32,90
Lowest	25,10
Share price on closing date	29,65
Premium to net asset value (fair value) (%)	18 %
Average	29,17

Data per share (€)	31.12.2007	31.12.2006	31.12.2005
Net asset value (fair value)	25,07	23,99	22,50
Net asset value (investment value)	26,11	24,92	23,57
Gross dividend	1,94	1,87	1,90
Net dividend	1,65	1,59	1,62
Dividend yield (%)	6,7 %	6,7 %	7,6 %

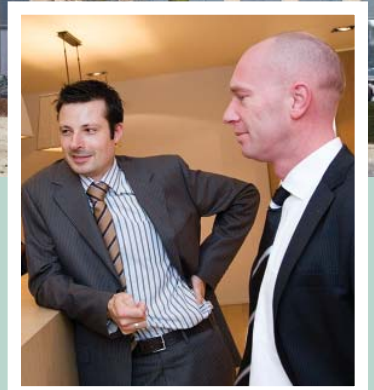
SHAREHOLDERS

As at 31 December 2007 the following shareholders are known to the company:

VastNed Group	7.607.504 shares	54,7 %
VastNed Offices/Industrial sa Max Euwelaan 1 3062 MA Rotterdam – The Netherlands	7.589.263 shares	54,6 %
Belle Etoile sa Uitbreidingstraat 18 2600 Berchem-Antwerp	18.241 shares	0,1 %
Public	6.293.398 shares	45,3 %
Total	13.900.902 shares	100%

In application of article 74 of the public take-over law of 1 April 2007, VastNed Offices/Industrial sa and Belle Etoile sa have informed the CBFA that they act jointly.





Asset Management team
Interest Offices

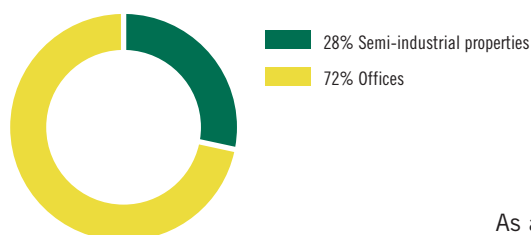
PROPERTY REPORT



SUMMARY OF THE PORTFOLIO

Regions	Surface area offices (m ²)	Surface area storage and others (m ²)	Fair value (€ 000)	Investment value (€ 000)	Commercial rent/ year (€ 000)		Occupancy rate (%)
					Rental income	Rental income + vacancy	
Offices							
Brussels	84.388	2.482	178.469	182.931	12.565	14.366	87 %
E19 (incl. Malines)	104.281	11.516	180.915	185.438	14.264	15.540	92 %
Antwerp	27.289	1.153	41.380	42.414	3.399	3.695	92 %
Other regions	5.350	0	6.104	6.257	545	554	98 %
Total offices	221.308	15.151	406.868	417.040	30.773	34.155	90 %
Semi-industrial properties							
A12 (Brussels - Antwerp)	6.535	113.833	75.112	76.990	5.613	5.684	99 %
E19 (Brussels – Antwerp)	1.354	51.298	29.239	29.970	2.599	2.615	99 %
Ring Antwerp	1.770	28.449	17.507	18.080	1.592	1.592	100 %
Other regions	11.591	54.074	36.317	37.395	2.265	2.632	86 %
Total semi-industrial properties	21.250	247.654	158.175	162.435	12.068	12.522	96 %
TOTAL INVESTMENT PROPERTIES	242.558	262.805	565.043	579.475	42.842	46.677	92 %

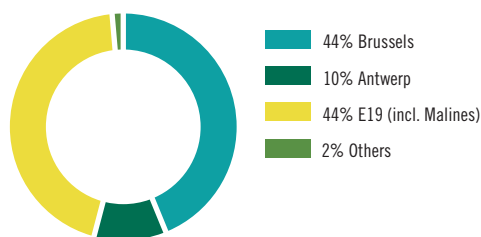
Nature of the portfolio



As at 31 December 2007, the portfolio consists of 72 % of office buildings and 28 % of semi-industrial properties.

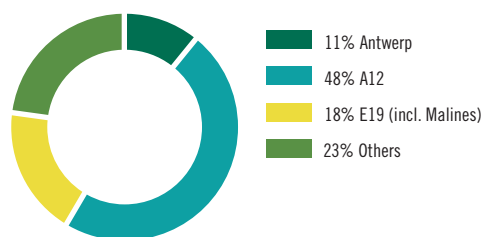
Geographic spread of the portfolio

Offices



The axis Antwerp-Brussels is the most important and liquid office region of Belgium. The share of the other regions has reduced from about 8 % to 2 % since the sale of five office buildings in 2006.

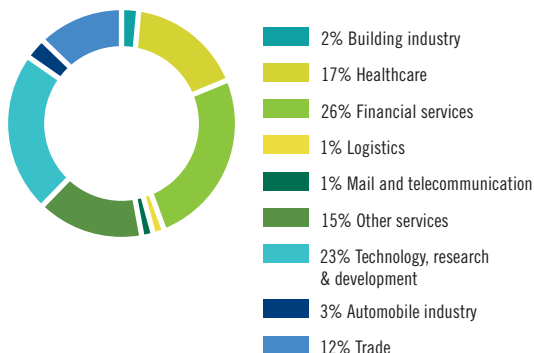
Semi-industrial properties



77 % of the logistic portfolio is located on the axis Antwerp-Brussels which is as a logistic cluster still the outstanding top location. The other 23 % of properties are also located on important logistic corridors such as the axis Antwerp-Liege, the axis Antwerp-Ghent and in Meer near the Dutch border, which is also a traditional transport zone.

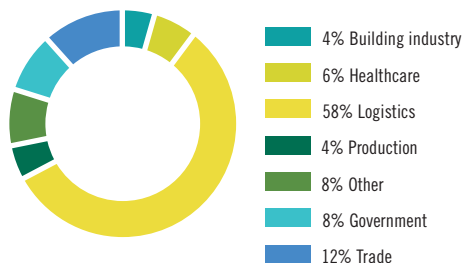
Sector spread of the portfolio

Offices



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

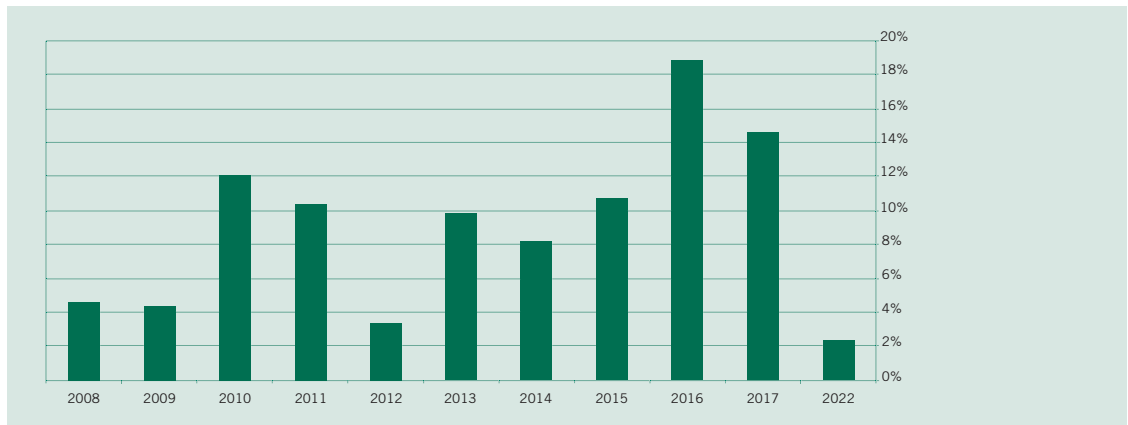
Logistic and semi-industrial properties



42 % of the logistic and semi-industrial portfolio is let to companies from outside the logistic sector which improves the stability of the rental income.

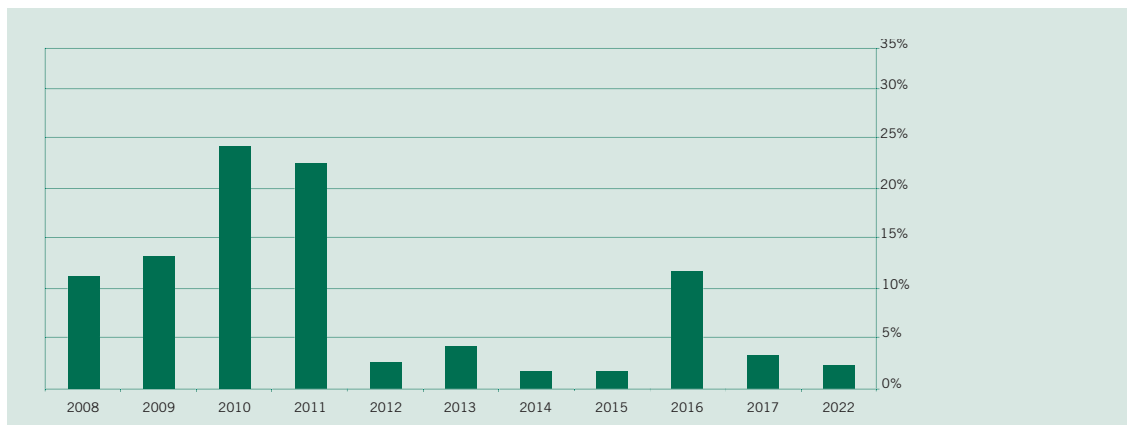


EXPIRY DATE OF LEASE CONTRACTS OF THE ENTIRE PORTFOLIO



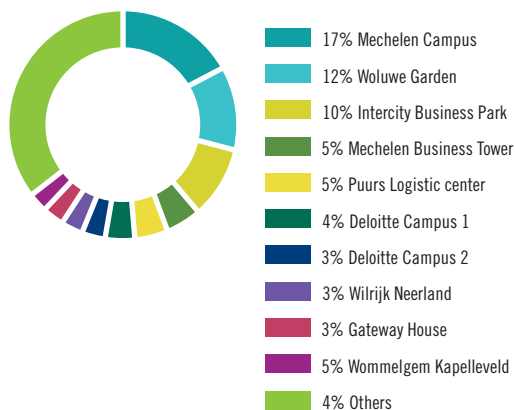
The expiry dates are well spread over the coming years. Many of the contracts run for a fixed period of 9 years or more, which benefits the stability of the portfolio.

FIRST INTERIM EXPIRY DATE OF LEASE CONTRACTS OF THE PORTFOLIO



As most contracts are of the type 3/6/9, the tenants have the possibility to end their contracts every three years. The graph shows the first expiry dates of the rental agreements. Since Intervest Offices has several long-term agreements, not all contracts can be terminated within three years.

RISK SPREAD OF BUILDINGS AND COMPLEXES ACCORDING TO SIZE

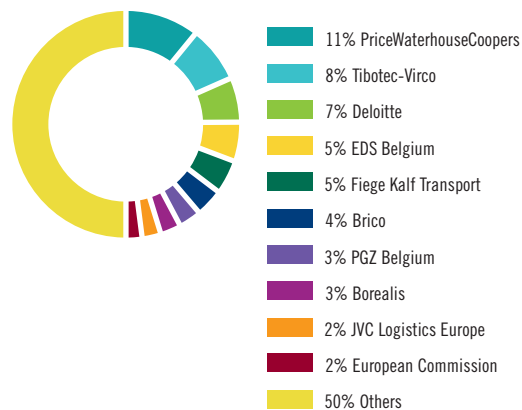


Intervest Offices aims to obtain an optimal risk spread and tries to limit the size of the buildings and complexes.

With a surface area of 60.768 m² and eleven buildings, Mechelen Campus is the largest complex. Woluwe Garden and Intercity Business Park are also complexes comprising different buildings which can be sold separately.

With 12.917 m² and about 5% of the portfolio, Mechelen Business Tower is the most important entity in the global portfolio of the property investment fund.

RISK SPREAD OF TENANTS

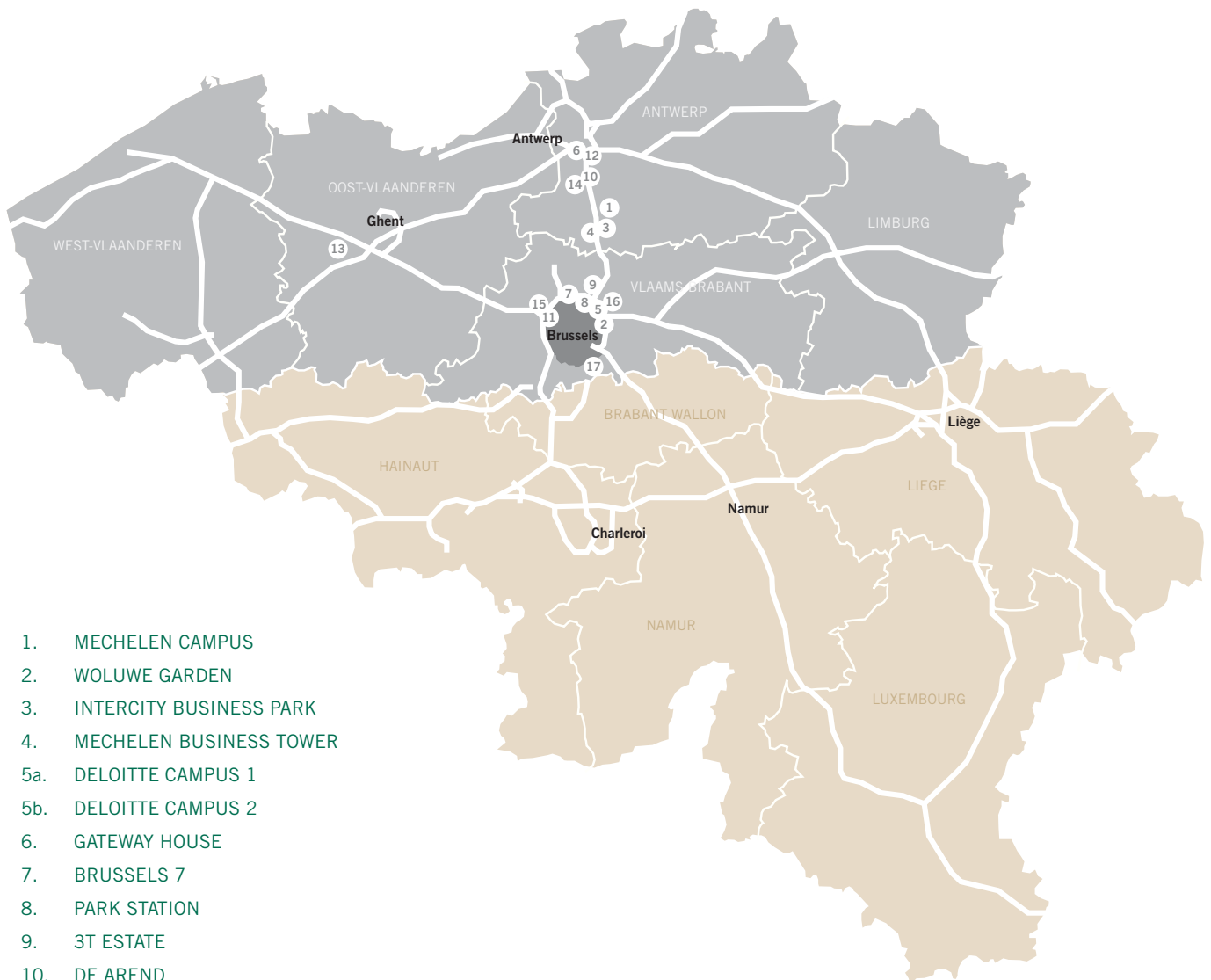


The rental income of Intervest Offices is spread over 196 different tenants, limiting the debtor's risk of Intervest Offices and improving the stability of the rental income. The ten most important tenants represent 50 % of the rental income, and are, apart from the European Commission, always prominent companies in their sector and part of international groups.



DESCRIPTION OF THE OFFICE PORTFOLIO

Location of the offices in Belgium



1. MECHELEN CAMPUS
2. WOLUWE GARDEN
3. INTERCITY BUSINESS PARK
4. MECHELEN BUSINESS TOWER
- 5a. DELOITTE CAMPUS 1
- 5b. DELOITTE CAMPUS 2
6. GATEWAY HOUSE
7. BRUSSELS 7
8. PARK STATION
9. 3T ESTATE
10. DE AREND
11. INTER ACCESS PARK
12. SKY BUILDING
13. LATEM BUSINESS PARK
14. AARTSELAAR LEASE COMPANY
15. EXITEN
16. HERMES HILLS
17. PARK ROZENDAL

Location of the offices in the Brussels periphery



1. MECHELEN CAMPUS



Schaliënhoevedreef 20 A – J,T
2800 Mechelen

Surface area: 60.768 m²

Year of construction: 2000 - 2005

Tenants: Borealis, DHL- Express Line, EMC², Endemol, Cypress, Virco-Tibotec, Imperial Tobacco, Clear2Pay, Bell-Micro, Cochlear and Passage Fitness

Mechelen Campus digitally:

www.mechelencampus.com

2. WOLUWE GARDEN



Woluwedal 18 – 22
1932 Sint-Stevens-Woluwe

Surface area: 25.074 m²

Year of construction: 2000

Tenant: PricewaterhouseCoopers

3. INTERCITY BUSINESS PARK



Generaal De Wittelaan 9-21
2800 Mechelen

Surface area: 42.112 m²

Year of construction: 1993 – 2000

Tenants: Virco-Tibotec, Esoterix, Galapagos, SGS-Medisearch, Pab-Benelux, Logins, Manpower Belgium, Universal Pictures, Street One, Batavus and Tyco

Intercity Business Park digitally:

www.intercitybusinesspark.be

Blarenberglaan 2C
2800 Mechelen

Surface area: 12.917 m²

Year of construction: 2001

Property leasing: The lessee, Electronic Data Systems-Belgium SA (E.D.S.), obtained a purchase option on the building and planting rights, to be exercised no later than six months before the end of the property tenancy agreement on 31 March 2016, at a price equivalent to the market value of the leased property at that time, but at no less than € 6.197.338 (to be indexed).



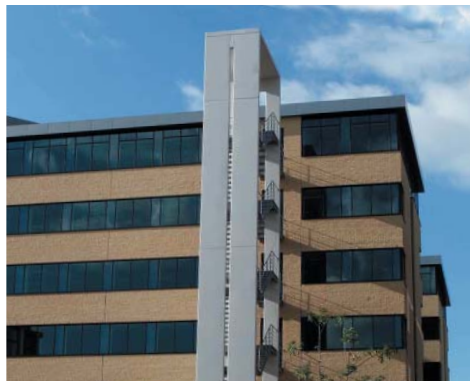
**4. MECHELEN
BUSINESS
TOWER**

Berkenlaan 8b
1831 Diegem

Surface area: 8.729 m²

Year of construction: 2001-2002

Property leasing: To Deloitte, starting on 2 January 2000 for a period of fifteen years. Deloitte holds a purchase option at the end of the contract at the market value of the land and buildings, but with a minimum price of € 17,724,387.02 (to be indexed).



**5a. DELOITTE
CAMPUS 1**

Berkenlaan 8a
1831 Diegem

Surface area: 7.787 m²

Year of construction: 2000

Property leasing: Ending on 1 January 2016, with Deloitte having a purchase option at a price equal to the market value of the land and buildings, estimated one year before the purchase date, but at a minimum of € 14.526.560 (to be indexed).



**5b. DELOITTE
CAMPUS 2**



6. GATEWAY HOUSE



Brusselsestraat 59
2000 Antwerpen

Surface area: 11.318 m²
Year of construction: 1993 - 1994
Tenants: Apcoa, Kuwait Petroleum, Thenergo, Elegis Advocatenkantoor and CHR Construction Accesories Europe

7. BRUSSELS 7



Nijverheidslaan 1 – 3
1853 Strombeek – Bever

Surface area: 10.343 m²
Year of construction: 1999 - 2002
Tenants: Whirlpool, IBM Belgium, Rockwell Automation, Solid Partners, ACL Europe, Kitchenaid and 3 W Direct Management Solutions

Brussels 7 digitally:
www.brussels7.be

8. PARK STATION



Woluwelaan 148-150
1831 Diegem

Surface area: 8.903 m²
Year of construction: 2000
Tenants: Swiss Life Belgium, Belgische Krijgsmacht F16, EURid and Thomas Cook Airlines Belgium

Park Station digitally:
www.parkstation.be

Luchthavenlaan 25
1800 Vilvoorde

Surface area: 8.757 m²
Year of construction: 1998
Tenants: Ingram Micro, Fleet Logistics Belgium, Q-Lab and Transport Management Europe

3T Estate digitally:
www.3testate.be



9. 3T ESTATE

Prins Boudewijnlaan 45-49
2650 Edegem

Surface area: 7.424 m²
Year of construction: 1997
Tenants: Euromex, Parsifal Ontwikkeling, Cheops Technology and Thomson Telecom Belgium



10. DE AREND

Pontbeekstraat 2 & 4
1700 Dilbeek (Groot- Bijgaarden)

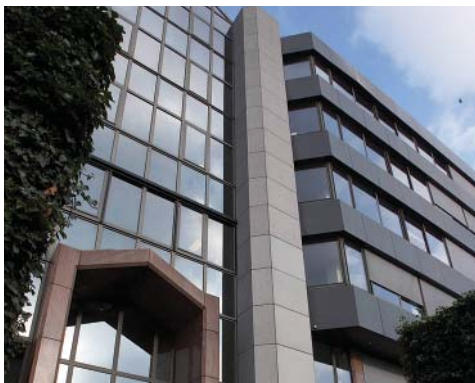
Surface area: 6.869 m²
Year of construction: 2000
Tenants: Fortis Lease Group Services, Edwards Lifesciences, Vacature, Mitiska Ventures, Commercial Finance Group, Sharp Electronics Belgium, Initiative Media, Grant Thornton and GN Resound



11. INTER ACCESS PARK



12. SKY BUILDING



Uitbreidingstraat 66
2600 Berchem

Surface area: 5.700 m²

Year of renovation: 2006

Year of construction: 1988

Tenants: Atrio Services, VTG Benelux, Leaseplan Fleet Management, Nationale Borgmaatschappij, Givi, N.R.G. Belgium, Toptel, SKS, Carlson Wagonlit and Hugo Ceusters

13. LATEM BUSINESS PARK



Xavier de Cocklaan 66-72
9830 Gent

Surface area: 5.350 m²

Year of construction: 1992 - 1993

Tenants: Aventiv, IT Mobile, Der Kreis, Novum Pharma, Lijncom, Hamburg- Mannheimer Consulting, Laser Refractie Center, Nateus, Mecon Optronics, IBS International Business Systems, Inventum Belgium and Sage Bob Software

14. AARTSELAAR LEASE COMPANY



Kontichsesteenweg 54
2630 Aartselaar

Surface area: 4.000 m²

Year of construction: 2000

Property leasing: The lessee, APV Benelux NV/SA, part of the Invensys Group, obtained a purchase option on the property, to be exercised in the sixth month before the end of the property tenancy agreement on 30 November 2015, for a price equivalent to 80 % of the market value at that time but for no less than € 5.453.657,54 (to be indexed). If the purchase option is not exercised, the tenant has an option to extend the lease by three years.

Zuiderlaan 91
1731 Zellik

Surface area: 3.943 m²
Year of construction: 2002
Tenants: Gras Savoye, IFM Electronic, Interelectra,
Sapsa Bedding and Interbati



15. EXITEN

Berkenlaan 6
1831 Diegem

Surface area: 3.664 m²
Year of construction: 1990
Tenant: Deloitte



16. HERMES
HILLS

Terhulpesteenweg 6A
1560 Hoeilaart

Surface area: 2.801 m²
Year of construction: 1994
Year of renovation: 2006
Tenants: Quality Business, BvD-it Services, Goffin Meyvis
and Information & Data

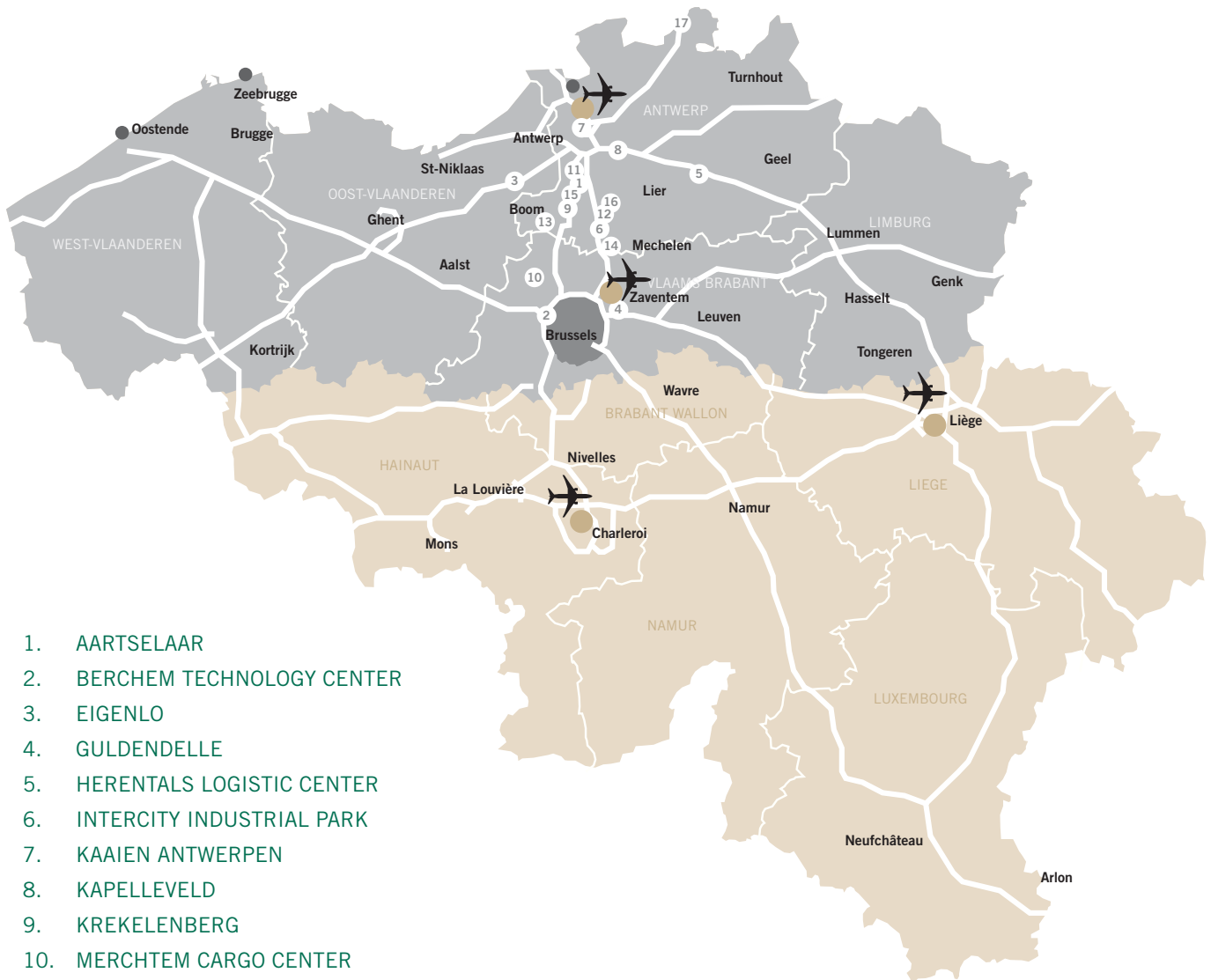


17. PARK
ROZENDAL



DESCRIPTION OF THE SEMI-INDUSTRIAL PROPERTIES

Location of the semi-industrial properties in Belgium



1. AARTSELAAR
2. BERCHEM TECHNOLOGY CENTER
3. EIGENLO
4. GULDENDELLE
5. HERENTALS LOGISTIC CENTER
6. INTERCITY INDUSTRIAL PARK
7. KAAIEN ANTWERPEN
8. KAPELLEVELD
9. KREKELENBERG
10. MERCHTEM CARGO CENTER
11. NEERLAND 1 & 2
12. NOTMEIR
13. PUURS LOGISTIC CENTER
14. RAGHENO
15. SCHELLE
16. DUFFEL
17. TRANSPORTZONE MEER

Location of the semi-industrial properties on the axis Antwerp-Brussels



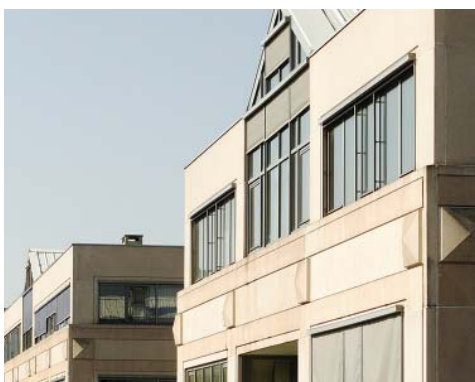
1. AARTSELAAR



Dijkstraat 1A
2630 Aartselaar

Surface area
Offices: 793 m²
Storage hall: 7.269 m²
Year of construction: 1994
Tenant: Party Rent

2. BERCHEM TECHNOLOGY CENTER



Technologiestraat 11, 15, 51, 55, 61 et 65
1082 Sint-Agatha-Berchem

Surface area
Offices: 2.760 m²
Storage hall: 3.703 m²
Year of construction: 1992
Tenants: Rexel Belgium, Brico Belgium and Vlaamse Gemeenschapscommissie

3. EIGENLO



Eigenlostraat 23-27a
9100 Sint-Niklaas

Surface area
Offices: 1.328 m²
Storage hall: 6.535 m²
Year of construction: 1992 - 1994
Tenants: Saerens J, Edor Benelux and Orca Cooling

Arthur De Coninckstraat 3
3070 Kortenberg

Surface area
Offices: 780 m²
Storage hall: 10.172 m²
Year of construction: 2001-2002
Tenant: European Commission



4. GULDENDELLE

Atealaan 34
2200 Herentals

Surface area storage hall: 32.768m²
Year of construction: 1977
Tenant: Siemens



5. HERENTALS LOGISTIC CENTER

Oude Baan 14
2800 Mechelen

Surface area
Offices: 252 m²
Storage hall: 15.000 m²
Year of construction: 1999
Tenant: Pfizer Service Company



6. INTERCITY INDUSTRIAL PARK



7. KAAIEN ANTWERPEN



Kaaien 218-220
2030 Antwerpen

Surface area
Storage hall: 5.500 m²
Year of construction: 1997
Tenant: Völlers

8. KAPELLEVELD



Koralenhoeve 25
2160 Wommelgem

Surface area
Offices: 1.770 m²
Storage hall: 22.949 m²
Year of construction: 1998
Tenant: PGZ Belgium

9. KREKELENBERG



Industrieweg 18
2850 Boom

Surface area
Offices: 700 m²
Storage hall: 23.663 m²
Year of construction: 2000
Tenant: JVC Logistics Europe

Preenakker 20
1785 Merchtem

Surface area
Offices: 1.210 m²
(Loading wharfs: 306m²)
Storage hall: 6.075 m²
Year of construction: 1992
Tenant: MSF Supply



**10. MERCHTEM
CARGO
CENTER**

Boomssteenweg 801 – 803, Kernenergiestraat 70/
Geleegweg 1 – 7
2610 Wilrijk

Surface area
Offices: 632 m²
Storage hall: 28.536 m²
Year of construction: 1986 and 1989
Tenant: Brico Belgium



11. NEERLAND 1 & 2

Walemstraat 94
2570 Duffel

Surface area
Offices: 250 m²
Storage hall: 8.861 m²
Year of construction: 1995
Tenant: Aleris Aluminium (formerly Corus Aluminium)



12. NOTMEIR



**13. PUURS
LOGISTIC
CENTER**



Veurstraat 91
2870 Puurs

Surface area
Offices: 1.600 m²
Storage hall: 41.890 m²
Year of construction: 2001
Tenant: Fiege Kalf Trans

14. RAGHENO



Dellingstraat 57
2800 Mechelen

Surface area
Offices: 612 m²
Storage hall: 4.002 m²
Year of construction: 1998
Tenant: ThyssenKrupp Otto Wolff

15. SCHELLE



Molenberglei 8
2627 Schelle

Surface area
Offices: 1.600 m²
Storage hall: 6.400 m²
Year of construction: 1993
Tenants: Meiko, Trafuco, Vereniging voor Verkeersveiligheid and SD Worx

Stocletlaan 23
2570 Duffel

Surface area
Offices: 240 m²
Storage hall: 23.435 m²
Year of construction: 1998
Tenants: BLITS Belgium and Iron Mountain Belgium



16. DUFFEL

Riyadhstraat
2321 Meer

Surface area
Offices: 271 m²
Storage hall: 7.348 m²
Year of construction: 1990
Tenant: De Rijke



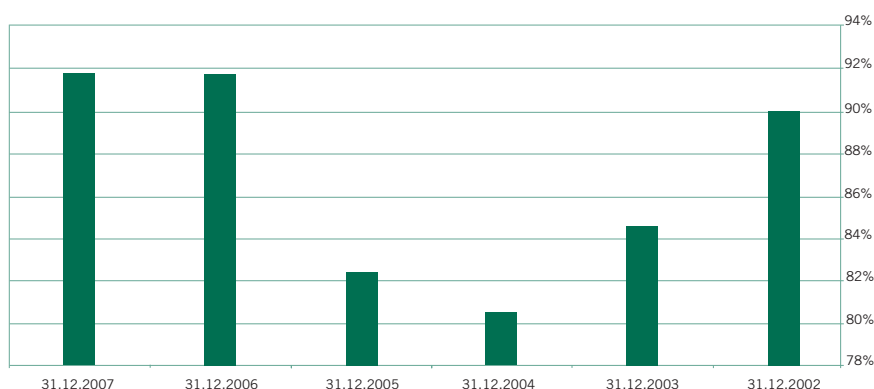
17. TRANSPORTZONE MEER



EVOLUTION OF THE INVESTMENT PORTFOLIO

	31.12.2007	31.12.2006	31.12.2005	31.12.2004	31.12.2003
Investment value portfolio (€ 000)	579.475	519.653	585.043	549.796	591.147
Current rents (€ 000)	42.842	39.973	43.484	40.156	42.675
Yield (%)	7,4 %	7,7 %	7,4 %	7,3 %	7,2 %
Current rents, including estimated rental value of vacant properties (€ 000)	46.677	43.572	52.830	49.935	50.483
Yield if fully let (%)	8,1 %	8,4 %	9,0 %	9,1 %	8,5 %
Total lettable area (m ²)	505.363	452.168	538.643	518.012	534.157
Occupancy rate (%)	91,8 %	91,7 %	82,3 %	80,4 %	84,5 %

Occupancy rate Interest Offices



VALUATION OF THE PORTFOLIO BY PROPERTY EXPERTS

In 2007, the valuation of the current real estate portfolio of Interest Offices has been carried out by the following property experts:

- Jones Lang LaSalle, represented by Mr. Rod Scrivener
- Cushman & Wakefield, represented by Mr. Kris Peetermans and Mr. Erik Van Dyck
- de Crombrughe & Partners, represented by Mr. Guibert de Crombrughe

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

For the assessment of real estate assets various factors are taken into account:

Market:

- supply and demand of tenants and buyers of comparable real estate
- evolution of yields
- expected inflation
- current interest rates and expectations in terms of interest rates

Location:

- accessibility by way of private and public transport
- factors in surroundings

- availability of parking
- infrastructure
- facilities such as public buildings, stores, hotels, restaurants, banks, schools, etc.
- development (construction) of comparable real estate

Real estate:

- operating and other expenses
- type of construction and level of quality
- state of maintenance
- age
- location and representation
- current and potential alternative usage possibilities

Subsequently 3 major valuation methods are used:

• Net present value of estimated rental revenues

The investment value is result of the applicable return (yield or opportunity cost, which represents the gross return required by a buyer) on the estimated rental value (ERV), corrected by the net present value (NPV) of the difference between the current actual rent and the estimated rental value at the date of evaluation and this for the period until the following possibility to give notice under the current rental contracts.

For buildings that are partially or completely vacant, the valuation is calculated on the basis of the estimated rental value, with deduction of the vacancy and the costs (rental costs, publicity costs, etc.) for the vacant portions.

Buildings to be renovated, buildings being renova-

ted or planned projects are evaluated on the basis of the value after renovation or the end of the works, reduced by the amount of the works yet to be done, fees for architects and engineers, interim interest expenses, the estimated vacancy and a risk premium.

• Unit prices

The investment value is determined on the basis of unit prices for the real estate asset per m² for office space, storage space, archive space, number of parking spaces, etc. and this in turn on the basis of the market and building analyses described above.

• Discounted cash flow analysis

This method is used primarily for valuation of assets that are the object of leasing or long-term contracts. The investment value is determined on the basis of the conditions stipulated in the contract. This value is equal to the sum of the NPV of the various cash flows over the duration of the contract.

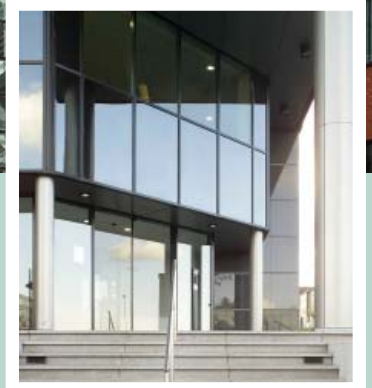
The cash flows consist of yearly payments (discounted according to a financial interest rate) together with the value at which the asset could be sold at the end of the contract (based on the free market value at that moment and discounted at an opportunity cost rate) if the lessee (or tenant) has a purchase option at the end of the contract.

The free market value at the end of the leasing contract is calculated using the first method mentioned above (net present value of the estimated rental income).

VALUE AS AT 31 DECEMBER 2007

Valuer	Valued property	Fair value (€ 000)	Investment value (€ 000)
Jones Lang LaSalle	Office buildings (except BXL 7)	397.200	407.130
Cushman & Wakefield	Semi-industrial properties	125.375	128.815
de Crombrugge & Partners	BXL 7, Merchtem and Puurs	42.468	43.530
TOTAL		565.043	579.475





Deloitte Campus
Diegem

FINANCIAL REPORT



CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT <i>in thousands €</i>	Note	2007	2006
Rental income	4	41.205	42.527
Rental related expenses	4	-122	-113
NET RENTAL INCOME		41.083	42.414
Recovery of property expenses	4	606	697
Recovery of charges and taxes normally payable by tenants on let properties	4	7.532	4.121
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease		-380	-331
Charges and taxes normally payable by tenants on let properties	4	-7.432	-4.061
Other rental related income and expenses		119	164
PROPERTY RESULT		41.528	43.004
Technical costs		-875	-543
Commercial costs		-366	-252
Charges and taxes on unlet properties		-865	-806
Property management costs		-1.671	-1.925
Other property charges		-263	-314
Property charges	5	-4.040	-3.840
OPERATING PROPERTY RESULT		37.488	39.164
General costs	6	-1.293	-1.272
Other current operating income and expenses		52	-72
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		36.247	37.820
Result on disposals of investment property	8	0	-2.181
Changes in fair value of investment property	9	13.036	20.645
OPERATING RESULT		49.283	56.284

INCOME STATEMENT <i>in thousands €</i>		Note	2007	2006
OPERATING RESULT			49.283	56.284
Financial income			149	129
Interest charges			-9.428	-12.044
Other financial charges			-277	-126
Financial result		10	-9.556	-12.041
RESULT BEFORE TAXES			39.727	44.243
Taxes		11	-29	-38
NET RESULT			39.698	44.205
Attributable to:				
Equity holders of the parent			39.698	44.205
Minority interests			0	0

RESULT PER SHARE			2007	2006
Number of ordinary shares		12	13.900.902	13.882.662
Basic earnings per share (in €)		12	2,86	3,18
Diluted earnings per share (in €)		12	2,86	3,18
Distributable earnings per share (in €)		12	1,94	1,87



CONSOLIDATED BALANCE SHEET

ASSETS <i>in thousands €</i>	Note	2007	2006
Non-current assets		569.601	511.244
Intangible assets	13	121	101
Investment properties	14	565.043	506.741
Other tangible fixed assets	13	316	401
Financial fixed assets	21	4.107	2.899
Trade receivables and other non-current assets	15	14	1.102
Current Assets		7.724	97.100
Assets held for sale		0	92.500
Trade receivables	16	3.833	2.338
Tax receivables and other current assets	16	1.726	479
Cash and cash equivalents		684	510
Deferred charges and accrued income	16	1.481	1.273
TOTAL ASSETS		577.325	608.344

SHAREHOLDERS' EQUITY AND LIABILITIES <i>in thousands €</i>		Note	2007	2006
Shareholders' Equity			348.521	333.102
Shareholders' equity attributable to the shareholders of the parent company			348.474	333.055
Share capital	17	126.725	126.719	
Share premium	17	60.833	60.833	
Reserves		140.955	125.933	
Result		30.286	29.584	
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	17	-14.432	-12.913	
Changes in fair value of financial assets and liabilities	21	4.107	2.899	
Minority interests	23	47	47	
Liabilities			228.804	275.242
Non-current liabilities			208.436	267.241
Provisions	18	1.169	1.416	
Non-current financial debts	20	206.840	265.412	
<i>Credit institutions</i>		<i>206.822</i>	<i>265.388</i>	
<i>Financial lease</i>		<i>18</i>	<i>24</i>	
Other non-current liabilities		427	413	
Current liabilities			20.368	8.001
Provisions	18	409	424	
Current financial debts	20	14.677	1.212	
<i>Credit institutions</i>		<i>14.672</i>	<i>1.207</i>	
<i>Financial lease</i>		<i>5</i>	<i>5</i>	
Trade debts and other current debts	19	3.096	1.998	
Other current liabilities	19	402	2.847	
Accrued charges and deferred income	19	1.784	1.520	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			577.325	608.344
DEBT RATIO			2007	2006
Debt ratio RD 21 June 2006 (%)			39 %	45 %
NET ASSET VALUE PER SHARE			2007	2006
Net asset value per share (fair value)			25,07	23,99
Net asset value per share (investment value)			26,11	24,92



STATEMENT OF CHANGES IN EQUITY

<i>in thousands €</i>	Share capital ordinary shares	Share premium	Legal	Reserves not available for distribution
Balance sheet at 31 december 2005	126.719	60.833	90	108.575
Profits of financial year 2006				
Transfer of the result on the portfolio to the reserves not available for distributions				18.464
Impact on fair value of estimated transaction rights and costs*				538
Dividends of financial year 2005				
Change in the fair value of financial assets and liabilities				
Mutations as a result of disinvestments				-2.384
Balance sheet at 31 december 2006	126.719	60.833	90	125.193
Profits of financial year 2007				
Transfer of the result on the portfolio to the reserves not available for distributions				13.036
Impact on fair value of estimated transaction rights and costs*				1.519
Dividends of financial year 2006				
Change in the fair value of financial assets and liabilities				
Merger on 18 October 2007	6			467
Balance sheet at 31 december 2007	126.725	60.833	90	140.215

* resulting from the hypothetical disposal of investment properties

available for distribution	Result	Impact on fair value of estimated transaction rights and costs*	Changes in fair value of financial assets and liabilities	Minority interests	Shareholders' equity
1.427	29.576	-14.891	-76	47	312.300
	44.205				44.205
	-18.464				0
		-538			0
-777	-25.600				-26.377
			2.975		2.975
	-133	2.516			-1
650	29.584	-12.913	2.899	47	333.102
	39.698				39.698
	-13.036				0
		-1.519			0
	-25.960				-25.960
			1.208		1.208
					473
650	30.286	-14.432	4.107	47	348.521



CONSOLIDATED CASH-FLOW STATEMENT

<i>in thousands €</i>	Note	2007	2006
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		510	630
1. Cash-flow from operating activities		22.817	24.147
Operating result		49.283	56.284
Paid interests		-9.314	-11.957
Other non operating elements		-157	-35
Adjustment of the profit for transactions of non-current nature		-13.933	-17.196
Depreciations on intangible and other tangible fixed assets		192	131
Capital loss on the sale of investment properties	8	0	2.181
Capital loss on the sale other tangible fixed assets	13	0	26
Variation in the fair value of investment properties	9	-13.863	-20.589
Other non cash-flow transactions		-262	1.055
Changes in working capital		-3.062	-2.949
Movement of assets			
- Trade receivables		-408	-217
- Tax receivables and other current assets	16	-1.247	-33
- Deferred charges and accrued income	16	-208	-451
Movement of liabilities			
- Trade debts and other current debts	19	1.098	-121
- Other current liabilities	19	-2.445	-638
- Accrued charges and deferred income		148	-1.489
2. Cash-flow from investment activities		47.937	3.935
Acquisition of intangible and other tangible fixed assets	13	-125	-258
Acquisition of shares of investment companies		-16.533	0
Repayment of present debts of the purchased real estate companies		-26.626	0
Investments in existing investment properties	14	-1.279	-1.781
Proceeds from the sale of investment properties		92.500	5.770
Transfer of non-current trade receivables in working capital		0	204
3. Cash-flow from financing activities		-70.580	-28.202
Revenues from the issue of shares	24	473	0
Repayments of loans	20	-200.936	-12.787
Drawdown of loans	20	155.835	11.250
Repayment of financial lease liability	20	-6	29
Receipts from non-current liabilities as guarantee		14	-317
Dividends paid	12	-25.960	-26.377
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		684	510

NOTES ON THE CONSOLIDATED ANNUAL ACCOUNTS

NOTE 1. ADAPTED SCHEME FOR ANNUAL ACCOUNTS OF PROPERTY INVESTMENT FUNDS

Intervest Offices has, as a listed property investment fund, established its consolidated annual accounts in accordance with the “International Financial Reporting Standards” (IFRS). In the RD of 21 June 2006 an adapted scheme for the annual accounts of property investment funds has been published.

The adapted scheme contains principally that in the income statement, the result on the portfolio is presented separately. This result on the portfolio includes all movements in the real estate portfolio and consists of:

- realized gains or losses on the disposal of investment properties
- changes in fair value of investment properties as a result of the valuation by property experts, being non-realized increases and/or decreases in value.

The result on the portfolio is distributed to the shareholders, but transferred to, or from the non-disposable reserves.

NOTE 2. PRINCIPLES OF FINANCIAL REPORTING

Statement of conformity

Intervest Offices sa is a property investment company, having its registered office in Belgium. The consolidated annual accounts of the company as per 31 December 2007 cover the company and its subsidiaries. The annual accounts of Intervest Offices sa has been prepared and released for publication by the board of directors on 18 February 2008.

The consolidated financial statements have been prepared in compliance with the “International Financial Reporting Standards” (IFRS) as approved by the European Union and according to the RD of 21 June 2006. These standards comprise all new and revised standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), as far as applicable to the activities of the group and effective for the financial years as from 1 January 2007.

New or amended standards and interpretations effective in 2007

The group has applied IFRS 7 Financial Instruments: Disclosures, which became effective on January 1, 2007, as well as IAS 1 Capital Disclosures, which was changed due to this standard. This has resulted in a number of additional notes to the annual report. Furthermore, the following interpretations published by the International Financial Reporting Interpretations Committee became effective in the year under review: IFRIC 7 Applying the restatement approach under IAS 29, Financial Reporting in Hyperinflationary Economies; IFRIC 8 Scope of IFRS 2; IFRIC 9 Reassessment of Embedded Derivatives; and IFRIC 10 Interim Financial Reporting and Impairment. The implementation of these interpretations did not result in adjustments to the accounting principles for financial reporting as applied by the group.

New or amended standards and interpretations not yet effective

A number of new standards, amended standards and interpretations had not yet taken effect in 2007, but may be applied in advance. Unless stated otherwise, the group has not made use of this. To the extent that these new standards, amended standards and interpretations are relevant to the group, the effect that their application might have on the consolidated accounts for 2007 and beyond is set out below.

• IFRS 8 Operating Segments

This new standard, effective as from January 1, 2009, replaces IAS 14 Segment Reporting. This standard introduces new guidelines regarding the information on distinct segments to be commented on. It is obligated to match the choice of the distinct segments and the related notes to the segments currently in use in internal reports. This is not expected to lead to major changes in the consolidated annual accounts.

• IFRIC 11 Group and Treasury Share Transactions

This interpretation will affect financial years starting on or after 1 March 2007 and this has no consequences for the group since it does not have such programmes

• IFRIC 12 Service Concession Arrangements

This interpretation applies to financial years starting on or after 1 January, 2008. It is not expected to have any impact on the 2008 annual accounts.



- **IFRIC 13 Customer Loyalty Programmes**

This interpretation applies to financial years starting on or after January 1, 2008. This interpretation has no consequences for the group since it does not have such programmes.

- **IFRIC 14 IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**

This interpretation applies to financial years starting on or after 1 January, 2008. In view of the relatively limited size of the defined benefit pension schemes in operation in the group, this interpretation is not expected to have a material effect on the 2008 annual accounts.

- **IAS 23 (Revised) Borrowing Costs**

This standard applies to financial years starting on or after 1 January, 2009. The group already applies this amendment, even though it has no effect on the principles for financial reporting applied by the group, since the group already capitalises financing costs directly attributable to the acquisition or construction of investment properties. The amendment of IAS 23 cancels the option to recognise all costs associated with taking out loans directly as costs at the time they are incurred.

- **IAS 1 (Revised) Presentation of Financial Statements**

This standard applies to financial years starting on or after 1 January, 2009. This standard will impact the presentation of the 2009 annual accounts.

Presentation basis

The consolidated annual accounts are expressed in thousands of €, rounded off to the nearest thousand. The accounting principles are applied consistently and the consolidated accounts are presented before profit-sharing.

Consolidation principles

a. Subsidiary companies

A subsidiary company is an entity over which another entity has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. A subsidiary company's annual financial statement is recorded in the consolidated annual financial statement from the control arising until its disappearance. If necessary, the financial reporting principles of the subsidiaries has been changed in order to arrive at consistent principles within the group. The reporting period of the subsidiary coincides with that of the parent company.

b. Eliminated transactions

Any transactions between the group companies, balances and unrealised profits and losses from transactions between group companies will, at the time of drawing up the consolidated annual accounts, be eliminated to the amount of the participation of the group company. The list of subsidiaries is given under note 23 in the comment.

Foreign currencies

Foreign currency transactions are entered at the exchange rate valid at the transaction date. Monetary assets and currency liabilities are valued at the final rate in force on the balance-sheet date. Exchange rate differences deriving from currency transactions and from the conversion of monetary assets and currency liabilities are entered in the income statement in the period when they occur. Non-monetary assets and currency liabilities are converted at the exchange rate valid at the transaction date.

Financial instruments

Financial derivatives

The company may use financial interest derivatives to hedge the interest rate exposure arising from its operational, financing and investment activities. Financial derivatives are recorded at cost on initial allocation. After initial allocation, they are valued in the annual financial statement at their fair value. Gains and losses resulting from changes in the fair value of financial derivatives are immediately taken into account in the income statement, unless the derivative satisfies the criteria for hedge accounting (see Hedging). The fair value of financial derivatives is the amount that the company expects to receive or pay if the derivative were terminated as of the balance sheet date, taking into account the prevailing interest and the credit exposure of the counterparty concerned.

Hedging of uncertain cash flow resulting from interest fluctuations

If it is possible to designate a financial interest derivative as an effective hedge of the possible variability of cash flows attributable to a specific risk associated with an asset or obligation or a highly probable forecast transaction, then the part of the profit or loss arising from the change in value of the financial interest derivative that has been recognized as an effective hedge is posted directly to equity under "Changes in fair value of financial assets and liabilities". The ineffective part of the financial interest derivative is entered in the income statement.

Property result

The rental income comprises rents, income from operational lease agreements and directly associated revenues, such as rent securities granted by promoters and compensation for prematurely terminated tenancy agreements reduced by the granted rental discounts and rental benefits.

The rental related expenses comprise write downs and reversals on trade receivables and are entered in the income statement when the book value is higher than the estimated realization value, even as the costs and income of the rent of buildings that do not belong to the preceding items.

The recuperation of property charges refers to charging the costs run by the owner of the buildings to the tenant. Charges payable by tenants and taxes on let buildings and the recovery of these charges refer to costs that under law or custom fall to the expense of the tenant or lessee. The owner will either charge or not charge these costs to the tenant according to the contractual arrangements made with the tenant.

Compensation received for the reinstatement of premises is booked into the accrued charges and deferred income of the liabilities on the balance sheet until the reinstatement work is fully complete or until sufficient security is received on the cost price thereof. At that moment both the income from the compensation and the charges of the reinstatement are transferred to the result.

Income is valued at the fair value of the compensation received or to which title has been obtained. Income will only be entered if it is probable that the economic benefits will fall to the entity and can be determined with sufficient certainty.

The rental income, the received operational lease payments and the other income and costs are entered linearly in the income statement in the periods to which they refer.

The rental discounts and incentives are spread over the period running from the start of the tenancy agreement to the next possibility of terminating a contract.

The compensation paid by tenants for anticipative breaches of their lease agreements are apportioned by time, over the number of months rent that the tenant pays as compensation for the time that the property concerned is not let. If the property concerned is re-let, compensation for breach of the lease agreement is included in the

profit/loss for the period in which it arises or, if it has not yet been completely apportioned by time on re-letting at some later juncture, as the part remaining at the time of re-letting.

Property charges

The costs are valued at the fair value of the compensation that has been paid or is due and are entered in the income statement in the periods to which they refer.

Technical costs comprise a.o. maintenance costs. Maintenance costs that can be seen as renovation of an existing building because they bring about an improvement of the return or the rent are not entered as costs but are activated.

Management expenses of the portfolio are costs linked to the management of the buildings. These include staff costs and indirect cost of managers and staff (such as cost of offices, running costs, etc.) who perform the management of the portfolio and lettings, depreciation and impairments to tangible assets used for such management and other operating expenses that can be allocated to the management of the property.

General costs and other operating income and expenses

General costs are all costs related to in the management of the property investment fund and those general costs that cannot be allocated to real estate management. These operating expenses include general administration costs, cost of staff and managers engaged in the management of the company as such, depreciation and write-downs of tangible assets used for such management and other operating expenses.

Other operating income and expenses comprise the income and expenses that cannot be directly allocated to buildings or to the fund management.

Result on disposals of investment property and changes in fair value of investment property

The changes in the fair value of investment properties are equal to the difference between the actual book value and the previous fair value (as estimated by an independent property expert). A comparison is made at least four times a year for the entire portfolio of investment properties. Movements in the fair value of the property are recognized in income statement in the period in which they arise.



The result from the disposal of investment properties is equal to the difference between the selling price and the book value (i.e. the latest fair value determined by the property expert) less the selling expenses.

Financial result

The financial profit/loss consists of interest expense on loans and additional financing costs, less the income from investments.

Taxes

Taxes on the result of the financial year consist of the taxes due and recoverable for the reporting period and previous reporting periods, deferred taxes and the exit tax due. The tax expense is recognized in the income statement unless it relates to elements that are immediately recognized in equity. In the later case, taxes are recognized as a charge against equity.

When calculating the taxation on the taxable profit for the year, the tax rates in force at the period end are used.

Withholding taxes on dividends are recognized in equity as part of the dividend until the payment is made.

The exit tax, due by companies that are taken over by the real property investment trust, are deducted from the revaluation surplus at the moment of the merger and are recognized as a liability.

Personnel cost

For personnel holding tenure remuneration, supplementary benefits, compensation upon retirement, redundancy and termination are regulated by the Act on the Labour Agreements of 4 July 1978, the Annual Holiday Act of 28 June 1971, the joint committee who control the company assets and the collective bargaining agreements that have been entered in the income statement in the period to which they refer.

Pensions and compensations following the termination of the work comprise pensions, contributions for group insurance, life assurance and disability and hospitalisation insurance. The company pays contributions to a fund that is independent of the company in the context of a promised-contribution scheme for its staff. A pension plan with a promised-contribution scheme is a plan involving fixed premiums paid by the company and without the company having legally enforceable or actual obligations to pay further contributions

if the fund were to have insufficient assets. The contributions are entered as a charge for the reporting period in which the related work has been done.

Write-offs

The book value of the company's assets is analysed periodically to verify if a reason exists for write-offs. Exceptional amounts written off are entered in the income statement if the book value of the asset exceeds the fair value.

Ordinary and diluted profit (loss) per share

The ordinary profit per share is calculated by dividing the net result as shown in the income statement by the weighted average of the number of outstanding ordinary shares (i.e. the total number of issued shares less own shares) during the financial year.

To calculate the diluted profit per share, the net result that is due to the ordinary shareholders and the weighted average of the number of outstanding shares is adapted for the effect of potential ordinary shares that may be diluted.

Intangible assets

Intangible assets are recorded at cost, less any accumulated amortisation and impairment losses, if it is probable that the expected economic benefits attributable to the asset will flow to the entity, and if its cost can be measured reliably.

Expenditures on research or development that do not meet the criteria for inclusion as development costs are recorded as a charge in the reporting period in which they are incurred.

Intangible assets are amortised linearly over their expected useful life. The amortisation periods are reviewed at least at the end of every financial year.

Investment properties

a. Definition

Investment properties comprise all lands or buildings, that are lettable and (wholly or in part) generate rental income, including the buildings where a limited part is kept for own use.

b. Initial recognition and valuation

Initial recognition in the balance sheet takes place at the acquisition value including transaction costs such as professional fees, legal services, registration charges and other property transfer taxes. The exit tax due from companies absorbed by the property investment fund is also included in the acquisition value.

Commission fees paid for acquisitions of buildings must be considered as additional costs for these acquisitions and added to the acquisition value.

If the acquisition takes place through the acquisition of shares of a real estate company through the non-monetary contribution of a building against the issue of new shares or by merger through takeover of a property, the deed costs, audit and consultancy costs, reinvestment fees and costs of lifting distraint on the financing of the absorbed company and other costs of the merger are also capitalised.

c. Subsequent costs

Expenses for works on investment property are charged against the income statement of the reporting period if they have no positive effect on the expected future economic benefits and are capitalised if the expected economic benefits for the entity are thereby increased.

Four types of subsequent costs are distinguished in respect of investment property:

1. repairs and maintenance: these are costs that do not increase the expected future economic benefits and are consequently charged in full against income statement under the item “technical costs”.

2. refurbishment: these are expenses arising from a tenant leaving (for example, removal of walls, replacement of carpets,...). These expenses are charged in the income statement under “costs payable by tenant and borne by landlord for rental damage and refurbishment at end of lease”. The tenant will often have paid a fee to restore the property (partly) to its original condition. Indemnities received for refurbishment of a building are charged in the accrued costs and deferred income of the liabilities of the balance sheet until the refurbishment works are completely ended or until the moment there is sufficient certainty about the cost price. On that moment, both the income of the indemnity as the costs of the refurbishment are entered into the result.

3. renovations: these are costs resulting from ad hoc works that substantially increase the expected economic benefits from the building (for example: installation of air conditioning or creation of additional

parking places). The directly attributable costs of these works, such as materials, building works, technical studies and architects’ fees are consequently capitalised.

4. rent incentives: these are concessions by the owner to the tenant on moving-in costs in order to persuade the tenant to rent existing or additional space. For example, furnishing of offices, roof advertising, creation of additional social areas, etc. These costs are spread over the period from the commencement of the lease up to the date of the first break of the contract and are deducted from the rental income.

d. Valuation after initial recognition

After initial recognition, investment properties are valued by the independent property experts at investment value. For this purpose investment properties are valued quarterly on the basis of cash value of market rents and/or effective rental income, after reduction, as the case may be, of associated costs in line with the International Valuation Standards 2001, drawn up by the International Valuation Standards Committee.

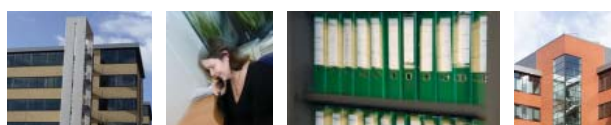
Valuations are made by discounting the annual net rent received from the tenants, reduced by the related costs. Discounting uses a yield factor depending on the inherent risk of the relevant building.

The investment properties are, in accordance with IAS 40, entered in the balance sheet at fair value. This value is equal to the amount at which a building might be exchanged between well-informed parties, agreeing and acting in conditions of normal competition. From the perspective of the seller they should be understood as involving the deduction of registration fees.

Concerning the size of these registration fees the Belgian Association of Asset Managers (BEAMA) published on 8 February 2006 a relevant communication. See also www.beama.be.

A group of independent property experts, carrying out the periodical valuation of buildings of property investment funds, ruled that for transactions of buildings in Belgium with an overall value of less than € 2,5 million, registration fees of 10,0% to 12,5% should be allowed, depending on the region where the buildings are located.

For transactions concerning buildings with an overall value of more than € 2,5 million and considering the wide range of property transfer methods used in Belgium the same experts – on the basis of a representative sample of 220 transactions that were realised in the market from 2002 to 2005 and representing a grand total of € 6,0 billion – valued the weighted average of the fees at 2,5%.



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

Profits or losses deriving from the change of fair value of an investment property are entered in the income statement in the period where they emerge and are classified with the profit appropriation to “the reserves not available for distribution”.

The buildings for own use are valued at fair value if only a limited part is occupied by the entity for its own use. In any other case the building will be classified in “other tangible fixed assets”.

e. Disposal of investment property

The commission fees paid to real estate agents under a mandate to sell are charged against profit or loss realised on the sale.

The profits or losses realized on the sale of an investment property are entered in the income statement of the reporting period in ‘result on disposals of investment properties’ and are allocated to the undistributable reserves through the appropriation account.

Other tangible fixed assets

a. Definition

Those fixed assets under the entity’s control that do not meet the definition of investment property are classified as “other tangible fixed assets”.

b. Valuation

Other tangible fixed assets are initially recognized at cost and thereafter using the cost model.

Additional costs are only capitalised if the future economic benefits relating to the tangible asset increase.

c. Depreciation and exceptional impairment losses

Other tangible fixed assets are depreciated using the linear depreciation method. Depreciation begins at the moment the asset is acquired as foreseen by the management. The following percentages apply on an annual basis:

- real estate for own use:
 - land 0 %
 - buildings 5%
- plant, machinery and equipment 20 %

- furniture and vehicles 25 %
- computer equipment 33 %
- other tangible assets 16,7 %

If there are indications that an asset may have suffered an impairment loss, its carrying amount is compared to the realisable value. If the carrying amount is greater than the realisable value, an exceptional impairment loss is recognized.

d. Disposal and retirement

When tangible fixed assets are sold or retired, their carrying amount ceases to be recognized in the balance sheet and the profit or loss is recognized in the income statement.

Financial fixed assets

Loans, receivables and investments that are retained at the end of their term are valued at their amortised cost, using the ‘effective interest’ method.

Trade receivables and other non-current assets

Non current receivables are discounted on the basis of the interest rates that apply on the date of acquisition. Foreign currency receivables are converted into euro at the closing exchange rate on the balance sheet date.

An amount is written off if there is uncertainty about the full payment of the receivable at the due date.

Deferred taxes, tax receivables and liabilities

Tax receivables and liabilities are valued at the tax rate valid in the period to which they refer.

Deferred tax receivables and liabilities are recorded under the liability method for any temporary difference between the taxable basis and the book value for financial reporting purposes, both for assets and liabilities. Deferred tax receivables will only be recognized if it is probable that there will be taxable profit against which the deferred tax receivables can be reported.

Current assets

Assets held for sale concern investment properties of which the book value will be realized in a sale transaction and not by the further use of them. The buildings held for sale are valued conform IAS 40 at fair value.

Trade receivables and other current assets receivable in less than one year are entered at nominal value on the closing date of the financial year.

An amount is written off if there is uncertainty about the full payment of the receivable at the due date.

The cash and cash equivalents comprise cash, immediately callable deposits and current, highly liquid investments that can be immediately converted into monetary resources, whose amount is known and that do not involve a material risk of a change in value. Each cash investment is initially entered at cost. The stock-registered securities are valued at their market value.

Costs incurred during the financial year which are attributable either wholly or partly to a later financial year will be entered in transitory accounts so the cost is recorded in the period to which it refers.

The income and parts of income that will only be collected in later financial years, but that have to be associated with the relevant financial year, are recorded for the part of the amount that refers to the relevant financial year.

Shareholders' equity

Share capital comprises the net cash acquired on formation, merger or capital increase, from which the direct external expenses are deducted (such as registration charges, notary and gazetting costs and the cost of banks who advise on the capital increase).

If share capital is bought back the amount, including the directly attributable costs, are entered as a change in equity. Bought-back shares are considered to be a reduction of shareholders' equity.

At the end of the period, the difference between the fair value of the property and the investment value of the property as determined by the independent property experts can be included in the item "Impact on fair value of the estimated transaction rights and costs resulting from the hypothetical disposal of investment properties" in shareholders' equity.

Dividends form part of retained earnings until the general meeting of shareholders approves them.

Non current and current liabilities

A provision is a liability of uncertain timing or amount. The sum

recognized as a provision is the best estimate of the expenditure required to settle the liability existing on the balance sheet date.

Provisions are only recognized if an existing (legally enforceable or constructive) liability arises as a result of past events, that will probably lead to an outflow of resources embodying economic benefits and the amount of the liability can be estimated reliably.

Liabilities

Trade debts are entered at their nominal value on the balance sheet date.

Interest-bearing liabilities are initially recognized at cost less the directly attributable expenses. The difference between the carrying amount and the sum repayable are recognized in income statement over the period of the loan using the effective interest method. Current liabilities are entered at their nominal value.

The indemnities paid and the costs of refurbishment are entered as accrued charges and deferred income until the refurbishment of the let building has been fully completed or its cost can be fixed with sufficient certainty.

Segmentation basis

A segment is a distinguishable company component, active in a particular market and subject to risks and returns that differ from those of other segments.

As Intervest Offices operates mainly in Belgian real estate, with offices and semi-industrial buildings as distinct components, these business segments comprise the primary segmentation:

- The office category comprises the real estate that is let for professional purposes as office space to companies
- The semi-industrial buildings comprise the buildings with a logistic function, storage space and high-tech buildings.

The secondary segmentation is based on a geographic division, involving the location of the real estate, spread over the regions Antwerp, Brussels and the E19 motorway (including Malines) and A12.

There are no transactions of any significance among the group's segments. The distinction between external and internal segment income is not deemed to be relevant and is not taken over in the segmentation.



Termination of corporate activities

Termination of corporate activities is understood to be a distinct component within the range of activities of the group, which is abandoned or closed down under a separate plan which has been drawn up for this purpose and which constitutes an individual substantial business activity or a geographic area of activity. Corporate activities that are partly or wholly terminated are separately entered in the financial reporting.

Conditional assets and liabilities, disputes and post balance sheet events

These assets and liabilities are valued at nominal value based on the amount mentioned in the contract.

Failing nominal value and if a valuation is not possible, the rights and obligations are mentioned pro memoria.

Post balance sheet events are events, both favourable and unfavourable, that take place between the balance sheet date and the date of approval of the annual accounts for release. For events giving information about the actual situation on the balance sheet date it is entered in the income statement.

Dividends paid to shareholders after the balance-sheet date are not processed administratively on the balance sheet date.

NOTE 3. INFORMATION BY SEGMENT

The reporting by segment is performed within the company according to two segmentation bases. The primary segmentation basis is subdivided into the segments "offices" and "semi-industrial buildings". The secondary segmentation basis represents the 5 geographical markets in which the group operates.

By business segment (primary)

The primary business segments comprise the following activities:

- The category of "offices" includes the properties that are let to companies for professional purposes as office space
- The category of "semi-industrial buildings" includes those premises with a logistical function, storage facilities and high-tech buildings
- The category of "corporate" includes all non-allocated fixed costs borne at group level

Income statement by segment

BUSINESS SEGMENTS	Offices		Semi-industrial properties		Corporate		TOTAL	
	2007	2006	2007	2006	2007	2006	2007	2006
<i>in thousands €</i>								
Rental income	29.779	30.792	11.426	11.735	0	0	41.205	42.527
Rental related expenses	-121	-114	-1	1	0	0	-122	-113
Net rental result	29.658	30.678	11.425	11.736	0	0	41.083	42.414
Recovery of property expenses	592	710	14	-13	0	0	606	697
Recovery of charges and taxes payable by tenants on let properties	6.961	3.463	571	658	0	0	7.532	4.121
Costs payable by tenants but borne by the landlord for rental damage and refurbishment at end of lease	-379	-330	-1	-1	0	0	-380	-331
Charges and taxes payable by tenants on let properties	-6.867	-3.398	-565	-664	0	0	-7.432	-4.062
Other rental related income and expenses	118	130	1	35	0	0	119	165
Property result	30.083	31.253	11.445	11.751	0	0	41.528	43.004
Operating result before result on the portfolio	28.380	29.742	10.989	11.423	-3.122	-3.345	36.247	37.820
Result on disposals of investment properties	0	-1.497	0	-684	0	0	0	-2.181
Changes in fair value of investment properties	2.717	16.524	10.319	4.121	0	0	13.036	20.645
Operating result of the segment	31.097	44.769	21.308	14.860	-3.122	-3.345	49.283	56.284
Financial result	0	0	0	0	-9.556	-12.041	-9.556	-12.041
Taxes	0	0	0	0	-29	-38	-29	-38
NET RESULT	31.097	44.769	21.308	14.860	-12.707	-15.424	39.698	44.205



Balance sheet by segment

BUSINESS SEGMENTS	Offices		Semi-industrial properties		Corporate		TOTAL	
	2007	2006	2007	2006	2007	2006	2007	2006
<i>in thousands €</i>								
ASSETS								
Investment properties	406.868	367.373	158.175	139.368	0	0	565.043	506.741
Assets held for sale	0	92.500	0	0	0	0	0	92.500
Other assets	2.084	1.678	1.749	1.307	8.449	6.118	12.282	9.103
SEGMENT ASSETS	408.952	461.551	159.924	140.675	8.449	6.118	577.325	608.344
LIABILITIES								
Non-current liabilities	0	0	0	0	206.840	265.412	206.840	265.412
Current liabilities	0	0	0	0	14.677	1.212	14.677	1.212
Other liabilities	2.200	3.859	754	117	4.333	4.642	7.287	8.618
SEGMENT LIABILITIES	2.200	3.859	754	117	225.850	271.266	228.804	275.242

Important key figures

BUSINESS SEGMENTS	Offices		Semi-industrial properties		TOTAL	
	2007	2006	2007	2006	2007	2006
<i>in thousands €</i>						
Investment properties at fair value	406.868	367.373	158.175	139.368	565.043	506.741
Investment value during the financial year (fair value)	34.417	0	8.839	0	43.256	0
Investment value investment properties	417.040	376.557	162.435	143.097	579.475	519.654
Assets held for sale	0	92.500	0	0	0	92.500
Accounting yield of the segment (%)*	7,3%	6,7%	7,2%	8,4%	7,3%	7,1%
Total surface of the investment properties (m ²)	236.459	216.032	268.904	236.136	505.363	452.168
Occupancy rate of the investment properties (%)	90%	90%	96%	97%	92%	92%

* including assets held for sale

By geographic segment (secondary)

The activity of Interest Offices is geographically subdivided into 5 regions as follows:

- "E19": premises located in the environs of the E19 motorway between Antwerp and Brussels (including Malines)
- "A12": premises located in the environs of the A12 highway between Antwerp and Brussels
- "Brussels": premises located along the Brussels ring-road
- "Antwerp": premises located along the Antwerp ring-road
- "Other regions": premises that are not located in one of the above mentioned 4 geographical segments

GEOGRAPHICAL SEGMENTATION	E19		A12		Brussels		Antwerp		Other regions		TOTAL	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<i>in thousands €</i>												
Rental income	15.606	14.690	5.520	5.688	12.720	13.637	4.627	4.590	2.732	3.922	41.205	42.527
Investment properties at fair value	210.154	179.583	75.112	68.576	178.469	167.702	58.887	58.055	42.421	32.825	565.043	506.741
Investment properties at investment value	215.408	184.073	76.990	70.290	182.931	171.895	60.494	59.613	43.652	33.783	579.475	519.654
Assets held for sale	0	0	0	0	0	63.135	0	0	0	29.365	0	92.500
Accounting yield of the segment (%)*	7,4%	8,2%	7,3%	8,3%	7,1%	5,9%	7,9%	7,9%	6,4%	6,3%	7,3%	7,1%
(Dis)Investment during the financial year (fair value)	26.641	0	0	0	7.776	0	0	-6.210	8.839	0	43.256	-6.210

* including assets held for sale



NOTE 4. PROPERTY RESULT

Rental income

<i>in thousands €</i>	2007	2006
Rent	42.015	43.791
Guaranteed income	287	17
Rental discounts	-1.331	-1.245
Rental benefits ('incentives')	-122	-181
Compensation for termination of lease contracts	356	145
Total rental income	41.205	42.527

Overview of the future minimum rental income

The cash value of the future minimum rental income till the first expiry date of the non-cancellable leases is subject to the following collection terms:

<i>in thousands €</i>	2007	2006
Receivables with a remaining maturity of		
Less than one year	37.328	34.290
Between one and 5 years	70.148	68.093
More than 5 years	26.252	27.203
Total future rental income	133.728	129.586

Rental related expenses

<i>in thousands €</i>	2007	2006
Rent for hired assets and ground lease	-69	-44
Write-down on trade receivables	-100	-76
Reversal of write-downs on trade receivables	47	7
Total rental related expenses	-122	-113

Recovery of property expenses

<i>in thousands €</i>	2007	2006
Compensations received for damage to property	11	0
Received management fee	595	697
Total of recovery of property expenses	606	697

The recovery of property expenses are mainly related to the compensation that the group receives from its tenants for the management of let buildings and the rebilling of rental charges to the tenants, as represent in the table below.

Rebiling of rental charges and taxes

Recovery of rental charges and taxes normally payable by tenants on let properties

<i>in thousands €</i>	2007	2006
Rebiling of rental charges borne by the landlord	4.125	994
Rebiling of prelevies and taxes on let properties	3.407	3.127
Total recovery of rental charges and taxes normally payable by tenants on let properties	7.532	4.121

Rental charges and taxes normally payable by tenants on let properties

<i>in thousands €</i>	2007	2006
Charges borne by the landlord	-4.057	-934
Prelevy and taxes on let properties	-3.375	-3.127
Total charges and taxes normally payable by tenants on let properties	-7.432	-4.061
TOTAL AMOUNT RECOVERED CHARGES AND TAXES	100	60

These are on the one hand the costs of withholding tax and rental charges that are rebilled to the tenants under contractual agreements and on the other hand the recovery of these taxes and rental charges from the tenants.



NOTE 5. PROPERTY CHARGES

Technical costs

<i>in thousands €</i>	2007	2006
Recurrent technical costs	-874	-585
Maintenance	-855	-523
Insurance premiums	-19	-62
Non-recurrent technical costs	-1	42
Claims	-99	-140
Compensations of claims by the insurers	98	182
Total technical costs	-875	-543

Commercial costs

<i>in thousands €</i>	2007	2006
Publicity	-272	-128
Lawyer's fee and legal costs	-94	-124
Total commercial costs	-366	-252

Charges and taxes on unlet properties

<i>in thousands €</i>	2007	2006
Vacancy charges of the financial year	-617	-755
Regularisation of vacancy charges on prior financial years	-128	-43
Withholding tax on vacant properties	-373	-574
Recuperation of withholding tax on vacant properties	253	566
Total charges and taxes on unlet properties	-865	-806

Intervest Offices largely recovers the withholding tax that is charged on the vacant parts of buildings through objections submit to the Flanders tax and customs administration.

Property management costs

<i>in thousands €</i>	2007	2006
External property management fees	-81	-87
Internal property management fees	-1.590	-1.838
Total property management fees	-1.671	-1.925

Other property charges

<i>in thousands €</i>	2007	2006
Charges borne by the landlord	-191	-240
Other property charges	-72	-74
Total property management costs	-263	-314

The charges to the account of the owner are expenses that are chargeable to the group on the basis of contractual or commercial agreements with tenants.

NOTE 6. GENERAL COSTS

<i>in thousands €</i>	2007	2006
ICB tax	-262	-214
Custodian bank	-11	-9
Auditor's fees	-81	-88
Directors' remuneration	-22	-18
Liquidity provider	-11	-13
Financial services	-154	-153
Employee benefits	-440	-432
Other costs	-312	-345
TOTAL GENERAL COSTS	-1.293	-1.272



NOTE 7. EMPLOYEE BENEFITS

<i>in thousands €</i>	2007			2006		
	Charges for the patrimony management	Charges linked with the fund	TOTAL	Charges for the patrimony management	Charges linked with the fund	TOTAL
Remuneration of employees	892	255	1.147	1.113	307	1.420
salary and other benefits paid within 12 months	665	192	857	628	160	788
pensions and post-employment benefits	19	8	27	22	9	31
severance pay	0	0	0	157	0	157
social security	150	29	179	180	44	224
other charges	58	26	84	126	94	220
Remuneration of management	84	172	256	129	125	254
salary and other benefits paid within 12 months	84	172	256	129	125	254
TOTAL	976	427	1.403	1.242	432	1.674

The number of employees at the 2007 year-end, expressed in FTE was 11 members of staff for the internal management of the patrimony (2006: 15) and 5,5 staff members for the management of the fund (2006: 5,5)

For those staff members in fixed employment Intervest Offices has taken out a group insurance policy - a "defined contribution plan" - with an external insurance company. The contributions to the insurance plan are financed by the company. This group insurance contract complies with the Vandenbroucke act on pensions. The compulsory contributions are recognized in the income statement in the period to which they relate.

NOTE 8. RESULT OF DISPOSALS OF INVESTMENT PROPERTIES

<i>in thousands €</i>	2007	2006
Acquisition value	0	122.639
Accumulated capital gains and impairment losses	0	-21.967
Book value (fair value)	0	100.672
Selling cost	0	221
Selling price	0	98.270
Total result on disposals of investment properties	0	-2.181

In the financial year 2007 no disposals on investment properties occurred. With the disposal of 5 office buildings and a semi-industrial property in 2006 a limited loss of € 2,2 million has been realised (2 % compared to the fair value).

NOTE 9. CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

<i>in thousands €</i>	2007	2006
Positive change in investment property	18.049	24.177
Negative change in investment property	-4.186	-3.588
Subtotal variation of investment property	13.863	20.589
Change from apportion of rental discounts and rent incentives	306	56
Taking into result of the price difference for the acquisition of Mechelen Campus 3 and Zuidinvest	-1.806	0
Taking into result of the price difference for the acquisition of Herentals Logistic Center	779	0
Other changes relating to fair value	-106	0
Subtotal other changes relating to fair value of investment properties	-827	56
Total changes in fair value of investment properties	13.036	20.645

For 2007, the result on the portfolio amounts to € 13 million compared to € 20,6 million in 2006. This positive change of fair value is mainly due to the important demand on the investment market, mainly for semi-industrial properties.

NOTE 10. FINANCIAL RESULT

<i>in thousands €</i>	2007	2006
Financial income	149	129
Interest charges with fixed interest rate	-9.197	-9.126
Interest charges with variable interest rate	-231	-2.918
Other financial income	-277	-126
Total financial result	-9.556	-12.041

Financial income includes the interest collected on bank accounts and non-current trade receivables. The other financial charges mainly relate to bank charges and financial fees.

The average interest rate for the non-current financial debts for 2007 is 4,08 % (2006: 4,42 %).

The average interest rate for the current financial debts for 2007 is 4,75 % (2006: 3,66 %).

The average interest rate amounts to 4,1 % in 2007, compared to 4,4 % in 2006.

Interest charges classified by the expiry date of the credit facility

<i>in thousands €</i>	2007	2006
Interest charges on non-current financial debts	-9.159	-11.814
Interest charges on current financial debts	-269	-230
Total interest charges	-9.428	-12.044

Sensibility to the interest rate

On 31 December 2007 the effect on the distributable operating result of a (hypothetic) rise of the interest rates with nearly 1 % gives a negative result of about € 0,3 million (2006: € 0,7 million). If the interest rates on this date should decrease with 1 %, the effect on the distributable operating result gives a positive result of € 0,3 million (2006: € 0,7 million). In the calculations the existing financial derivatives are taken into account.

The (hypothetic) future cash outflow of the interest charges from the on 31 December 2007 withdrawn loans at the variable interest rate of 31 December 2007, amounts to € 10,2 million.

NOTE 11. TAXES

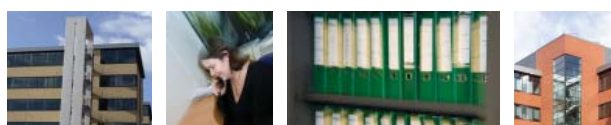
<i>in thousands €</i>	2007	2006
Corporate income taxes	-16	-10
Non-recoverable withholding tax	-8	-1
Tax recovery	0	-25
Other income taxes	-5	-52
Total taxes	-29	-38

With the RD of 15 April 1995 the legislator gave an advantageous fiscal status to the property investment fund. If a company transfers to the status of a property investment fund, or if an (ordinary) company merges with a property investment fund, they must pay a one-off tax (exit tax). After that the property investment fund is only subject to taxes on very specific items, e.g. "disallowed expenditure". Therefore no corporation tax is paid on the majority of the profit that comes from lettings and added value on disposals of investment property.

NOTE 12. NUMBER OF SHARES AND EARNINGS PER SHARE

Movement of the number of shares

	2007	2006
Number of shares at the beginning of the financial year	13.882.662	13.882.662
Number of shares issued by business combination on 18.10.2007	18.240	0
Number of shares at the end of the financial year	13.900.902	13.882.662
Number of dividend bearing shares	13.900.902	13.882.662
Adjustments for diluted earnings per share	0	0
Weighted average number of shares for diluted earnings per share	13.900.902	13.882.662



Determination of the amount of the mandatory dividend distribution

Net monetary operating result according to statutory annual accounts (IFRS)

<i>in thousands €</i>	2007	2006
Net profit (consolidated)	39.698	44.205
Adjustment to statutory financial statement result	121	135
Transactions of non-current nature included in the net result (+/-)		
Depreciations (+) and withdrawals of depreciations (-)	192	134
Result on the sale of investment properties (+/-)	0	2.181
Changes in fair value of investment properties (+/-)	-13.036	-20.645
Monetary net operating result	26.975	26.010

The net monetary operating result must not undergo further adjustments for any non-exempt added value on disposals of investment property. As a result the monetary net operating result is equal to the amount liable for compulsory distribution.

Calculation of the profit per share

<i>en €</i>	2007	2006
Basic earnings per share	2,86	3,18
Diluted earnings per share	2,86	3,18
Distributable earnings per share	1,94	1,87

Proposed dividend per share

After closure of the financial year the dividend distribution below has been proposed by the board of directors. This will be presented to the general meeting of shareholders on 2 April 2008. In accordance with IAS 40 the dividend distribution is not recognized as a liability and has no effect on the profit tax.

	2007	2006
Dividend per share (en €)	1,94	1,87
Remuneration of the capital (in thousands €)	26.968	25.960
Dividend as a percentage of the mandatory dividend pay-out amount	100 %	100 %

NOTE 13. NON-CURRENT ASSETS - INVESTMENT PROPERTIES EXCLUDED

<i>in thousands €</i>	2007	2006
Intangible assets	121	101
Acquisition value	155	117
Depreciations and exceptional capital loss	-34	-16
Other tangible fixed assets	316	401
Acquisition value	631	628
Depreciations and impairment losses	-315	-227
OTHER INFORMATION		
Externally acquired intangible assets		
Expected lifespan	3 an	3 an
Depreciation period	3 an	3 an

Depreciations on the intangible assets and other tangible fixed assets are classified in the income statement under the items "Management costs or real estate" and "general costs".

NOTE 14. NON-CURRENT ASSETS: INVESTMENT PROPERTIES

<i>Investment and revaluation table in thousands €</i>	2007	2006
Amount at the end of the preceeding financial year	506.741	585.043
Acquisitions	1.280	1.781
Properties acquired by the acquisition of real estate companies	43.159	0
Transfers and out of services (-)	0	-6.058
Transfers to the assets held for sale (-)	0	-94.614
Change in fair value (+/-)	13.863	20.589
Amount at the end of the financial year	565.043	506.741
OTHER INFORMATION		
Investment properties at investment value	579.475	519.654

The acquisition of investment properties for an amount of € 43 million consists of the acquisition of the building Exiten for € 8 million, the building Mechelen Campus Tower for € 27 million and the semi-industrial building Herentals Logistics for € 8 million.



NOTE 15. TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS

<i>in thousands €</i>	2007	2006
Guarantees paid in cash	14	15
Receivable from European Commission	0	1.087
Total trade receivables and other non-current assets	14	1.102

Intervest Offices had a non-current trade receivable with the European Commission that yields 6,15 % annual interest for the financing of archive space for an initial amount of € 2,1 million. This debt has been repaid in advance on 3 January 2008 and consequently classified under current assets on 31 December 2007.

NOTE 16. CURRENT ASSETS

Trade receivables

<i>in thousands €</i>	2007	2006
Due trade receivables	1.753	981
Credit notes to receive	37	134
Invoices to issue	586	729
Doubtful debtors	486	708
Provision doubtful debtors	-330	-663
Receivable from European Commission	1.087	204
Other trade receivables	214	245
Total trade receivables	3.833	2.338

The receivable of the European Commission for an amount of € 1,1 million has been repaid in advance on 3 January 2008 and is recorded under trade receivables.

The increase of trade receivables results from the billing of break-up fees in December 2007 for an amount of € 0,4 million and the late payment of one important tenant in Malines.

Ageing analysis of trade accounts receivable

<i>in thousands €</i>	2007	2006
Receivables < 30 days	746	311
Receivables 30-90 days	571	310
Receivables > 90 days	436	360
Total due trade receivables	1.753	981

Tax receivables and other current assets

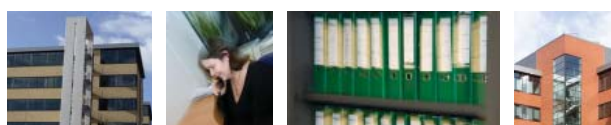
<i>in thousands €</i>	2007	2006
Recoverable corporate tax	217	240
Recoverable exit tax	217	217
Recoverable withholding tax on the liquidation bonus as result of the merger of 18 October 2007	755	22
Other receivables	537	0
Total tax receivables and other current assets	1.726	479

For the explanation to the group's fiscal situation is referred to note 26.

Deferred charges and accrued income

<i>in thousands €</i>	2007	2006
Recoverable real estate tax	956	935
Other deferred charges	525	338
<i>Cost related to new loans</i>	<i>316</i>	<i>311</i>
<i>Other cost to transfer</i>	<i>209</i>	<i>27</i>
Total deferred charges and accrued income	1.481	1.273

Intervest Offices largely recovers the withholding tax that is charged on vacant parts of buildings via objections submit to the tax and customs administration in Flanders.



NOTE 17. SHAREHOLDER'S EQUITY

Share capital

Share capital evolution		Share capital movement	Total outstanding share capital after transaction	Number of shares issued	Total number of shares
<i>Date</i>	<i>Transaction</i>	<i>in thousands €</i>	<i>in thousands €</i>	<i>in units</i>	<i>in units</i>
08.08.1996	Constitution	62	62	1.000	1.000
05.02.1999	Capital increase by non-cash contribution (Atlas Park)	4.408	4.470	1.575	2.575
05.02.1999	Capital increase by incorporation of issue premium and reserves and capital reduction through the incorporation of losses carried forward	-3.106	1.364	0	2.575
05.02.1999	Share split	0	1.364	1.073.852	1.076.427
05.02.1999	Capital increase by contribution in cash	1.039	2.403	820.032	1.896.459
29.06.2001	Merger through absorption of the limited liability companies Catian, Innotech, Greenhill Campus and Mechelen Pand	16.249	18.653	2.479.704	4.376.163
21.12.2001	Merger through absorption of companies belonging to the VastNed Group	23.088	41.741	2.262.379	6.638.542
21.12.2001	Capital increase by non-cash contribution (De Arend, Sky Building and Gateway House)	37.209	78.950	1.353.710	7.992.252
31.01.2002	Contribution of 575.395 shares in Siref	10.231	89.181	1.035.711	9.027.963
08.05.2002	Contribution of max. 1.396.110 Siref shares in the context of the bid	24.824	114.005	2.512.998	11.540.961
28.06.2002	Merger with Siref NV/SA; exchange of 111.384 Siref shares	4.107	118.111	167.076	11.708.037
23.12.2002	Merger through absorption of limited liability companies Apibi, Pakobi, PLC, MCC and Mechelen Campus	5.016	123.127	1.516.024	13.224.061
17.01.2005	Merger through absorption of limited liability companies Mechelen Campus 2, Mechelen Campus 4, Mechelen Campus 5 and Perion 2	3.592	126.719	658.601	13.882.662
18.10.2007	Merger through absorption of limited liability companies Mechelen Campus 3 and Zuidinvest	6	126.725	18.240	13.900.902

On 31 December 2007 the share capital amounts to € 126.725.151 and is divided in 13.900.902 fully paid-up shares with no statement of nominal value.

Permitted capital

The board of directors is expressly permitted to increase the nominal capital on one or more occasions by an amount of € 126.718.826,79 by monetary contribution or contribution in kind, if applicable, by incorporation of reserves or issue premiums, under regulations provided for by the Belgian Company Code, these articles of association and article 11 of the RD of 10 April 1995 on property investment funds.

This permission shall be valid for a period of five years from the publication in the annexes to the Belgian Bulletin of Acts and Decrees of the official report from the extraordinary general meeting dated 4 April 2007, i.e. from 18 May 2007 onwards. This permission is renewable.

Each time there is an increase in capital the board of directors shall set the price, any share issue premium and the conditions of issuance of the new shares, unless the general meeting is to decide on that itself. The capital increases may give rise to the issuance of shares with or without voting right.

If the capital increases, decided upon by the board of directors pursuant to this permission, include a share issue premium, the amount of this issue premium must be recorded in a special un-available account, named "issue premiums", which, like the capital, forms the guarantee for third parties and which cannot be reduced or abolished subject to a decision of the general meeting, meeting under the conditions of presence and majority, providing for a reduction in capital, subject to the conversion into capital as provided for above.

In 2007 the board of directors did apply the granted authorisation to use amounts from the permitted capital.

Purchase of equity shares

In accordance with article 9 to the articles of association, the board of directors can proceed with the purchase of own paid-up equity shares by buying or exchanging within the legally permitted limits, in case of the purchase is necessary to spare the company a serious and threatening loss.

This permission is valid for three years from the publication of the minutes of the general meeting and is renewable for a similar period.

Capital increase

Any increase in capital will be in accordance with articles 581 to 607 of the Company Code, subject to the fact that in the event of registration for cash under article 11 § 1 of the RD of 10 April 1995 regarding property investment funds, there must be no departure from the pre-emptive right of the shareholders, as set out in articles 592 to 595 of the Company Code. Furthermore the company must conform to the stipulations regarding the public issue of shares in article 75 of the ICB-law of 20 July 2004 and to articles 28 ff. of the RD of 10 April 1995.

The capital increases through contributions in kind are subject to the terms of articles 601 and 602 of the Company Code. Furthermore, and in accordance with article 11 § 2 of the RD of 10 April 1995 regarding property investment funds, the following conditions must be met:

1. the identity of the contributor must be noted in the report referred to in article 602 of the Company Code, and also in the notice convening the general meeting that is being called for the capital increase;
2. the issue price must not be less than the average share price during the thirty days prior to the contribution;
3. the report referred to in point 1 above must also give the impact of the proposed contribution on the position of the former shareholders, in particular as it relates to their share of the profit and capital.



Share premium

Share premium evolution <i>in thousands €</i>					
<i>Date</i>	<i>Transaction</i>	Capital increase	Contribution in cash	Contribution value	Share premium
05.02.99	Capital increase by contribution in cash	1.039	0	20.501	19.462
21.12.01	Settlement of the accounting loss as a result of the merger by acquisition of the companies belonging to the VastNed Group	0	0	0	-13.747
31.01.02	Contribution of 575.395 shares in Siref	10.231	1.104	27.422	16.087
08.05.02	Contribution of max. 1.396.110 Siref shares in the context of the bid	24.824	2.678	66.533	39.031
Total share premium					60.833

Impact on the fair value of estimated transaction rights and costs resulting from hypothetical disposal of investment properties

<i>in thousands €</i>	2007	2006
Amount at the end of the preceeding financial year	-12.912	-14.891
Change in investment value of investment properties	-439	-538
Impact of sales of investment properties	0	2.517
Increase from business combinations	-1.081	0
Total impact on the fair value of estimated transaction rights and costs resulting from hypothetical disposal of investment properties	-14.432	-12.912

The difference between the fair value of the property (in accordance with IAS 40) and the investment value of the property as determined by the independent property experts is included in this item.

NOTE 18. PROVISIONS

<i>in thousands €</i>	2007	2006
Non-current provisions	1.169	1.416
Provision for income tax disputes	920	920
Provision rental guarantees from the disposal of investment properties	249	496
Current provisions	409	424
Provision rental guarantees from the disposal of investment properties	409	424
Total provisions	1.578	1.840

Under non-current and current provisions the rental guarantees are provided, resulting from the disposal of investment properties in 2006 (five office buildings and a semi-industrial property in Merksem).

For the explanation to the group's fiscal situation is referred to note 26.



NOTE 19. CURRENT LIABILITIES

Trade debts and other current debts

<i>in thousands €</i>	2007	2006
Trade debts	393	787
Advances received from tenants	167	177
Invoices to be received	722	804
Provision exit tax	790	0
VAT to pay	651	7
Other current debts	373	223
Total trade debts and other current debts	3.096	1.998

Other current liabilities

<i>in thousands €</i>	2007	2006
Dividends payable	402	454
Liabilities for deferred payment of investment properties	0	2.393
Total other current liabilities	402	2.847

The liability concerning the deferred payments of investment properties in 2006 was related to the payment of the parking on Mechelen Campus and has been settled with the buyer mid 2007.

Accrued charges and deferred income

<i>in thousands €</i>	2007	2006
Indemnities received for investment property damage	861	804
Deferred revenues (rental invoicing)	486	653
Other charges to attribute	437	63
Total accrued charges and deferred income	1.784	1.520

NOTE 20. NON-CURRENT AND CURRENT FINANCIAL DEBTS

Classified by expiry date of the credit facility

<i>in thousands €</i>	2007				2006			
	Debts with a remaining period of maturity of		Total	Percentage	Debts with a remaining period of maturity of		Total	Percentage
	< 1 year	> 1 year et < 5 years			< 1 year	> 1 year et < 5 years		
Credit institutions (withdrawn credits)	14.672	206.822	221.494	84%	0	266.595	266.595	93%
Non-drawn credit facilities	25.000	16.643	41.643	16%	10.000	8.750	18.750	7%
Financial lease	5	18	23	0%	5	24	29	0%
TOTAL	39.677	223.483	263.160	100%	10.005	275.369	285.374	100%
Percentage	15%	85%	100%		4%	96%	100%	

At the end of the year the group disposes of € 41,6 million not withdrawn credit facilities (2006: € 18,8 million).

Classified by variable or fixed interest rate of the loans

<i>in thousands €</i>	2007				2006			
	Debts with a remaining period of maturity of		Total	Percentage	Debts with a remaining period of maturity of		Total	Percentage
	< 1 year	> 1 year et < 5 years			< 1 year	> 1 year et < 5 years		
Variable	0	55.835	55.835	25%	0	73.749	73.749	28%
Fixed	14.677	151.005	165.682	75%	1.212	191.663	192.875	72%
TOTAL	14.677	206.840	221.517	100%	1.212	265.412	266.624	100%

Classified by type of credit facility

<i>in thousands €</i>	2007		2006	
	Total	Percentage	Total	Percentage
Roll-over advances	113.188	51%	18.729	7%
Fixed advances	108.306	49%	247.866	93%
Financial lease	23	0%	29	0%
TOTAL	221.517	100%	266.624	100%



NOTE 21. FINANCIAL INSTRUMENTS

On 25 January 2006 and 6 February 2006 the company has concluded interest rate swaps to cover loans with floating interest rate. The swaps cover the financial liabilities for an amount of € 120 million. The interest rate swaps have come into effect as from the end of December 2006 for a 5-year term. The interest rate for these swaps amounts to 3,47 %.

Intervest Offices classifies the interest rate swaps as cash flow hedge whereby it has been proved that none of these hedges were largely ineffective. Consequently fair value hedge accounting is applied to these swaps, on the basis of which mutations in value of these swaps are recorded directly in shareholders' equity and not in the income statement.

The method for the determination of the effectiveness of the hedge is as follows:

- Prospective test: at the end of each quarter it is analysed if a match in the future between the interest rate swap and the underlying financial liabilities still exists
- Retrospective test: on the basis ratio analysis the paid interest on the underlying financial liabilities is compared to the floating interest cash flow of the swap, whereby the ratio has to lie between 80 and 125.

Fair value and book value of financial debt at year end

in thousands €	Start date	Expiry date	Interest rate	Value	Market value	
					2007	2006
IRS	07.02.2006	27.12.2006	3,4725%	60.000	62.062	61.444
IRS	18.12.2006	18.12.2011	3,4700%	60.000	62.045	61.455
				120.000	124.107	122.899
Fair value financial fixed assets					4.107	2.899

The market value of the interest rate swap amounts to € 4,1 million on 31 December 2007 and is fixed on quarterly basis by the emitting financial institute.

Fair value and book value of bank obligations at year end

in thousands €	2007		2006	
	Nominal value	Fair value	Nominal value	Fair value
Financial debts with fixed interest rate	221.494	221.829	266.595	266.698

NOTE 22. RELATED PARTIES

The company's related parties, are its shareholders VastNed Offices/Industrial and further VastNed Offices Belgium, its subsidiaries (see note 23) and its directors and members of the management committee.

Relation with VastNed Offices/Industrial and VastNed Offices Belgium

<i>in thousands €</i>	2007	2006
Interests paid on current account VastNed Offices/Industrial	56	73
Premium purchase right shares Mechelen Campus 3 paid to VastNed Offices Belgium	480	0

Directors and members of the management committee

The remuneration for the directors and the members of the management committee are classified in the items "property management costs" and "general costs" (see notes 5 and 6).

<i>in thousands €</i>	2007	2006
Directors	44	37
Members of the management committee	256	254
Total	300	291

The directors and members of the management committee do not receive additional benefits on the account of the company.

NOTE 23. LIST OF CONSOLIDATED COMPANIES

The companies below are consolidated by the method of full consolidation:

Name of the company	Address	Company number	Capital share (in %)	Minority interests <i>in thousands €</i>	
				2007	2006
ABC SA	Uitbreidingstraat 18, 2600 Berchem	BE 0466.516.748	99,00%	4	4
MBC SA	Uitbreidingstraat 18, 2600 Berchem	BE 0467.009.765	99,00%	41	41
MRP SA	Uitbreidingstraat 18, 2600 Berchem	BE 0465.087.680	99,90%	2	2
DRE SA	Uitbreidingstraat 18, 2600 Berchem	BE 0464.415.115	99,90%	0	0
HLC SA	Uitbreidingstraat 18, 2600 Berchem	BE 0476.197.249	100,00%	0	0
Total minority interests				47	47

IFRS 3 related to business combinations is not applicable on the acquisitions of the financial year 2007.



NOTE 24. MERGERS

Name of the acquired company	Company number	Type	Date	Retroactivity book value	Percentage acquired shares	Number of new shares	Fair value issued shares in thousands €
Zuinvest	BE 0438.109.012	Fusion	18.10.07	oui	5,2%	1.147	3
Mechelen Campus 3	BE 0476.385.509	Fusion	18.10.07	oui	5,0%	17.093	470
Total						18.240	473

NOTE 25. AUDITOR'S FEE

<i>in thousands €</i>	2007	2006
Incl. non deductible VAT		
Fee statutory auditor for the audit mandate	81	87
Fee for exceptional activities or particular executed assignments within the company by the statutory auditor		
- Other control assignments	11	0
- Tax counseling assignments	37	63
- Other assignments beyond statutory assignments	21	6
Total auditor's fee	150	156

Other control assignments are related to the legal assignments concerning the merger on 18 October 2007 and Art 524 of the Company Code.

Other mandates apart from the auditing assignments are related to the acquisition of Mechelen Campus 3, Herentals Logistic Center and the financial processing of interest rate swaps.

NOTE 26. PROVISIONAL CONDITIONS

Framework convention logistic development

Intervest Offices has concluded in November 2007 a framework convention with building constructor Cordeel for the acquisition of shares of Edicorp sa, owner of vacant land parcels along the motorway E313 on the Siemens site in Herentals. These parcels are meant for the development of 40.000 m² logistic buildings next to the present Siemens building, which will be realised in two phases as from the beginning of 2008. In the first phase the logistic development comprises the building of 20.000 m². The delivery is presently planned for August 2008, whereby Intervest Offices has obtained from the developer a rental guarantee during one year, conforming market conditions. The investment value of this transaction amounts to about € 15 million for the first phase of the logistic development.

In a later phase, Intervest Offices can proceed on this land to a further development of 20.000 m² logistic buildings for its own account. For this development Intervest Offices provides priority rights to Cordeel Zetel Hoeselt sa for the general construction works at conforming market conditions.

Disputed tax assessments

By way of the RD of 15 April 1995 the legislator gave property investment funds an advantageous fiscal status. When a company transforms its status into that of a real estate investment fund, or when (ordinary) companies merge with a real estate investment fund, they have to pay a one-time exit tax. The property investment fund is subsequently subject to taxation on only very specific elements, such as "rejected expenses". No corporate tax is thus paid on the majority of the profit derived from rental revenue and capital gains realised on the sale of real estate. The rate of this exit tax amounts since 1 January 2005 to 16,995 % (16,5 % + 3 % crisis tax).

According to fiscal legislation this basis for taxation is to be calculated as the difference between the actual value of the equity and the (fiscal) book value. The Minister of Finance has decided by way of a circular (dated 23 December 2004) that at the determination of the fair value the transfer costs related to the transaction must not be taken into account, but specifies that the securisation premium remains submitted to company tax. Tax assessments based on the securisation premium should thus actually be due. Intervest Offices contests this interpretation and has still open appeals for an amount

of +/- € 4 million. A part of this tax debt is guaranteed by the former promoters of Siref. No provisions have been accounted for.

For the record the board of directors points out the existence of fiscal disputes for an amount of € 919.975 concerning the non-deductibility of provisions, the retroactivity of mergers and the treatment of building and planting rights, related to the fiscal year 1999, as a consequence of additional tax assessments for Siref sa itself, 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 presently Intervest Offices) is the legal successor under a universal title.

There has been appealed against these additional tax assessments on 15 March 2002. A provision has been booked for these additional tax assessments.

On 6 June 2003, the appeal introduced by Siref (fiscal year 1999 – assessment for an amount of € 137.718.51) has been declared unfounded by the Regional Direction. This decision has been contested by means of an appeal introduced by the Court of First Instance. On 4 January 2006 the Court put Intervest Offices in the wrong. Against this decision has been appealed. On 22 May 2007 Intervest Offices has been put in the wrong by the Court of Appeal.

Guarantees with regard to financing

No registrations of mortgage have been taken, and no mortgage authorisations permitted. Most financial institutions do however demand that the investment fund continues to comply with the financial ratios as laid down by the RD's on property investment funds. For the financing, the credit institutions generally require a coverage ratio of more than 2.



Soil

As a result of the merger by takeover of Siref with Intervest Offices on 28 June 2002, it was established that the company had to carry out a soil decontamination in Wilrijk, Boomssteenweg 801/803, Kernenergiestraat 70, Geleegweg 1-7. With the previous owners of this object is agreed that they reimburse half of the decontamination costs. For the financial year 2007, the decontamination costs amount to € 10.000 for Intervest Offices. A similar annual amount is expected till 2009. The guarantee in favour of Ovam has been brought back in 2007 from € 278.300 to € 4.840.

Besides, the subsidiary Herentals Logistic Center has the obligation to execute a project of soil remediation for the historical soil pollution which forms a serious threat. For the soil remediation project that has been introduced to OVAM on 13.06.1995 a certificate of conformity has been delivered on 09.09.2005. Towards OVAM the company has engaged itself to proceed to the soil remediation works and financial securities have been established. These agreement and the financial securities are guaranteed by the seller in the frame of the transfer of shares of Herentals Logistic Center.

Further, Intervest Offices has no soil remediation obligations.

NOTE 27. AGREEMENT CONFLICT OF INTEREST ACQUISITION MECHELEN CAMPUS 3

In case of a possible conflict of interest with the majority shareholder of the company the procedure of article 524 of the Company Code applies. Besides, there must be referred to the RD of 10 April 1995, Section 3, articles 22 to 27 concerning the prevention of conflicts of interest.

In this framework the board of directors wishes to mention that the procedure for preventing conflicts of interest has been applied in 2007 with the acquisition of the shares of Mechelen Campus 3. Indeed, for this transaction Intervest Offices paid a premium for an amount of € 0,5 million to VastNed Offices Belgium sa for the acquisition of the “purchasing right” of the shares of Mechelen Campus 3. VastNed Offices Belgium sa was owner of this purchasing right as a result of a framework convention signed in 2001 between VastNed Offices Belgium sa and the Uplace Group (previously Verelst Real Estate sa). As VastNed Offices Belgium sa is, as subsidiary of VastNed Offices/Industrial bv (majority shareholder of Intervest Offices) a related company with Intervest Offices (as well in the sense of article 524, § 1, 1° of the Company Code as in the sense of article 24, § 1, 3° of the RD of 10 April 1995 related to the property investment funds) the procedure of article 524 of the Company Code had to be observed, as well as the rules contained in the afore mentioned RD of 10 April 1995 related to the property investment funds.

Consequently the board of directors has decided on 4 April 2007 to appoint a committee of three independent directors, in the person of Mssrs Rijnboutt, van Ommen and Blumberg, who on their turn appointed an expert, in the person of Jones Lang LaSalle sprl, represented by Mr Roderick Scrivener, MRICS. This committee has drawn up, in consultation with and assisted by Jones Lang LaSalle sprl, represented by Mr Roderick Scrivener, MRCIS, an advice, from which the conclusion is as follow:

“After considering the professional advantages and disadvantages for Intervest Offices sa and its shareholders for the planned transaction (i.e. the conclusion of an agreement with VastNed Offices Belgium sa, a related company, for the acquisition of the right, to purchase (acquire) 9.500 (of the 10.000) shares from the real estate company Mechelen Campus 3 sa from Uplace Group, by the means of

the payment of a premium to VastNed Offices Belgium sa, after the description of the liability consequences of this transaction and after the conclusion of the absence of any obvious (evident, clear) illegal disadvantage for Intervest Offices sa, the committee judges that, in consultation with and assisted by Jones Lang LaSalle sprl, represented by Mr Roderick Scrivener, MRICS, the planned transaction can receive a favourable advice. The committee has decided to submit the present advice to the board of directors of Intervest Office sa, which will take a decision concerning described transaction”.

Consequently, the board of directors has decided on 10 July 2007: “not to deviate from the afore mentioned advice” and “ to approve the conclusion of the agreement with VastNed Offices Belgium sa, a related company, for the acquisition of the right to purchase from Uplace Group 9.500 (of the 10.000) shares in the real estate company Mechelen Campus 3 on 30 June 2007 (i.e. with retroactive effect), on the condition of the payment of a premium to VastNed Offices Belgium sa [...].

The board of directors also asked the statutory advisor of the company, Deloitte, Bedrijfsrevisoren / Reviseurs d’Entreprises BV o.v.v.e. CVBA / SC s.f.d. SCRL, represented by Mr Rik Neckebroeck, statutory auditor, in application of article 524 § 3 of the Company Code, to pass judgment on the faithfulness of the information mentioned in the advice of the committee of three independent directors, assisted by the independent expert. The judgment of the statutory auditor on that subject is:

“According to our opinion the economical and verifiable information contained in the minutes of the board of directors of 10 July 2007 and the report of the above mentioned committee of three independent directors is truthful.”

The board also mentions that the procedure imposed by article 24 of the RD of 10 April 1995 related to the property investment funds has been applied.

NOTE 28. POST BALANCE SHEET EVENTS

There are no significant events to be mentioned that occurred after the closing of the accounts as at 31 December 2007.



STATUTORY AUDITOR'S REPORT

INTERVEST OFFICES SA
PUBLIC BELGIAN REAL ESTATE INVESTMENT FUND

STATUTORY AUDITOR'S REPORT
TO THE SHAREHOLDERS' MEETING
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

To the shareholders,

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comment.

Unqualified audit opinion on the consolidated financial statements

We have audited the accompanying consolidated financial statements of INTERVEST OFFICES NV, PUBLIC BELGIAN REAL ESTATE INVESTMENT FUND ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at December 31, 2007, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 577.325 (000) EUR and a consolidated profit for the year then ended of 39.698 (000) EUR.

The board of directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained, provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as of December 31, 2007, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

Additional comment

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comment which does not change the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

Diegem, February 19, 2008



The statutory auditor

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





Exiten
Zellik

GENERAL INFORMATION



IDENTIFICATION

Name

Intervest Offices sa, Pulic Property Investment Fund with Fixed Capital under Belgian Law, or “vastgoedbevak” / “sicafi” under Belgian Law.

Registered office

Uitbreidingstraat 18, 2600 Berchem-Antwerp.

Enterprise identification number and VAT number

The company is registered at the Crossroad bank for enterprises under the enterprise identification number 0458.623.918.

Legal form, formation, publication

Intervest Offices sa has been founded on 8 August 1996 as a limited liability company by the name “Immo-Airway”, executed before the civil-law notary Carl Ockerman, in Brussels as published in the appendices to the Belgian Official Gazette, Orders and Decrees of 22 August 1996 under no. BBS 960822-361.

By deed executed before Eric Spruyt, civil-law notary in Brussels, and Max Bleeckx, civil-law notary in Sint-Gillis-Brussels, executed on 5 February 1999 and published in the Appendices to the Belgian Bulletin of Acts, Orders and Decrees of 24 February under number BBS 990224-79, the company’s legal form was converted from a limited liability company to a limited partnership with a share capital and its name was changed to “PeriFund”.

By deed executed before Eric De Bie, civil-law notary in Antwerp-Ekeren, with the intervention of Carl Ockerman, civil-law notary in Brussels, executed on 29 June 2001 and published in the Appendices to the Belgian Official Gazette, Orders and Decrees of 24 July 2001 under number BBS 20010724-935, the company’s legal form was converted from a limited partnership with a share capital to a limited liability company and its name

was changed to “Intervest Offices”.

Since 15 March 1999 Intervest Offices has been recognised as a “property investment fund with fixed capital under Belgian law”, or a “vastgoedbevak” / “sicafi” under Belgian law for short, which is registered with the Banking, Finance and Insurance Commission.

It is subject to the legal system for the company for collective investment with a fixed number of rights of participation, in casu a property investment fund with fixed capital as referred to in article 6, 2° of the ICB act of 20 July 2004.

The company has opted for the investment category specified in article 7, first subsection, 5° of the aforementioned ICB act.

The company draws publicly on the savings system in the sense of article 438 of the Belgian Company Code.

The articles of association have been last amended on 18 October 2007, as published in the Appendices to the Belgian Official Gazette, Orders and Decrees of 9 November 2007 under number 2007-11-09-07163467.

Duration

The company was founded for an indefinite period.

Objet social

Article 4 des statuts:

The sole object of the company is collective investment of the financial resources it attracts from the public in property, as defined in article 7,5° of the Act of 20 July 2004 concerning certain forms of collective control of investment portfolios.

Property is understood to mean:

1. immovable property as defined in articles 517 and seq of the Belgian Civil Code and real rights over immovable property;

2. shares with voting rights issued by affiliated property companies;
3. option rights to immovable property;
4. units in other property investment institutions that are registered in the list referred to in article 31 or article 129 of the Law of 20 July 2004 concerning certain forms of collective management of investment portfolios;
5. property certificates as described in article 44 of the RD of 10 April 1995 referring to property investment funds;
6. rights arising from contracts where one or more properties are placed under a leasing arrangement with the company;
7. as well as all other properties, shares or rights defined as immovable property by the RD's in execution of the law of 20 July 2004 that apply to collective investment institutions which invest in immovable property.

Within the limits of the investment policy, as described in article 4-5 of the articles of association, and in accordance with the applicable legislation on property investment funds, the company may become involved in:

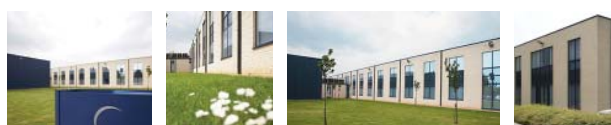
- purchasing, converting, furnishing, letting, subletting, managing, exchanging, selling or subdividing the property as described above, or placing it under the system of joint ownership;
- acquiring and lending securities in accordance with article 51 of the RD of 10 April 1995 relating to property investment funds;
- taking immovable property under a leasing arrangement, with or without an option to purchase, in accordance with article 46 of the RD of 10 April 1995 relating to property investment funds; and
- as an additional activity, placing immovable property under a leasing arrangement, with or without an option to purchase, in accordance with article 47 of the RD of 10 April 1995 relating to property investment funds;
- the company may only occasionally act as a property developer, as defined in article 2 of the RD of 10 April 1995.

In accordance with the legislation that applies to property investment funds, the company may also:

- as an additional or temporary activity, hold investments in securities, assets other than fixed assets and cash reserves, in accordance with article 41 of the RD of 10 April 1995 relating to property investment funds. The possession of securities must be compatible with the short or medium-term objectives of the investment policy, as described in article 5 of the articles of association. The securities must be included in the official list of a stock exchange of a Member State of the European Union or traded on a regulated, recognised market in the European Union that is open regularly for trading and is accessible to the public. The cash reserves may be held in any currencies in the form of sight or time deposits or in the form of any other easily negotiable monetary instrument;
- grant mortgages or other collateral or security within the context of the financing of property in accordance with article 53 of the RD of 10 April 1995 relating to property investment funds;
- grant credit and stand surety for the benefit of a subsidiary of the company that is also an investment institution as referred to in article 49 of the RD of 10 April 1995 relating to property investment funds

The company may acquire, rent, let, transfer or exchange any movable or immovable property, materials and necessary items and, in general, carry out any commercial or financial operations that are directly or indirectly connected with its object and the utilisation of any intellectual rights and commercial property that relate to this object.

Provided that such action is compatible with the statute for property investment funds, the company may, through cash or non-cash contributions, mergers, subscriptions, participations, financial interventions or other means, take a stake in any companies or enterprises that have already been founded or are founded in the future, in Belgium or abroad, and whose object is identical to its own or is of such a nature as to promote the pursuance of its object.



Financial year

The financial year starts on 1 January and ends on 31 December of each year.

Inspection of documents

The articles of association of Intervest Offices sa are available for inspection at the Office of the Commercial Court in Antwerp, and at the company's registered office.

- The annual accounts are filed with the balance sheet centre of the National Bank of Belgium.
- The annual accounts and associated reports are sent annually to holders of registered shares and any other person who requests them.
- The resolutions relating to the appointment and dismissal of the members of the company's bodies are published in the appendices to the Belgian Bulletin of Acts, Orders and Decrees.
- Financial announcements and notices convening the General Meetings are published in the financial press.
- Important public company documents are available on the website: www.intervest.be

The other publicly accessible documents that are mentioned in the prospectus are available for inspection at the Investment Fund's registered office.

EXTRACT FROM THE ARTICLES OF ASSOCIATION

Capital - Shares

Article 8 – Nature of the shares

The shares are bearer or registered shares or, in the event of the prior designation of an account holder by the board of directors, take the form of dematerialised securities insofar as the law and the applicable implementing regulations allow. The bearer shares are signed by two directors, whose signatures may be replaced by name stamps.

The bearer shares can be issued as single shares or collective shares. The collective shares represent several single shares in accordance with a form to be specified by the board of directors. They can be split into sub-shares at the sole discretion of the board of directors. If combined in sufficient number, even if their numbers correspond, these sub-shares offer the same rights as the single share.

Each holder of single shares can have his/her shares exchanged by the company for one or more bearer collective shares representing these single securities, as he/she sees fit; each holder of a collective share can have these securities exchanged by the company for the number of single shares that they represent. The holder will bear the costs of this exchange.

Each bearer security can be exchanged into registered securities or securities in dematerialised form and vice versa at the shareholder's expense. As long as the company has not decided to issue the dematerialisation securities, there can be no request for these to be exchanged for dematerialised securities.

A record of the registered shares, which each shareholder is entitled to inspect, is maintained at the company's registered office. Registered subscription certificates will be issued to the shareholders.

Any transfer between living persons or following death, as well as any exchange of securities, will be recorded in the aforementioned register

Article 11 – Transparency regulations

All natural persons or legal entities who acquire or surrender shares or other financial instruments with voting rights granted by the company, whether or not these represent the capital, are obliged to inform both the company and the Banking, Finance and Insurance Commission of the number of financial instruments in their possession, whenever the voting rights connected with these financial instruments reach five per cent (5%) or a multiple of five per cent of the total number of voting rights in existence at that time, or when circumstances that require such notification arise.

⁵ These articles are not the complete, nor the literal reproduction of the articles of association. The complete articles of association can be consulted on the company's registered offices and on the website www.intervest.be.

This declaration is also compulsory in the event of the transfer of shares, if as a result of this transfer the number of voting rights rises above or falls below the thresholds specified in the first or second paragraph.

Administration and supervision

Article 12 – Nomination – dismissal - vacancy

The company is managed by a board of directors consisting of at least three directors, who may or may not be shareholders. They will be appointed for a maximum of six years by the general meeting of shareholders, and their appointment may be revoked at any time by the latter.

In the event that one or more directors' positions become vacant, the remaining directors have the right to fill the vacancy on a provisional basis until the next general meeting, when a definitive appointment will be made.

Where a legal entity is elected as director or member of the management board, that legal entity shall designate from among his partners, business managers, directors or employees a permanent representative to be charged with the performance of that mandate on behalf of and for the account of the legal entity in question. That representative must satisfy the same conditions and is liable under civil law and responsible under criminal law as if he himself were performing the mandate in question on his own behalf and on his own account, without prejudice to the joint and several liability of the legal person whom he represents. That legal entity may not dismiss his representative without at the same time naming a successor.

All directors and their representatives must satisfy the requirements in terms of professional reliability, experience and autonomy, as specified by article 4 §1, 4° of the RD of 10 April 1995, and therefore be able to guarantee autonomous management. They must not fall under the application of the prohibitions referred to in article 19 of the law of 22 March 1993 relating to the statute for and supervision of credit institutions.

Article 15 - Delegation of authority

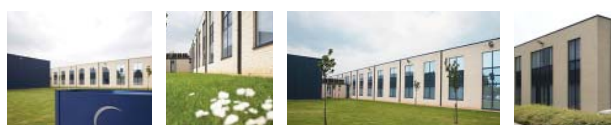
In application of article 524b of the Belgian Company Code, the board of directors can put together an executive committee, whose members are selected from inside or outside the Board. The powers to be transferred to the executive committee are all managerial powers with the exception of those managerial powers that might relate to the company's general policy, actions reserved to the board of directors on the basis of statutory provisions or actions and transactions that could give rise to the application of article 524 of the Belgian Company Code. If an executive committee is appointed, the board of directors is charged with the supervision of this committee.

The board of directors determines the conditions for the appointment of the members of the Executive Committee, their dismissal, their remuneration, any severance pay, the term of their assignment and way of working.

If an executive committee is appointed, it can only delegate day-to-day management of the company to a minimum of two persons, who must be directors. If no executive committee is appointed, the board of directors can only delegate day-to-day management of the company to a minimum of two persons, who must be directors.

The board of directors, the executive committee and the managing directors charged with the day-to-day management may also, within the context of this day-to-day management, assign specific powers to one or more persons of their choice, within their respective powers.

The board can determine the remuneration of each mandatory to which special powers are assigned, all in accordance with the law of the collective management of investment portfolios, and its implementation decrees.



Article 17 - Conflicts of interest

The directors, the persons charged with day-to-day management and the authorised agents of the company will respect the rules relating to conflicts of interests, as provided for by the RD of 10 April 1995 relating to property investment funds, by the Belgian Company Code as where appropriate they may be amended

Article 18 – Auditing

The task of auditing the company's transactions will be assigned to one or more Statutory Auditors, appointed by the general meeting from the members of the Belgian Institute of Company Auditors for a renewable period of three years. The statutory auditor's remuneration will be determined at the time of his/her appointment by the general meeting.

The statutory auditor(s) also audit(s) and certify (certifies) the accounting information contained in the company's annual accounts. At the request of the Banking, Finance and Insurance Commission, he (she) also confirms the accuracy of the information that the company has presented to the aforementioned Commission in application of article 80 of the law of 20 July 2004.

General meeting

Article 19 – General, special and extraordinary general meeting

The ordinary general meeting of shareholders, known as the annual meeting, must be convened every year on the first Wednesday of April at 4.30 p.m.

If this day is a public holiday, the meeting will be held on the next working day.

At any time an extraordinary general meeting can be convened to deliberate and decide on any matter belonging to its competence and which does not contain any modification of the articles of association.

At any time an extraordinary general meeting can be convened to deliberate and decide, before a notary.

The general meetings are held at the company's registered office or at another location in Belgium, as designated in the notice convening the meeting.

Article 22 – Depositing shares

In order to be admitted to the meeting, the holders of bearer shares must deposit their shares no later than three days before the date of the intended meeting, if the notice convening the meeting requires them to do so. The shares must be deposited at the company's registered office or at a financial institution designated in the notice convening the meeting.

Owners of dematerialised shares take care of the communication, at least three days before the intended meeting, of an a certificate from a authorised institutions or a clearing institution, attesting of unavailability of the dematerialised shares till the date of general meeting;

Holders of registered shares do this in an ordinary letter sent to the company's registered office, again at least three days in advance.

Article 26 – Voting rights

Each share gives the holder the right to one vote.

If one or more shares are jointly owned by different persons or by a legal entity with a representative body consisting of several members, the associated rights may only be exercised vis-à-vis the company by a single person who has been designated in writing by all the authorised persons. Until such a person is designated, all of the rights connected with these shares remain suspended.

If a share is encumbered with a usufruct, the voting rights connected with the share are exercised by the usufructuary, unless there is an objection from the bare owner.

Social documents - Distribution of profit

Article 29 – Appropriation of profit

The company will distribute its net income, less the amounts that correspond to the net reduction of debt for the current financial year, for an amount of at least eighty percent (80%).

For the purposes of this article, net income is defined as the profit for the financial year, excluding downward value adjustments, reversals of downward value adjustments and added values realized on fixed assets, in so far as these are recorded in the income statement.

The decision on how the remaining twenty per cent will be appropriated will be taken by the General Meeting on the proposal of the board of directors.

Added values on the realization of fixed assets, however, are excluded from net income, as specified in paragraph 1, to the extent that they will be reused within a period of four years, starting from the first day of the current financial year in which these added values will be realized.

The portion of the realized added values that has not been reused after the period of four years will be added to the net income, as defined, for the financial year following this period.

STATUTORY AUDITOR

On 4 April 2007, Deloitte Réviseurs d'Entreprises SC i.d.f. of a SCRL, which is represented by Mr Rik Neckebroeck, Berkenlaan 8b – 1831 Diegem, has been reappointed as statutory auditor of Intervest Offices. The mandate of the statutory auditor will end immediately after the annual meeting to be held in 2010.

The remuneration of the Statutory Auditor amounts to € 65.000 (excl. VAT, incl. costs) a year for the auditing of the annual accounts.

CUSTODIAN BANK

As from 15 March 2003, ING Bank has been designated as the custodian bank of Intervest Offices in the sense of articles 12 and seq of the RD of 10 April 1995 relating to property investment funds.

Since 1 January 2006 the annual fee is a fixed fee of € 10.000 increased with a commission of 0,03 % per property that is acquired or sold. The fee is based on the investment value of the property according to the last valuation

PROPERTY EXPERTS

The property experts of the investment fund are:

- Jones Lang LaSalle Belgium, 1000 Brussels, rue Montoyer 10. The company is represented by Rod Scrivener
- de Crombrugghe & Partners, 1160 Brussels, avenue G. Demey 72-74. The company is represented by Guibert de Crombrugghe
- Cushman & Wakefield, 1000 Brussels, avenue des Arts 58 b 7. The company is represented by Kris Peetermans and Eric Van Dyck

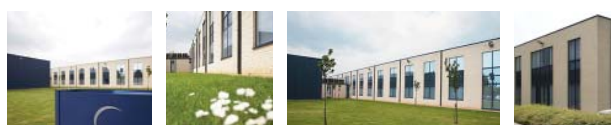
In accordance with the RD of 10 April 1995, they value the portfolio four times a year.

LIQUIDITY PROVIDER

In 2003, a liquidity contract has been concluded with ING Bank, Marnixlaan 24, 1000 Brussels, to promote the liquidity of the shares.

In practice this takes place through the regular submission of buy and sell orders within certain margins.

The remuneration has been set at a fixed amount of € 10.000 a year.



PROPERTY MANAGEMENT

In 2007 the semi-industrial buildings and Mechelen Campus are managed by the external manager Quares Asset Management.

The fees charged by this manager amount to 0,65 % to 1 % of the rents received for these buildings. In some cases, these management fees are paid directly by the tenants in accordance with the obligations of their tenancy agreements.

The aim of these rules is to limit the risk for shareholders.

Companies that merge with a property investment fund are subject to a tax (exit tax) of 16,995% on deferred added values and tax-free reserves.

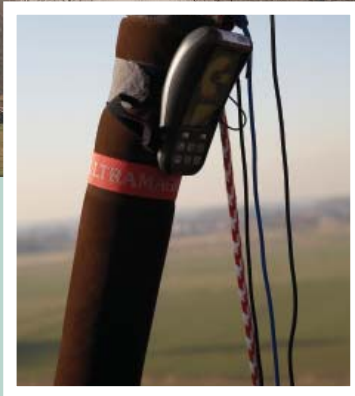
PROPERTY INVESTMENT FUND - LEGAL FRAMEWORK

The Investment Fund system was regulated in the RD of 10 April 1995 to stimulate joint investments in property. The concept is very similar to that of the Real Estate Investment Trusts (REIT USA) and the Fiscal Investment Institutions (FBI Netherlands).

It is the legislator's intention that Investment Funds will guarantee optimum transparency with regard to the property investment and ensure the pay-out of maximum cash flow, while the investor enjoys a whole range of benefits.

The Investment Fund is monitored by the Banking, Finance and Insurance Commission and is subject to specific regulations, the most notable provisions of which are as follows:

- the form of a limited liability company or a limited partnership with a share capital with minimum capital of € 1.239.467,62
- a debt ratio limited to 65 % (RD of 21 June 2006) of total assets
- strict rules relating to conflicts of interests
- recording of the portfolio at market value without the possibility of depreciation
- a three-monthly estimate of the property assets by independent experts
- spreading of the risk: a maximum of 20% of capital in one building, with certain exceptions
- exemption from corporation tax on the condition that at least 80% of the profits are distributed



TERMINOLOGY

Acquisition value of an investment property

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

Debt ratio

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

Diluted earnings

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

Distributable earnings

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

Commercial rental income

The commercial rental income is the contractual rental income plus the rental income from the already signed leasing contracts concerning spaces which are contractual vacant on 31 December 2007.

Corporate governance

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

Current rents

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

Dividend yield

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

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

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

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

Free float

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

Gross dividend

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

Investment value of an investment property

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

Liquidity of the share

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

Net asset value (fair value)

Total shareholders' equity divided by the number of shares.

Net asset value (investment value)

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

Net dividend

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

Occupancy rate

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

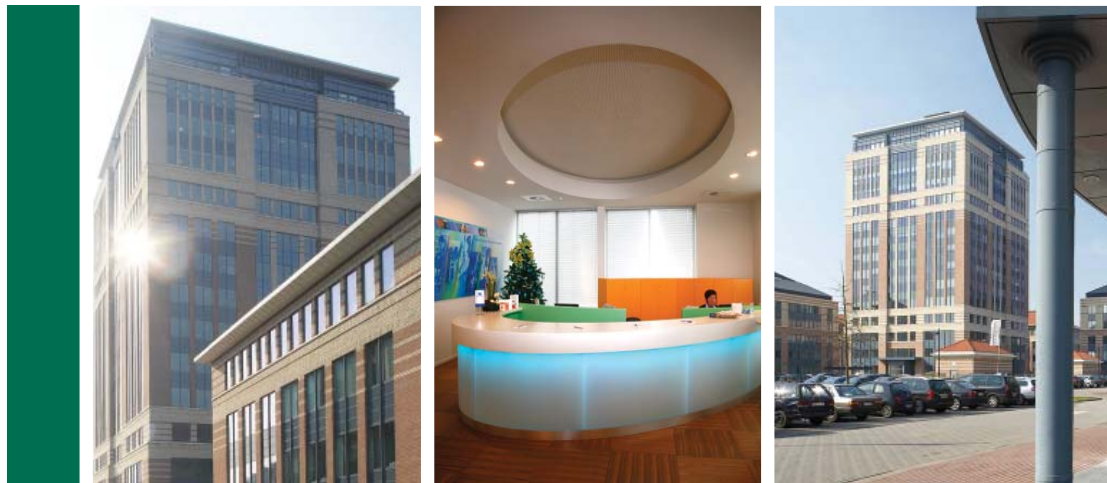
Ordinary earnings

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

Yield

Annual rental income compared to the investment value.





Interinvest Offices

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