



ANNUAL REPORT

2008

INTERVEST
OFFICES



INTERVEST OFFICES IS:

- a Belgium property investment fund, listed on NYSE Euronext Brussels
- specialised in investments in office buildings and semi-industrial properties of first quality, strategically situated on good locations outside town centres
- focused on an investment policy based on risk spread of the real estate portfolio
- characterized by a high dividend yield
- provided with a healthy financial structure

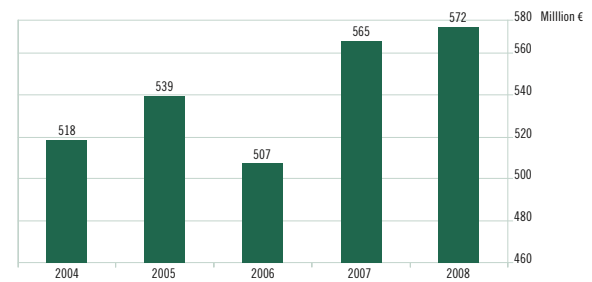
FINANCIAL CALENDAR

- Announcement annual results as at 31 December 2008: Tuesday 17 February 2009
- General meeting of shareholders: Wednesday 1 April 2009 at 4.30 pm
- Dividend payable:
 - Ex-date dividend 2008: Tuesday 14 April 2009
 - Record date dividend 2008: Thursday 16 April 2009
 - Dividend payment 2008: as from Friday 17 April 2009
- Interim statement on the results as at 31 March 2009: Monday 4 May 2009
- Half-yearly financial statement as at 30 June 2009: Tuesday 4 August 2009
- Interim statement on the results as at 30 September 2009: Monday 2 November 2009

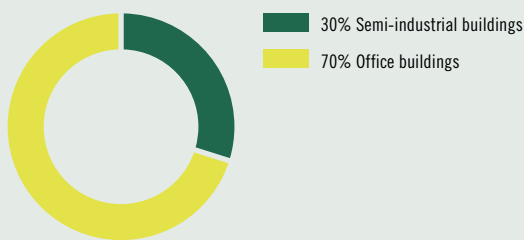
Risk spread of the real estate portfolio

REAL ESTATE PORTFOLIO	31.12.2008	31.12.2007
Fair value of investment properties (€ 000)	572.055	565.043
Total lettable surface area (m ²)	539.373	505.363

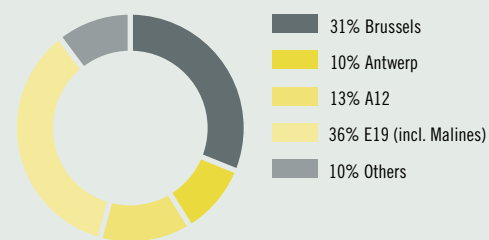
Evolution fair value of investment properties



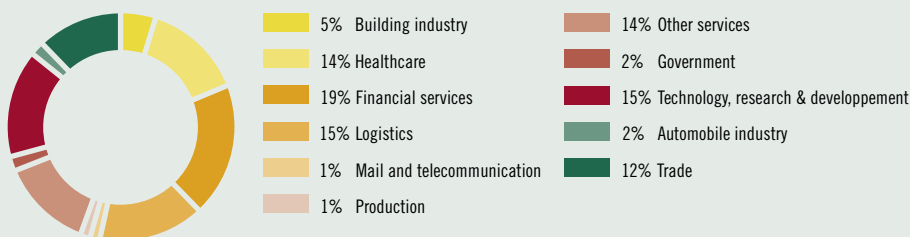
Sector spread



Geographic spread



Sector of tenants

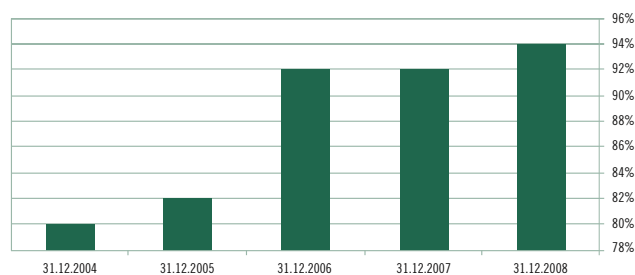


Strong balance sheet: debt ratio 42 %

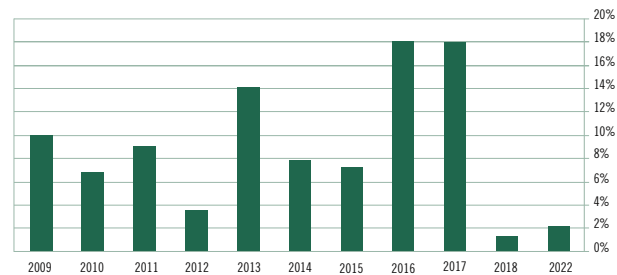
Key figures	31.12.2008	31.12.2007
Shareholders' equity (€ 000)	330.365	348.521
Liabilities (€ 000)	247.209	228.804
Debt ratio RD 21 June 2006 (max. 65 %) (%)	42 %	39 %

Key figures per share	31.12.2008	31.12.2007
Number of shares	13.900.902	13.900.902
Net asset value (fair value) (€)	23,77	25,07
Net asset value (investment value) (€)	24,80	26,11
Share price on closing date (€)	17,75	29,65
Premium (+)/discount (-) to net asset value (%)	- 25 %	18 %

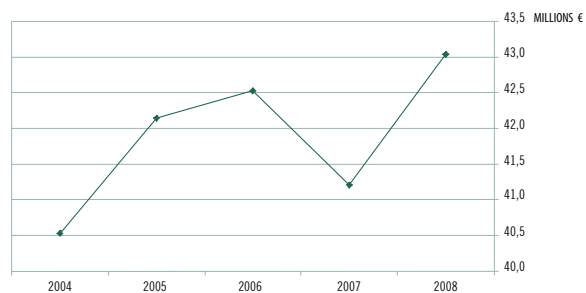
Occupancy rate: 94 %



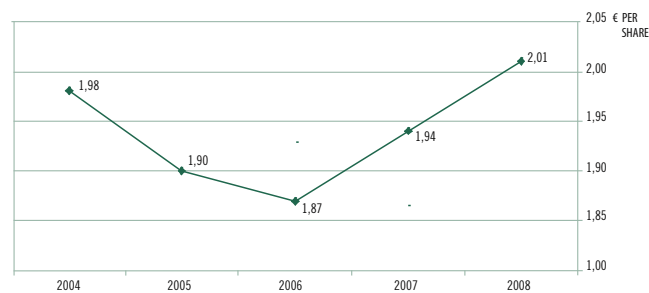
Average remaining duration of lease contracts: 4 year



Rental income: € 43 million



Positive results: distribution of gross dividend: € 2,01



“In 2008, the gross dividend of Intervest Offices increases from € 1,94 to € 2,01 per share.”

Results (€ 000)	2008	2007
Net rental income	42.920	41.083
Property management costs and income	426	445
Property result	43.346	41.528
Property charges	-3.504	-4.040
General costs and other operating income and expenses	-1.619	-1.241
Operating result before result on portfolio	38.223	36.247
Portfolio result	-12.726	13.036
Operating result	25.497	49.283
Financial result	-10.204	-9.556
Taxes	-44	-29
Net profit	15.249	39.698
Operating distributable result	27.975	26.975
Result on portfolio	-12.726	13.036
Gross dividend per share (€)	2,01	1,94
Net dividend per share (€)	1,71	1,65

Dividend yield

“On 31 December 2008 the share price of the Intervest Offices’ share amounts to € 17,75 offering a gross dividend yield of 11 %.”

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“In 2008, the gross dividend of Intervest Offices increases with almost 4 %,
from € 1,94 to €2,01 per share.”

“On 31 December 2008 the occupancy rate amounts to 94 %,
which is significantly higher than the market average.”

Dear shareholder,

We are pleased to present you the annual report for the financial year 2008.

Despite the fast economic regression during the second half of 2008 the demand for office space and warehouses has resisted.

Thanks to important rental activity of Interinvest Offices the occupancy rate of the investment property fund amounts to 94 % at the end of the year. For the semi-industrial buildings segment the occupancy rate even reached 98 %.

The distributable operating result (excluding the result on portfolio) amounts to € 28 million for the financial year 2008, allowing us to offer you a gross dividend of € 2,01 per share, compared to € 1,94 per share in 2007. The gross dividend yield of the property investment fund amounts to 11 % based on the share price at 31 December 2008.

These good operating results of Interinvest Offices contrast sharply with the inactivity on the investment market.

The first signs of the financial crisis already became perceptible in the autumn of 2007. The impact on the investment market became obvious from the second quarter of 2008. The credit crunch, higher interest rate margins and economic uncertainty almost resulted in the stagnation of activities on the investment markets by the end of the year.

Under these circumstances we are also forced to adopt a cautious, awaiting attitude.

As of the third quarter of 2008 these market circumstances were reflected in the valuation of the buildings of the property investment fund but the impact for the entire year remains limited to a value decrease of 2 %. At the end of 2008 the fair value of the portfolio amounts to € 572 million.

The general economic forecast is gloomy for 2009. The real estate market will also suffer from the consequences of the recession through lower rental activity and a further value decrease of the buildings.

However, we believe we will be able to resist this economic situation well. By anticipating this economic situation, a number of important lease contracts have already been extended early. Only 10 % of the rental income reaches its expiry date in 2009.

Given the relatively low debt ratio of 42 %, we are in a relatively comfortable position with regard to the credit market.

Our aim for 2009 is to maintain the operating result as well as possible.

Thank you for your trust and all our employees for their much-appreciated efforts and we wish them the best in making 2009 a successful year.

The board of directors



Reinier van Gerrevink
Managing director



Jean-Pierre Blumberg
Chairman of the board of directors

01



Report of the board of directors

Woluwe Garden // Woluwedal 18 - 22 / 1932 Sint-Stevens-Woluwe / Surface area 25.074 m²

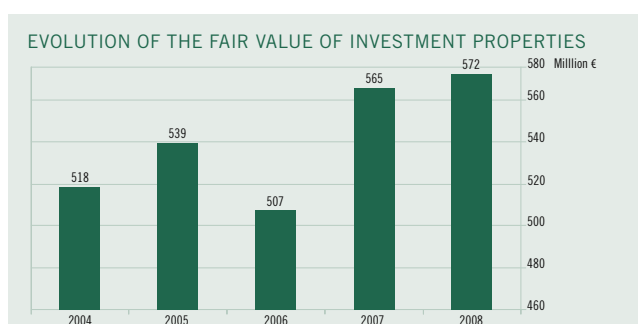
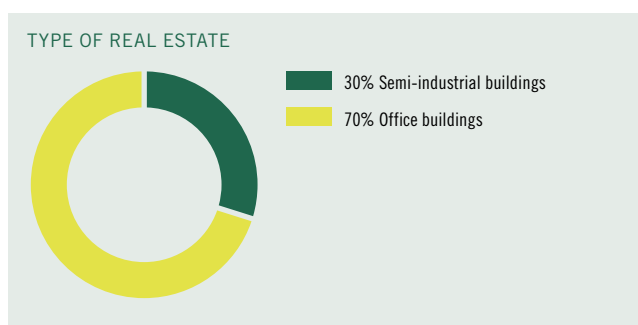
Reception

PROFILE

Interinvest Offices invests in high-quality Belgian business properties which are leased to first-class tenants. The properties in which is invested, consist 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.

“On 31 December 2008, the portfolio consists of 70 % office buildings and 30 % semi-industrial buildings. The total fair value of the portfolio amounts to € 572 million at 31 December 2008.”

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



INVESTMENT POLICY

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

Business properties in this sense mean 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 real estate portfolio and by improving the risk profile.

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.

“In 2008, the free float of the share of Interinvest Offices remains unchanged at 45,3 %.”

Expansion of the real estate 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, costs of maintenance and repair, 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.

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 lease contracts are monitored to be relatively well spread.

“In collaboration with Intervest Offices

we manage to substantially reduce the costs of the control of our technical equipment.”

CHRISTIAN CLAESSENS – GENERAL SERVICES DIRECTOR - PWC

CORPORATE GOVERNANCE

General

Interest Offices strictly respects the principles of the Belgian Corporate Governance Charter. The principles of corporate governance of Intervest Offices have been established in a number of directives by the board of directors:

- the Corporate Governance Charter
- the code of conduct
- whistleblowing rules
- the market abuse directive

Het complete ‘Corporate Governance Charter’ that sets out the important internal procedures for the administrative bodies of Interest Offices, as well as the other directives, can be consulted on the company website (www.intervestoffices.be).

From the terms of the Belgian Corporate Governance Code is only derogated when specific circumstances require it. In this case the derogation is explained in the annual report, in accordance to the “comply or explain” principle.

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.

In 2008, Reinier van Gerrevink and Hubert 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. During the financial year 2008, Reinier van Gerrevink and Hans Pars have represented the majority shareholder VastNed Offices/Industrial.



Jean-Pierre Blumberg

Chairman - independent director

Address	Plataandreef 7 2900 Schoten
Term	April 2010
Function	Managing partner Linklaters LLP



Reinier van Gerrevink

Managing director

Address	Bankastraat 123 NL- 2585 EL 's-Gravenhage
Term	April 2011
Function	Chief executive officer VastNed Group



Hubert Roovers

Managing director

Address	Franklin Rooseveltlaan 38 NL- 4835 AB Breda
Term	April 2011
Function	Managing director Interest Retail sa



Nick van Ommen

Independent director

Address	Beethovenweg 50 NL- 2202 AH Noordwijk aan Zee
Term	April 2010
Function	Director of companies



**EMSO sprl permanently represented by
Chris Peeters**

Independent director

Address	Jan Moorkensstraat 68 2600 Berchem
Term	April 2011
Function	Transport economist Managing director Policy Research Corporation sa



Hans Pars

Director

Address	Platolaan 44 NL - 3707 GG Zeist
Term	Till 14 November 2008
Function	Chief investment officer VastNed Group



The mandate of Hans Pars ended at his request on 14 November 2008. The board of directors thanks Hans Pars heartily for his contribution to the board of directors of Intervest Offices. Hans Pars is replaced as independent director by means of cooptation as from 1 January 2009 by Tom de Witte.

	Tom de Witte	
	Director	
	Address	Kamerlingh Onnesstraat 69 NL- 2984 ED Ridderkerk
	Term	Cooptation as from 1 January 2009
	Function	Chief financial officer VastNed Groep

The board of directors met four times in 2008. All directors attended all meetings, except for Hans Pars on 13 May and 4 August 2008, Reinier van Gerrevink on 18 February and 13 May 2008 and Jean-Pierre Blumberg on 4 August 2008.

In 2008, the most important items on the agenda of the board of directors have been:

- Approval of the quarterly, half-yearly and annual figures
- Approval of the annual accounts and the statutory reports
- Approval of the budgets 2008 and the business plan 2009
- Discussion on the real estate portfolio (investments and disinvestments, tenancy issues, valuations, etc.)
- Acquisition of Edicorp sa (owner of the building Herentals Logistics 2)
- Merger of Intervest Offices with Herentals Logistic Center sa on 2 April 2008

Composition and operation of the audit committee

In 2008, the audit committee comprises three directors: Nick van Ommen (chairman), Jean-Pierre Blumberg and EMSO sprl, permanently represented by Chris Peeters. The term of their mandate in the audit committee is not specified.

The audit committee met four times in 2008. All the members attended all meetings, except for Jean-Pierre Blumberg on 4 August 2008.

The most important items on the agenda of the audit committee in 2008 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 2008, 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

In accordance with 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.intervestoffices.be).



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.

Remunerations

In 2008, the annual fixed fee of the independent non-executive directors amounts to € 14.000 a year as member of the board of directors (€ 15.000 a year as chairman of the board of directors). There are no additional remunerations attributed neither for the membership of a committee nor for the exercise of the chairmanship of a committee. The mandate of the directors representing the majority shareholder is not remunerated.

The amount of the remuneration allocated in 2008 to the members of the management committee and the managing director is € 268.100, increased with a variable remuneration of € 20.000. Besides, in 2008 an exceptional bonus for an amount of € 64.500 has been granted to the remunerated members of the management committee for their loyalty and performances during the takeover procedure which occurred on group level during the first half-year of 2008, although not resulting into a takeover. Because the management committee in 2008 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 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.

In the financial year 2008, no shares or share options have been allocated to the members of the management committee.

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, auditor.

Property experts

The real estate portfolio is valued each quarter by three independent experts, namely: Jones Lang LaSalle, Cushman & Wakefield and de Crombrughe & Partners, each for a part of the portfolio, based on a rotation principle.

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 interest 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.

The procedure for avoiding conflicts of interest has not been applied during the financial year 2008.

“Comply or explain”-principe

In 2008 a derogation of the following terms of the code mentioned below occurred (explain):

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

The board of directors has decided not to set up an appointment committee nor 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 FACTORS AND RISK MANAGEMENT

In 2008 the board of directors of Intervest Offices paid even more attention to the risk factors to which Intervest Offices is subject.

“The constant development on the real estate markets and financial markets require continuous monitoring of strategic, operating, financial and compliance risks to safeguard the results and the financial situation of Intervest Offices.”

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:** in essence the choice is made to invest in the office sector, where, in order 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 the upward and downward movements of the market.

Compliance risk

This contains the risk that important laws and regulations are not adequately complied with and that the employees do not act honestly. Intervest Offices limits this risk through a screening when recruiting its employees, by making its employees conscious of this risk and by taking 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 whistleblowing code.



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 contract. 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 properties 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 lease contracts. Within the rules of the current lease legislation a balanced spread of the duration of the lease contracts 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 lease contracts are concluded. At the conclusion of lease contracts, 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, split acquisitions, withholding tax, etc.). These tax risks are continuously monitored and where necessary supported by external advisors.



Financial risks

The major financial risks are the financing risk, the liquidity risk and the interest rate risk.

- **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 year is targeted. From this target can be derogated temporarily in case specific circumstances require it.
- **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 these 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 proportion 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 duration of maximum 3 years are pursued. During 2006 a number of interest rate swaps has been concluded with a duration of 5 year to limit the interest rate risk.

SUSTAINABILITY

Intervest Offices is aware of the global effect of climate change, waste production and exhaustible natural resources. Invest Offices wants to stimulate the awareness process both for its own organisation and amongst its tenants, in order to obtain a sustainable impact of its activities on the environment and society.

At the beginning of 2008 an internal workgroup was set-up to outline a general policy on economically justified ecological efficiency. Meanwhile different “green” projects have been realised and different projects are also planned for 2009.

The starting point is always the satisfaction of the tenant, where Invest Offices focuses on 4 fields related to sustainability: energy, material usage and waste removal, location and the welfare of its users.

1. In the field of **sustainable energy consumption**, Invest Offices in the first place endeavours to raise awareness of the users, as they determine the consumption in an important way. Regarding energy consumption for HVAC (Heating Ventilation Air Conditioning), to some extent the real consumption is billed to the tenants instead of the calculation method generally used, consisting of dividing the charges according to the let surface area. This billing method is already in use in Mechelen Campus and Park Station and will be extended to buildings where this is possible from a technical and administrative point of view.

In collaboration with the tenant Tibotec-Virco, the energy consumption has been further analysed, resulting in an additional sun protection film on the windows of the buildings of Mechelen Campus. An investment which will be recovered within a period of 3 years.

More specifically for the semi-industrial portfolio, a project has been started for the installation of solar panels. The first phase of this project, whereby three buildings will be equipped with solar panels, is planned for the first half of 2009.

2. As regards **material use and waste removal**, a system of separate waste removal is used in nearly all buildings. The minimal variant is the separation of paper and cardboard on the one hand and the residual waste on the other.

However, in three buildings, an advanced method of waste removal has been introduced, whereby the waste is separated into 8 different fractions (paper, cardboard, PMD, remaining waste, glass, batteries, strip-lights and ink cartridges). This system indeed requires training of the tenants and the cleaning staff, but has had no impact on the cost level and reduces the mountain of waste.

In the Intercity Business Park, thanks to the size of this site, it was even possible to install a waste treatment unit in the park. This not only reduces the number of transports to and from the waste centre, but also enables an individual waste removal program for each tenant. In this way the tenants are given a sense of responsibility, which again generates cost benefits and reduces the mountain of waste. Besides the ecological advantages, savings of approximately 15% are realised compared to traditional waste removal by container.

3. The **location** of buildings is important at the acquisition of new buildings. As far as possible the buildings to be acquired will be checked for multiple accessibility, which is important for offices as well as for logistics buildings. In a number of buildings in the portfolio, covered bicycle sheds have been installed to stimulate the use of bicycles.
4. Finally, in the field of the **welfare** of its tenants, Invest Offices manages its buildings in such a way that maximal safety and tenant satisfaction are pursued. In order to guarantee the safety and welfare of the users, evacuation procedures are written out, besides the legal inspections for all multi-tenant buildings, whereby evacuation exercises are organised annually.

“With the start of the solar panel project on the roof of our storage hall, Intervest Offices enables us to control our energy costs better, which offers us a competitive advantage for logistic tenders.”

JAN FRANCK – CFO – FIEGE NORTH-WEST EUROPE



FIEGE - VEURSTRAAT 91 - 2870 PUURS - SURFACE AREA OFFICES: 1.600 M² - SURFACE AREA STORAGE HALL: 41.890 M²



MECHELEN CAMPUS - SCHALIENHOEVEDREEF 20 A-I,T - 2800 MECHELEN - SURFACE AREA: 60.768 M²

02



Report of the management committee

Deloitte Campus 1 // Berkenlaan 8 b / 1831 Diegem / Surface area 8.729 m²



ROUND TABLE DISCUSSION WITH THE PROPERTY EXPERTS OF INTERVEST OFFICES ON THE EVOLUTION OF THE INVESTMENT AND RENTAL MARKET OF PROFESSIONAL REAL ESTATE

THE PROFESSIONAL REAL ESTATE MARKET

On 18 December 2008 Interinvest Offices brought its three property experts together around the table to discuss the present investment and rental market.

The credit crisis on the Belgian investment market became perceptible for the first time mid 2007. In 2008 the investment market was entirely in the stranglehold of the bank crisis which led to a serious disruption of the functioning of the banking system in the autumn. In 2008, the investment volume decreased by approximately 40 %, from € 5,2 billion in 2007 to € 2,9 billion in 2008.

In the autumn of 2008 there was little activity on the real estate investment market, resulting in a sharp decrease of the real estate value.

Till mid 2008, the rental market remained relatively active, but the take-up of offices and logistic buildings decreased strongly during the last quarter of 2008.

Interlocutors:

- Jean-Paul Sols (Interinvest Offices)
- Rod Scrivener, Patricia Lannoije (Jones Lang LaSalle)
- Kris Peetermans (Cushman & Wakefield)
- Guibert de Crombrughe (de Crombrughe & Partners).





The economic situation

Jean-Paul Sols:

Since the autumn of 2008, the credit crisis has become a general economic crisis. Till now the impact for Interinvest Offices remains limited. As regards rents, 2008 has been a very good year for Interinvest Offices. Herewith the value of the real estate portfolio only decreases by 2 % compared to 31 December 2007.

How do you evaluate the consequences of the crisis for investments on the Belgian investment market?

Patricia Lannoije:

Generally the growth prospects were seriously weakened in 2008 and were even evaluated negatively for 2009 for mature markets. There are clearly fewer investment transactions than during the success year 2007. The market has mainly remained active during the first half-year of 2008. A lot of transactions have been concluded which were already started in 2007.

In 2008, the most active investor is another type of investor. It is obvious that parties with more private equity remain active as buyers.

Guibert de Crombrughe:

In 2008, the investment market as well as the rental market remained rather active. Transactions are carried out with more difficulty. The number of available data references for valuers decreases with the decrease of the number of transactions. A downward trend is clearly perceptible in the value of the offices which is reflected in the valuations of the Interinvest Offices buildings.

“Malines performs well in the field of mobility and thanks to its strategic situation; in the future easy accessible locations will gain importance.”

ROD SCRIVENER - JONES LANG LASALLE

Rental market offices

Jean-Paul Sols:

It is obvious that because of the economic crisis fewer offices will be let in 2009 but nevertheless I perceive another situation on the market than during the telecom crisis in 2001. At that moment, the average rent for well equipped offices was 15 to 20 % higher compared to the rental prices at the time. At that moment there was a large offer of new offices in the periphery. These new buildings were often offered at lower prices than existing buildings so a lot of companies moved to the periphery because of the housing costs within the periphery, but also from the Brussels region. I do not expect that this trend will be repeated.

What, in your opinion, is the outlook for the rental market for the offices in 2009?

Rod Scrivener:

In 2008 there was still a take-up of 450.000 m² offices. This is already 15 % lower than in 2007 and 25 % lower than the average over the last five years.

The current situation on the rental market is not currently as bad as during the previous crises in the 1992 - period of the Golf war - and in 2001- the Telecom bubble.

The difference with the previous crises is that most developments are currently located in the centre of Brussels and not in the periphery.

In 2001 we did indeed see relative high rents in the periphery and a lot of available new buildings. Currently the situation is different. The construction costs have increased notably and the exit yield is higher and less sure whereby developers should ask higher rents which is a challenge in the present market situation. Developers are finding it really difficult to compete with existing buildings.

Patricia Lannoije:

The availability rate in the periphery is approximately 19,9%. The availability of new offices is only 2,6%. A few projects are planned.

Jean-Paul Sols:

To what extent is a “green image” important for the candidate tenant when looking for an office or logistics building?

Kris Peetermans:

It plays a role to a certain degree when making a decision. It is certainly not the decisive factor. We experience that the tenant's priorities are focused more on price/quality and a green image is not immediately a first priority.

Patricia Lannoije:

There is a growing interest from the tenants, but today there is no evidence that they are willing to pay more for a “green” building.

Jean-Paul Sols:

Besides the Brussels periphery, the office markets of Antwerp and Malines are also important for Intervest Offices. Intervest Offices also experienced that the rental market were very active in both cities in 2008. What was the performance of the office market in 2008 and what can be expected for the future?

Rod Scrivener:

Malines performs well in the field of mobility and because of its strategic location between Antwerp and Brussels. The locations which will be easy accessible in the future will gain in importance. The importance of public transport will also increase for peripheral locations.

“In 2008, the rental market in Antwerp showed very good results. A take-up of approximately 125.000 m² is nearly 60% above the average over the last five years.”

PATRICIA LANNOIJE - JONES LANG LASALLE

Patricia Lannoije:

In 2008, the rental market in Antwerp showed very good results. A take-up of approximately 125.000 m² is nearly 60 % above the average over the last five years.

Jean-Paul Sols:

Intervest Offices supports the initiative of Flanders' Chamber of Commerce to promote Antwerp abroad as a headquarters environment. How do you consider the Antwerp's role?

Rod Scrivener:

Antwerp has its own dynamism and will certainly be able to present itself in the field of Benelux headquarters. Moreover, Antwerp is a pleasant city to live in. However the provision of the necessary infrastructure such as international schools is important. In the field of Benelux headquarters Antwerp is a competitor to cities like Breda.

Rental market and investment market of logistics real estate

Jean-Paul Sols:

What is the outlook for the logistics real estate market?

Kris Peetermans:

Over recent years the logistics market has been an interesting diversification for investors. Here we also observe an important regression of activity on the investment market over the second half-year of 2008. There is an increasing demand for long-term office leases. Long term leases are rather exceptional for logistics buildings.

The balance between supply and demand on the rental market is still rather favourable. The rental market is still relatively positive.

Guibert de Crombrughe:

The impact of the crisis on logistics real estate is less important than on the office market. The rents remain under pressure because of the competition from new developments. A new logistics building can be built very quickly.

IMPORTANT DEVELOPMENTS IN 2008

Investments

Acquisition Herentals Logistics 2: logistic development of 40.000 m² in Herentals

On 30 September 2008, Intervest Offices has acquired a logistic development along the motorway E313 on the Siemens site in Herentals through the acquisition of the shares of the limited liability company Edicorp. This transaction has taken place within the framework convention which the property investment fund has already concluded in November 2007 with building company Cordeel.

On the land parcels along the motorway E313, known as the Siemens site in Herentals, the building of the first phase (20.190 m² warehouses, 4.044 m² warehouses on the mezzanine and 1.276 m² offices) of the logistic development of a total of 40.000 m², has been constructed during 2008. The building has an ideal location along one of the most important logistic corridors of Belgium near the access of the E313 and with high visibility. The building fulfils all the characteristics of a state of the art distribution centre.

For this first phase, which is currently to let, the seller, contractor/developer Cordeel offers a rental guarantee till 30 September 2009 and this at conditions conforming the market. The first phase of this investment has consequently contributed immediately to the operating distributable result of the property investment fund in 2008 (approximately € 0,4 million on an annual basis) and generates rental income of approximately € 1 million on an annual basis.

The acquisition value of this transaction amounts to € 17,6 million¹ and comprises besides the 20.190 m² warehouses, 4.044 m² warehouses on the mezzanine and 1.276 m² offices of the first phase, also the acquisition of a land parcel meant for the second phase of this project (see below) and an existing office building (Atealaan 71) located on the same site with a surface area of approximately 8.500 m² on a land of approximately 17.000 m². On the long term, the existing office building is meant for redevelopment. This investment is financed through available existing credit facilities.

In a second phase Intervest Offices will further expand the distribution centre in the future with additionally 20.000 m². The building permit has already been granted. This expansion will also take place in cooperation with building company Cordeel. The timing of this expansion depends on the demand on the rental market for logistic real estate.

The net initial yield after the complete development of this logistic site will amount to approximately 7 %.

Intervest Offices has already acquired in December 2007 the existing Siemens building (approximately 33.000 m²) located along the Atealaan in Herentals (Herentals Logistics 1). This existing building is occupied by Nokia Siemens Network as well as by various other companies.

Disinvestments

During 2008 Intervest Offices has not proceeded to disinvestments in its portfolio.

Merger of 2 April 2008

On 2 April 2008, the extraordinary general meeting of shareholders approved the merger by absorption by Intervest Offices sa of the limited liability company Herentals Logistics Center (owner of the 'Herentals Logistics 1' building). The merger has taken place without issue of new shares of Intervest Offices sa.

This merger can be seen as a formal and logical step as Intervest Offices has already acquired 100 % of the shares of the company Herentals Logistics Center sa in 2007, and this in the frame of the further extension of the real estate patrimony of Intervest Offices.

¹ 6% higher than the valuation of the independent property expert as a result of the agreement for the development price of the second phase of the project (which will be lower than the taxation value).





Rentals

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

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

“After a thorough market research it appears that the prolongation of our lease contract with 6 years was the most interesting option. Intervest Offices offered us an optimal flexibility concerning rental conditions and support.”

MARK VAN DER HEIJDEN
FINANCE AND SUPPLY CHAIN MANAGER - WHIRLPOOL

Offices

• New tenants

In the office portfolio of Intervest Offices new lease contracts have been signed during the financial year 2008 for a total surface area of 8.048 m², attracting 19 new tenants.

The most important transactions are:

- Mechelen Campus: 1.786 m² with EDB Business Partner, 709 m² with Horeservi, 400 m² with Telenet, 327 m² with EASI and 322 m² with Trendmicro
- Intercity Business Park in Malines: 531 m² with Biotest Seralco
- Latem Business Park: 310 m² with Planet Services
- Park Station in Diegem: 640 m² with CED Automotive
- Park Rozendal in Hoeilaart: 922 m² with Mylan

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

In the office portfolio, lease contracts have been renegotiated for a surface area of 26.310 m² in 31 transactions.

The most important transactions are:

- extension of 3.673 m² by Deloitte in Hermes Hills (Diegem)
- extension of 931 m² by Tibotec on Intercity Business Park (Malines)
- prolongation for 4.996 m² by Q8 in Gateway House (Antwerp)
- prolongation for 1.089 m² by Tibotec on Mechelen Campus (Malines)
- prolongation for 1.506 m² by Imperial Tobacco on Mechelen Campus (Malines)
- prolongation for 3.159 m² by Esoterix on Intercity Business Park (Malines)
- prolongation for 563 m² by Trisoft on Intercity Business Park (Malines)
- prolongation and partly extension of Whirlpool for 2.991 m² on Brussels 7 (Strombeek-Bever) till 30 September 2018 with a break possibility by Whirlpool Benelux on 30 September 2015.



“On 31 December 2008 the office portfolio has an occupancy rate of 92 % and the semi-industrial portfolio an occupancy rate of 98 %.”

Semi-industrial properties

- **New tenants**

In the semi-industrial portfolio new lease contracts have been signed for a total surface area of 13.224 m² in 5 transactions:

- Sint-Niklaas Eigenlo: 1.413 m² storage and 457 m² offices with Lugano, 1.374 m² storage and 177 m² offices with Open sa, 1.247 m² storage and 165 m² offices with Eticolor
- Meer Riyadhstraat: 7.337 m² storage and 184 m² offices with VPK Packaging
- Berchem-Sainte-Agathe: 500 m² storage and 370 m² offices with GN Resound

- **Renewals by end of lease contracts, extensions and prolongation of lease contracts**

The most important transaction has been the prolongation of the lease contract till end 2013 with Fiege sa in Puurs, about which an agreement has been reached end 2008 (41.890 m² storage and 1.600 m² offices).

Besides an extension has been concluded with the Vlaamse Gemeenschapscommissie for a surface area of 345 m² offices.

“Thanks to the flexible attitude of Intervest Offices we could easily extend our stock and create a direct access to the production hall of another owner.”

JOHAN DE NEEF
BUSINESS UNIT MANAGER SOLID BOARD – VPK PACKAGING GROUP

FINANCIAL RESULTS²

“In 2008 the gross dividend of Intervest Offices increases with almost 4 % from € 1,94 to € 2,01 per share.”

Income statement

<i>in thousands €</i>	2008	2007
Rental income	43.038	41.205
Rental-related expenses	-118	-122
Net rental income	42.920	41.083
Property management costs and income	426	445
Property result	43.346	41.528
Property charges	-3.504	-4.040
General costs and other operating costs and income	-1.619	-1.241
Operating result before result on the portfolio	38.223	36.247
Changes in fair value of investment properties	-12.726	13.036
Operating result	25.497	49.283
Financial result	-10.204	-9.556
Taxes	-44	-29
Net profit	15.249	39.698
Operating distributable result ³	27.975	26.975
Result on portfolio	-12.726	13.036

RESULT PER SHARE	2008	2007
Number of shares entitled to dividend	13.900.902	13.900.902
Net earnings per share (€)	1,10	2,86
Gross dividend (€)	2,01	1,94
Net dividend (€)	1,71	1,65

² Comparative figures as at 31 December 2007 between brackets.

³ For the calculation of the operating distributable result: see note 11 of the financial report.

“The rental income increases with 4 % through investments in qualitative buildings.”

For the financial year 2008, the **net rental income** of Intervest Offices amounts to € 42,9 million. This increase with € 1,8 million compared to the financial year 2007 (€ 41,1 million) is mainly due:

- to additional lettings and extensions in the office and semi-industrial buildings as well as indexations for € 1,2 million
- for € 1,6 million to investments of the financial year 2007, generating a full year of rental income in 2008 (Exiten, Mechelen Campus Tower, Herentals Logistics 1)
- for € 0,3 million to the acquisition of the logistic development Herentals Logistics 2 on 30 September 2008
- to the loss of rental income from the office buildings sold end 2006, still generating € 1,2 million rental income during the first quarter of 2007.

During the financial year 2008, **the property charges** of the property investment fund decrease with 13 % to € 3,5 million (€ 4,0 million). This decrease with € 0,5 million mainly results from a decrease of the vacancy costs after the sale of the above-mentioned office buildings with a high vacancy rate.

The **general costs** and other operating income and expenses amount to € 1,6 million which is € 0,4 lower than prior year through the non-recurrent regularisation of deductible VAT for the years 2002 till 2008 included.

With the decrease of the property charges and the increase of rental income, the **operating result before the result on portfolio** increases for 2008 with 5 % or € 2 million to € 38,2 million (€ 36,2 million).

The **change in fair value of the investment properties** of the property investment fund mainly comprises in 2008:

- a devaluation of € 10,4 million. This value decrease arises from the devaluation of office buildings and semi-industrial properties of the property investment fund as a result of the global economic recession. This recession has immobilized the investment market of professional real estate end 2008, whereby the independent property experts have adapted in a negative way the capitalisation rates used for the valuation of the buildings of Intervest Offices.
- the immediate taking into result of the price difference of - € 1,5 million on the acquisition of the shares of the company Edicorp sa (owner of Herentals Logistics 2, the logistic development in Herentals) on 30 September 2008. IFRS 3 is not applicable for this acquisition.

The **financial result** amounts to - € 10,2 million (- € 9,5 million). The increase of the financial charges with € 0,7 million is mainly the consequence of investments made in 2007, which are financed a full year in 2008 and the acquisition of the logistic development Herentals Logistics 2 on 30 September 2008.

In 2008, **the net profit** of Intervest Offices amounts to € 15,2 million (€ 39,7 million) and can be divided in:

- the operating distributable profit of € 28 million (€ 26,9 million). This increase with 4 % results from the investment of the available financial means in office buildings and semi-industrial properties with a high occupancy rate and a good yield
- the result on portfolio of - € 12,7 million (€ 13,0 million) as a result of the value decrease of the real estate portfolio of the property investment fund and the immediate taking into result of the price difference on the acquisition of the shares of the company Edicorp sa.

In 2008, the **operating distributable result** of Intervest Offices increases to € 28 million (€ 26,9 million). Taking into account the 13.900.902 shares, this represents for the financial year 2008 a **gross dividend** of € 2,01 per share compared to € 1,94 in 2007, which represents an increase of the dividend with almost 4 % per share.

Balance sheet

<i>in thousands €</i>	31.12.2008	31.12.2007
ASSETS		
Non-current assets	572.378	569.601
Current assets	5.196	7.724
Total assets	577.574	577.325
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	330.365	348.521
Share capital	126.725	126.725
Share premium	60.833	60.833
Reserves	128.234	140.955
Result	31.295	30.286
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-14.437	-14.432
Changes in fair value of financial assets and liabilities	-2.448	4.107
Minority interests	163	47
Liabilities	247.209	228.804
Non-current liabilities	207.570	208.436
Current liabilities	39.639	20.368
Total shareholders' equity and liabilities	577.574	577.325

Data per share	31.12.2008	31.12.2007
Number of shares entitled to dividend	13.900.902	13.900.902
Net asset value (fair value) (€)	23,77	25,07
Net asset value (investment value) (€)	24,80	26,11
Share price on closing date (€)	17,75	29,65
Premium/discount to net asset value (%)	- 25 %	18 %
Debt ratio 21 June 2006 (max. 65 %) (%)	42 %	39 %

Assets

“The fair value of the real estate portfolio amounts to € 572 million.”

The **non-current assets** mainly consist of investment properties of Intervest Offices. On 31 December 2008, the fair value of these investment properties amounts to € 572 million (€ 565 million on 31 December 2007). This increase with € 7 million is the combination of, on the one hand, the value decrease of the existing buildings with € 10 million, and on the other hand, the acquisition of the building Herentals Logistics 2 for € 17 million, as well as investments performed in the portfolio.

“Through a strict credit control the number of days of outstanding customers' credit amounts to only 5 days.”

The **current assets** amount to € 5 million and consist of € 1 million trade receivables, € 2 million of tax receivables and other current assets, € 1 million of cash on bank accounts and of € 1 million deferred charges and accrued income.

Liabilities

“The investment property fund has a limited debt ratio of 42 %, nearly the lowest of the sector.”

The **shareholders' equity** of the property investment fund amounts to € 330 million. The share capital (€ 127 million) and the share premium (€ 61 million) remain unchanged compared to prior year. On 31 December 2008, the total number of shares entitled to dividend amounts to 13.900.902.

The **reserves** amount to € 128 million and mainly consist of unrealized capital gains as a result of the valuation of the real estate portfolio at investment value. These reserves have decreased by € 13 million compared to prior year, mainly as a result of the devaluation of the real estate portfolio of the property investment fund in 2008. On 31 December 2008, the **result carried forward** amounts to € 31 million.

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**. At year-end the difference with the investment value is shown separately in shareholders' equity. On 31 December 2008, this difference amounts to € 14 million.

The **change in fair value of financial assets and liabilities** for an amount of - € 2 million represents the current market value of the financial derivatives which Intervest Offices has concluded at the beginning of the financial year 2006 as hedging of the variable interest rates on the non-current financial debts. The negative market value of these financial derivatives results from the important decrease of the interest rates at the end of 2008.

On 31 December 2008, the **net asset value** (fair value) of the share amounts to € 23,77. Given that the share price on 31 December 2008 is € 17,75, the share is quoted with a discount of 25 % compared to the net asset value (fair value).

The **non-current liabilities** mainly comprise non-current financial liabilities for an amount of € 206 million. These consist of long-term bank loans of which the expiry date lies in 2010 or later, as well as of the negative market value of the financial derivatives.

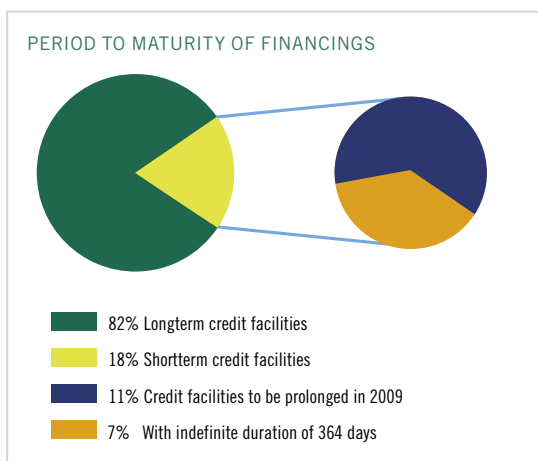
On 31 December 2008, the **current liabilities** amount to € 40 million and mainly consist of € 34 million of current financial debts (bank loans with an expiry date in 2009), of € 3 million of trade debts and invoices to be received, of € 1 million of other current liabilities, and finally of € 1 million of accrued charges and deferred income.

FINANCIAL STRUCTURE

On 31 December 2008, Intervest Offices has a conservative financial structure allowing it to carry out its activities in 2009 and to fulfil its commitments.

The most important characteristics of the financial structure on 31 December 2008 are:

- Amount financial debts: € 238 million (excluding market value of financial derivatives)
- 82 % long-term financings with an average remaining duration of 2,5 years
- Well-spread expiry dates of the credit facilities between 2009 and 2012
- Spread of credit facilities over 5 European financial institutions
- € 12 million of available non-withdrawn credit lines
- 64 % of the credit facilities have a fixed interest rate, 36 % a variable interest rate
- Fixed interest rates are fixed for a remaining period 2,5 years in average
- Market value of financial derivatives: € 2,5 in negative
- Limited debt ratio of 42 % (legal maximum: 65 %)
- Average interest rate for 2008: 4,45 % (incl. margins)



Balance between long-term and short-term financings

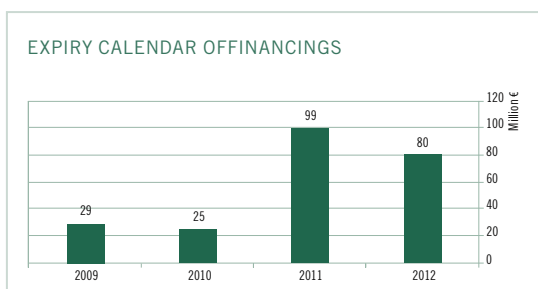
On 31 December 2008, 82 % of the credit lines of Intervest Offices are long-term financings. 18 % of the credit lines are short-term financings, whereby 7 % consists of financings with an unlimited duration (progressing each time for 364 days) and only 11 % of two credit facilities which have to be prolonged in 2009.

“82 % of the credit lines
are long-term financings
with well spread expiry dates.”

Duration and spread of the expiry date of long-term financings

On 31 December 2008, the weighted average duration of the long-term financings amounts to 2,5 years.

The strategy of Intervest Offices is to maintain this average duration between 3,5 and 5 years, but derogation is possible when specific market circumstances require it. Given the current developments on the financing markets, there is slight derogation for the refinancings realised in 2008, by using shorter durations, assuming that the margins on the financings will be normalized on the medium term.



THE CREDIT FACILITIES PORTFOLIO OF INTERVEST OFFICES
IS SPREAD OVER 5 EUROPEAN FINANCIAL INSTITUTIONS



MECHELEN BUSINESS TOWER - BLARENBERGLAAN 2C - 2800 MECHELEN - SURFACE AREA: 12.917 M²

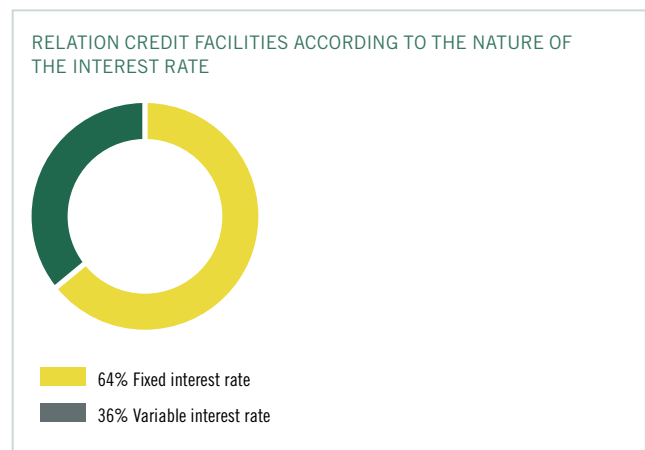
A balanced spread of the expiry dates of the credit facilities is always pursued. During 2009 and 2010 less than 10 % of the credit facilities of Interest Offices has to be renewed or prolonged.

“64 % of the credit facilities have a fixed interest rate or are covered through financial derivatives.”

“The weighted average duration of the long-term credit facilities is 2,5 years on 31 December 2008.”

Available credit lines

On 31 December 2008, the property investment fund still disposes of € 12 million of non-withdrawn credit facilities at its financial institutions for absorbing the fluctuations of liquidity needs, for the financing of future investments and for the payment of the dividend of the financial year 2008.



Percentage credit facilities with fixed and variable interest rate

When composing the loan portfolio, the strategy of Interest Offices consists of pursuing a relation of one third borrowed capital with a variable interest rate and two third borrowed capital with a fixed interest rate. On 31 December 2008, 64 % of the credit withdrawals of the property investment fund consist of financings with a fixed interest or fixed by interest rate swaps (IRS). 34 % of the credit facilities has a variable interest rate, whereby advantage can be taken from the current low interest rate levels.

Duration of the fixed interest rates

For credit facilities with a fixed interest rate, the interest rate is fixed for a period of 2,5 years in average. During the financial year 2008, Interest Offices has not acquired additional financial derivatives.



Average interest rates

In spite of the strong rise of the Euribor which occurred during first three quarters of 2008, the property investment fund has managed by means of interest rate coverage instruments to keep the total average interest rate relatively stable in 2008 at 4,45 % (2007: 4,1 %).

For 2008, the average interest rate for the non-current financial debts amounts to 4,33 % (2007: 4,08 %).

For 2008, the average interest rate for the current financial debts amounts to 5,25 % (2007: 4,75 %).

Refinancing realised in 2008

During the financial year 2008 Intervest Offices has renegotiated an expiring credit facility (for an amount of € 15 million) with its bankers. This new credit facility, also for an amount of € 15 million, has a duration of 1 year and is concluded in accordance with market conditions.

Sensibility to interest rate

For the financial year 2008 the effect on the operating distributable result of a (hypothetic) rise of the interest rates with 1 % gives a negative result of approximately €0,6 million (2007: € 0,3 million). If the interest rates on this date should decrease with 1 %, the effect on the operating distributable result gives a positive result of €0,6 million (2007: €0,3 million). In the calculations, the existing financial derivatives are taken into account.

Interest cover ratio

The interest cover ratio is the relation between the operating result before the result on portfolio and the financial result (excluding the revaluation of financial derivatives in accordance with IAS 39). For Interinvest Offices this ratio amounts to 3,74 for the financial year 2008, which is significantly better than the required 2 to 2,5 that is agreed as covenant in the financing agreements of the property investment fund.

Debt ratio

On 31 December 2008, the debt ratio of the property investment fund amounts to 42 % (39 % on 31 December 2007). The increase of the debt ratio is mainly due to the devaluation of the real estate portfolio during 2008 and the acquisition of the logistic development in Herentals which is financed with borrowed capital.

“The property investment fund has a limited debt ratio of 42 %.”



PROFIT DISTRIBUTION 2008

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

<i>in thousands €</i>	
profit of the financial year 2008	€ 15.249
transfer of the result on portfolio to the reserves not available for distribution	€ 12.726
profit to be carried forward	€ 27.975

“To the general meeting of shareholders on 1 April 2009 will be proposed to distribute a gross dividend of € 2,01 per share.”

This represents a net dividend of € 1,71 after deduction of 15 % withholding tax. Taking into account 13.900.902 shares which will participate in the full result for the financial year, this means a distributable dividend of € 27.940.813 ⁴.

The dividend is higher than the required minimum of 80 % of the operating distributable result as the property investment fund, in accordance with its policy distributes also in 2008, 100 % of the distributable profit.

The dividend will be payable as of 17 April 2009. As far as the bearer shares are concerned, this can be on submission of dividend certificate number 10.

OUTLOOK FOR 2009

“In 2009 Intervest Offices especially aims to secure the income from existing buildings for a longer period by increasing the duration of the lease contracts in cooperation with the tenants.”

The possibilities for growth of the fund be determined significantly by the possibility of obtaining credit facilities or increasing the share capital. Attracting additional share capital is almost impossible, considering the discount of 25 % compared to the net asset value (fair value) and the unsteady confidence of investors regarding the developments on the stock exchange.

In the current situation opportunities will appear on the investment market. Despite of difficult subordinate factors, Intervest Offices will attempt to take advantage of it, if necessary by liberating means through the sale of buildings.

For 2009, the aim of Intervest Offices is to perpetuate as good as possible the operating result.

Intervest Offices also presents itself as partner to its tenants in case of growing 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 and to acquire buildings at favourable conditions.

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 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.

03



Report on the share

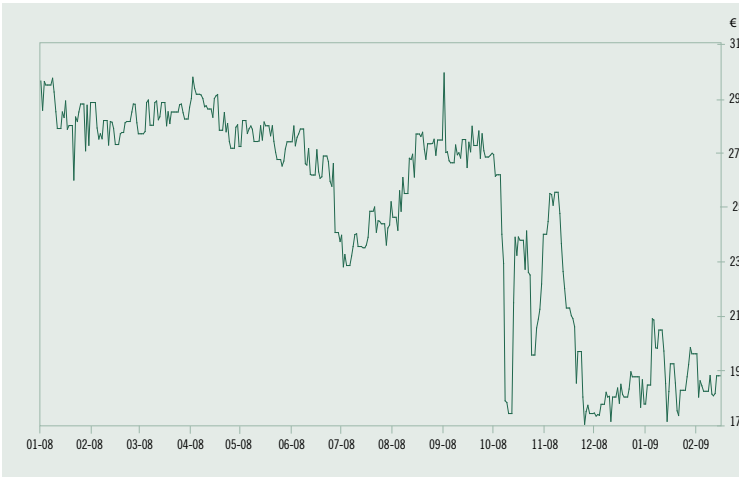
Mechelen Campus // Schaliënhoevedreef 20 A - J,T / 2800 Malines / Surface area 60.768 m²

STOCK MARKET INFORMATION



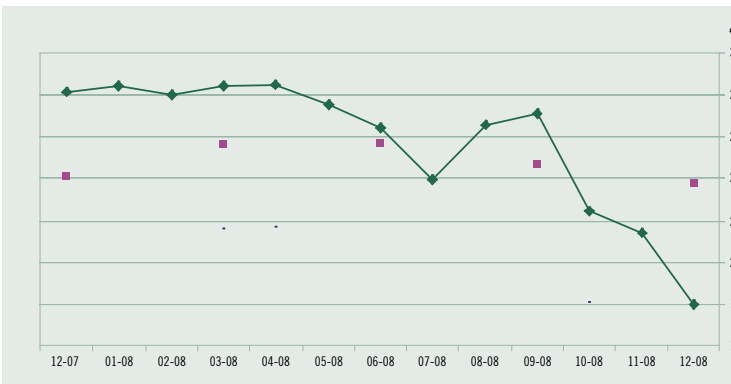
The share of Intervest Offices (INTO) is listed on Euronext Brussels and is included in the stock market indexes BEL Real Estate and also EPRA/NAREIT Europe, ING Sicafi-index and GPR 250 Europe.

Evolution of the share price



In 2008 the share price of Intervest Offices has been subjected to fluctuations. At its lowest point it has reached € 17,00 (25 November 2008) and at its highest € 29,78 (2 April 2008). The important fluctuations during the months October, November and December 2008 are due to the turbulences and the uncertainty on the financial markets resulting from the global economic and credit crisis.

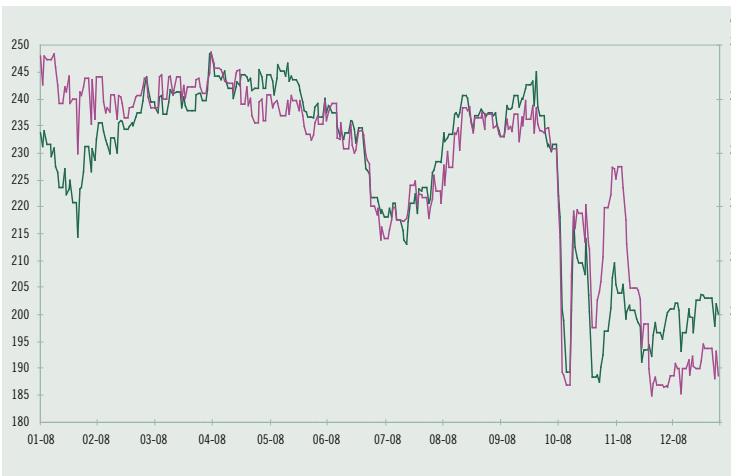
Premiums and discounts Intervest Offices



Since October 2008, the share of Intervest Offices quotes with a discount. On 31 December 2008 the undervaluation of the share amounts to 25 % compared to the net asset value (fair value).

The net asset value of Intervest Offices includes the 2007 dividend up to the payment date on 18 April 2008.

Comparison Intervest Offices with the ING sicafi index

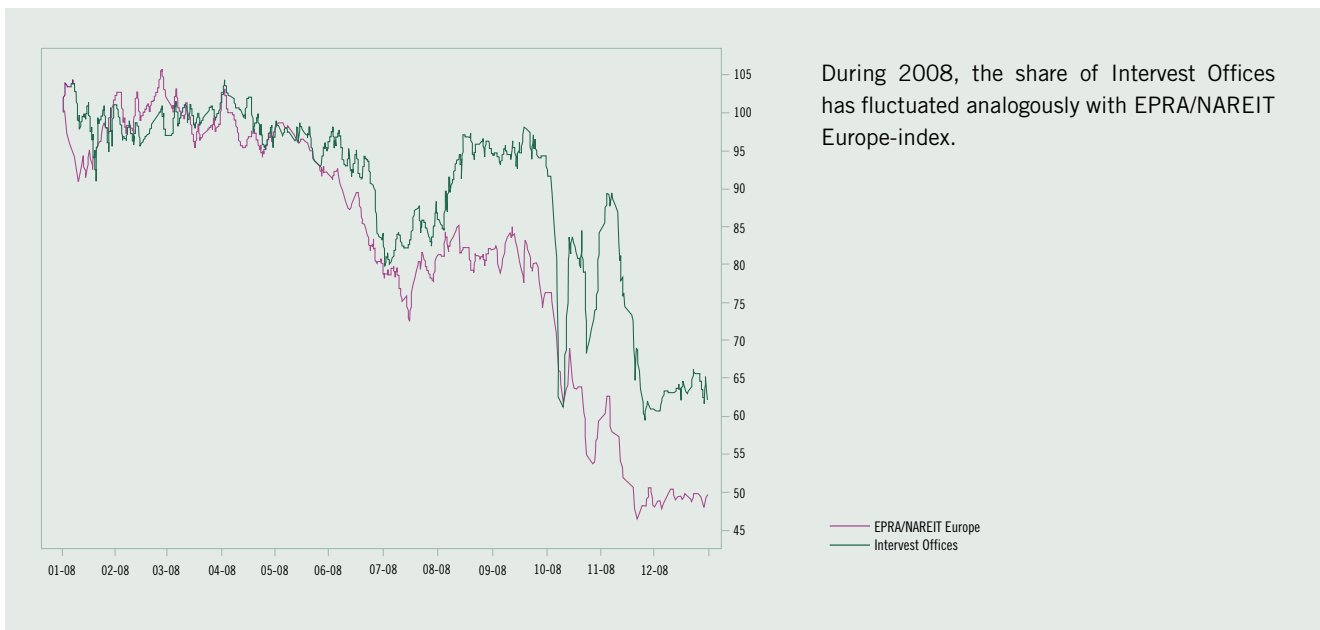


The ING sicafi return index is calculated on the basis of the market capitalisation of the various investment funds, the traded volumes and the yield on the distributed dividends. Additional information about the index can be obtained at ING Belgium regarding the ING sicafi index.

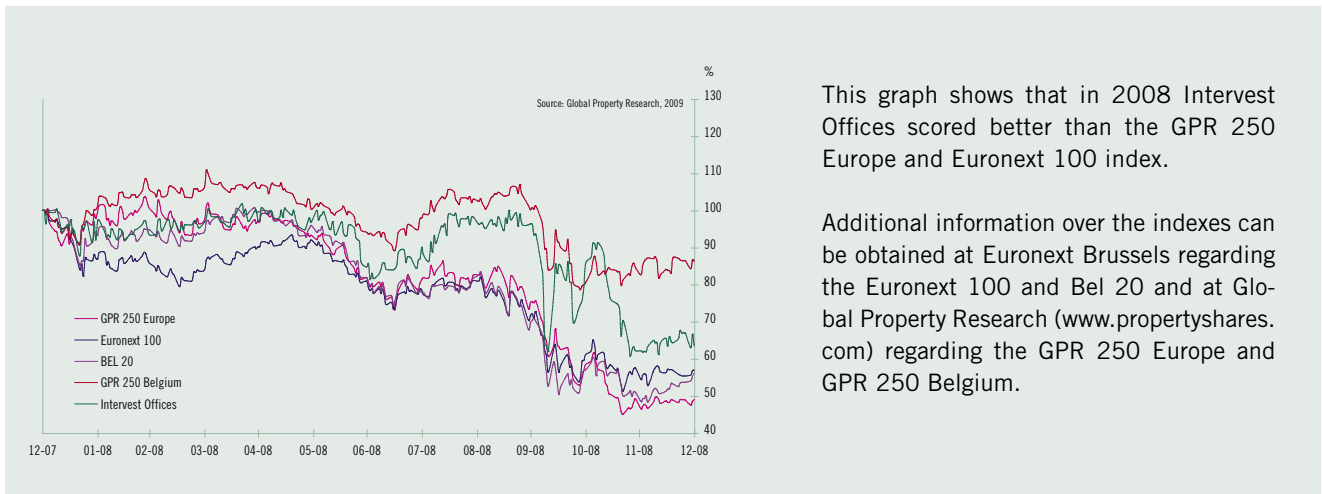
Comparison Intervest Offices with Bel Real Estate Index and BEL 20 Close index



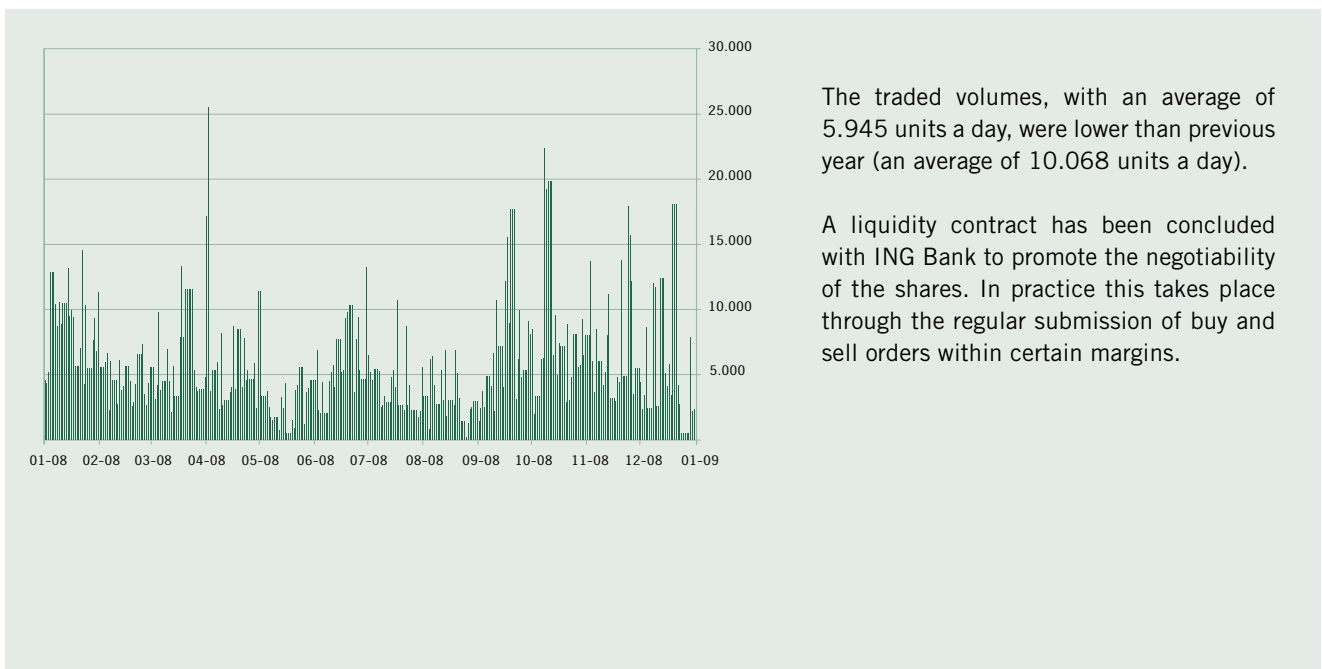
Comparison Intervest Offices with Epra/Nareit Europe index



Comparison Interest Offices with GPR indexes



Traded volumes Interest Offices



DIVIDEND AND NUMBER OF SHARES

	31.12.2008
Number of shares at the end of the period	13.900.902
Number of shares entitled to dividend	13.900.902
Share price (€)	31.12.2008
Highest closing share price	29,78
Lowest closing share price	17,00
Share price on closing date	17,75
Discount to net asset value (fair value) (%)	- 25 %
Average share price	25,55

Data per share (€)	31.12.2008	31.12.2007	31.12.2006
Net asset value (fair value)	23,77	25,07	23,99
Net asset value (investment value)	24,80	26,11	24,92
Gross dividend	2,01	1,94	1,87
Net dividend	1,71	1,65	1,59
Closing price gross dividend yield (%)	11,3 %	6,5 %	6,6 %
Closing price net dividend yield (%)	9,6 %	5,6 %	5,6 %

“On 31 December 2008 the share price of the Intervest Offices amounts to € 17,75, offering its shareholders a gross dividend yield of 11 %.

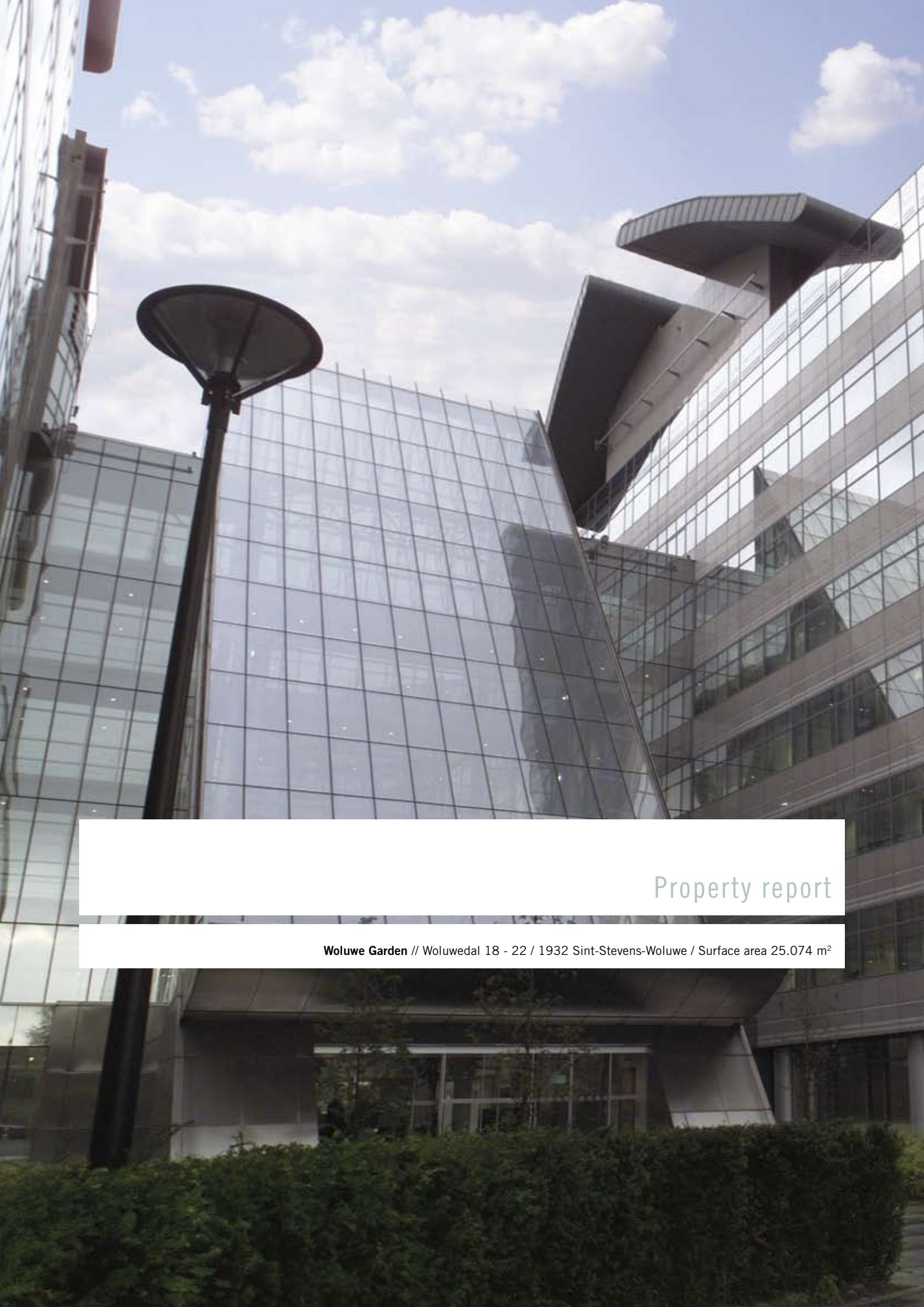
SHAREHOLDERS

As at 31 December 2008 the following shareholders are known to the company:

VastNed Group	7.605.895 shares	54,7 %
VastNed Offices/Industrial sa K.P. van der Mandelelaan 43A 3062 MB Rotterdam	7.587.654 shares	54,6 %
Belle Etoile sa Uitbreidingstraat 18 2600 Berchem-Antwerp	18.241 shares	0,1 %
Public	6.295.007 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 communicated that they act jointly.

04



Property report

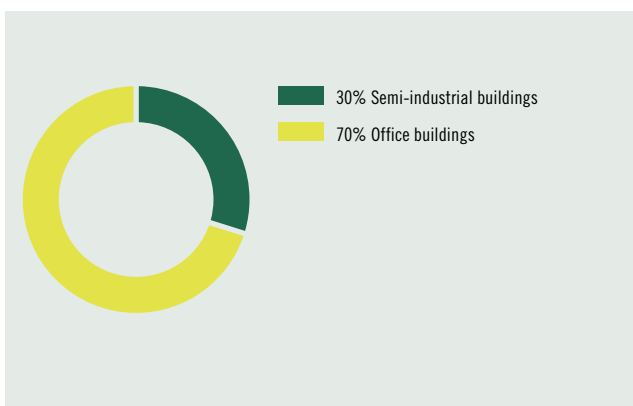
Woluwe Garden // Woluwedal 18 - 22 / 1932 Sint-Stevens-Woluwe / Surface area 25.074 m²

COMPOSITION OF THE PORTFOLIO

31 december 2008

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	177.789	182.234	13.227	14.782	89 %
E19 (incl. Malines)	104.281	11.516	174.476	178.838	15.181	16.164	94 %
Antwerp	27.289	1.153	42.044	43.095	3.646	3.855	95 %
Other regions	5.350	0	6.459	6.620	579	583	99 %
Total offices	221.308	15.151	400.768	410.787	32.633	35.384	92 %
Semi-industrial properties							
A12 (Brussels - Antwerp)	6.535	113.833	72.156	73.960	5.784	5.855	99 %
E19 (Brussels - Antwerp)	1.354	51.298	28.127	28.830	2.705	2.705	100 %
Ring Antwerp	1.770	28.449	17.468	18.040	1.286	1.286	100 %
Other regions	21.367	78.308	53.536	54.875	3.575	3.732	96 %
Total semi-industrial properties	31.026	271.888	171.287	175.705	13.350	13.578	98 %
TOTAL INVESTMENT PROPERTIES	252.334	287.039	572.055	586.492	45.983	48.962	94 %

Nature of the portfolio



As at 31 December 2008, the portfolio consists of 70 % of offices and 30 % of semi-industrial properties.

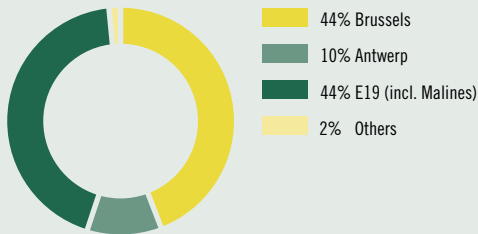


DE AREND - PRINS BOUDEWIJNLAAN 45-49 - EDEGEM - SURFACE AREA 7.424 M²

“On 31 December 2008 the real estate portfolio has a surface area of 539.373 m².”

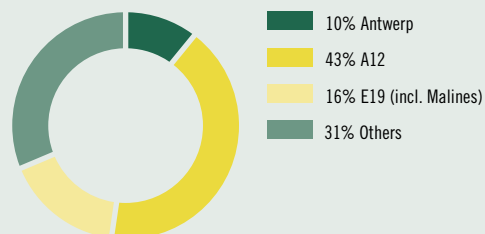
Geographic spread of the portfolio

Offices



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

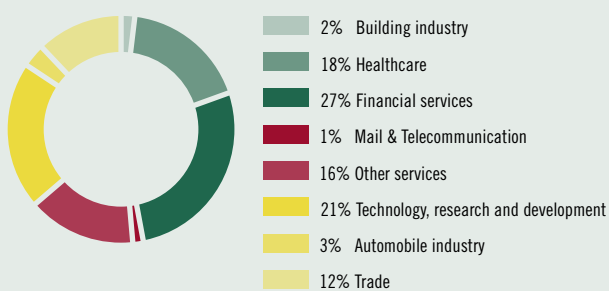
Logistic and semi-industrial properties



69 % of the logistic portfolio is located on the axis Antwerp-Brussels which is as a logistic cluster still the outstanding top location. The other 31 % of the properties are also located on important logistic corridors such as the axis Antwerp-Liège (among which the new acquisition in Herentals), the axis Antwerp-Ghent and in Meer near the Dutch border, which is also a traditional transport zone.

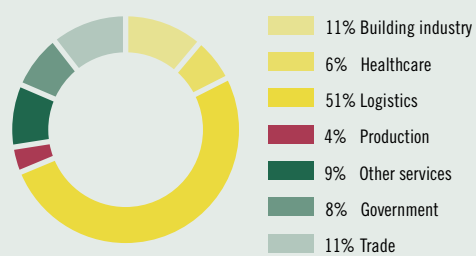
Sector spread of the portfolio

Offices



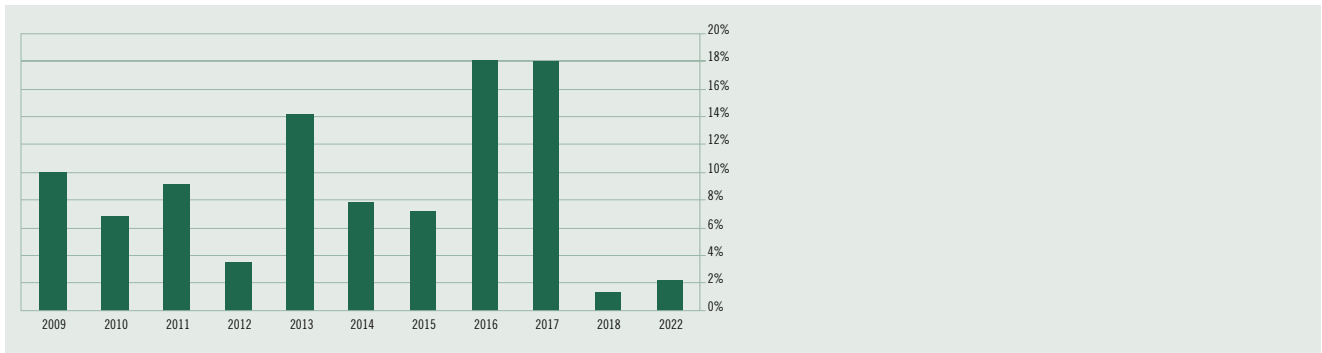
The tenants are well spread over different economic sectors. This reduces the risk of vacancy in case of fluctuations of the economy.

Logistic and semi-industrial properties



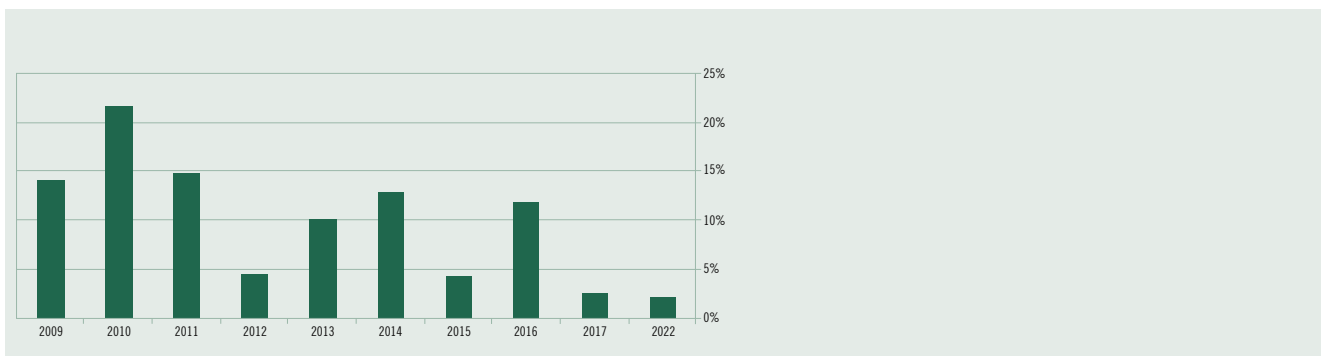
Nearly half (49 %) of the logistic and semi-industrial portfolio is let to companies from outside the logistic sector which improves the stability of the rental income, especially in periods of a less favourable economic situation.

Expiry date of the lease contracts of the entire portfolio



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

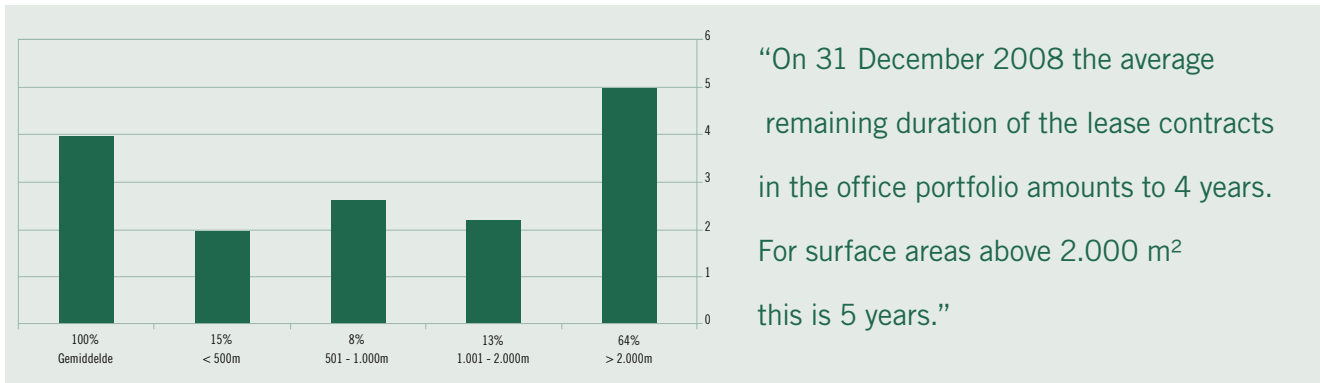
First interim expiry date of the lease contracts of the entire portfolio



As most contracts are of the type 3/6/9, the tenants have the possibility to end their lease contracts every three years. This graph shows the first expiry dates of all lease contracts (this can be the expiry date or an interim expiry date). The above graph shows the worst case scenario which is further analysed and explained in the following graphs.

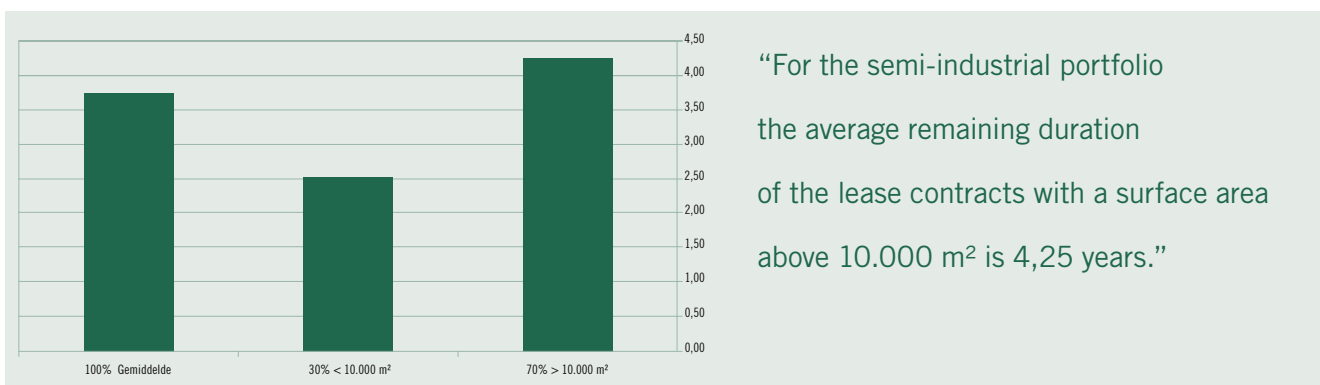
Since Intervest Offices has several long-term agreements, not all lease contracts can be resigned after three years.

Average duration of the office lease contracts till the next expiry date



It has to be observed that especially for offices the average rental period (as from 1 January 2009) till the next expiry date amounts to nearly 4 years. For the important tenants of offices (more than 2.000 m²) representing 64 % of the office portfolio and having a great impact on the recurring rental income, the next expiry date (as from 1 January 2009) lies on average only within 5 years. The lease contracts, expiring in the period 2009 - 2011, are thus mainly smaller surface areas, representing a more limited risk to the total rental income of Interest Offices.

Average duration of the semi-industrial lease contracts till the expiry date

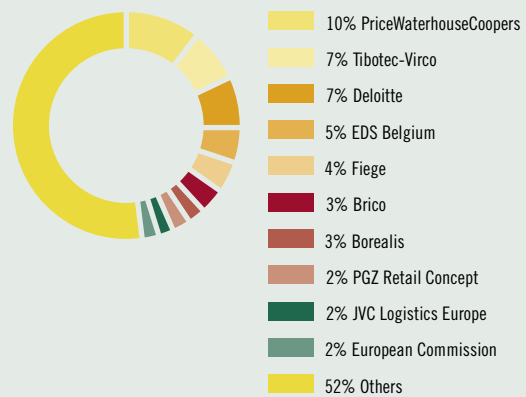
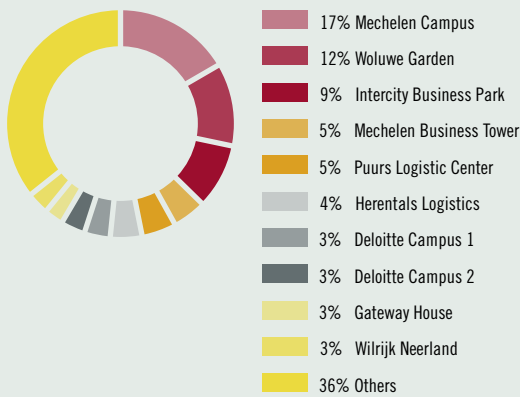


There is the same tendency for the semi-industrial buildings, namely that for important tenants (above 10.000 m² storage halls) as at 1 January 2009 the next expiry date is only within 4,25 years.



Risk spread of buildings according to size⁵

Risk spread according to tenants⁶



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

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

Mechelen Business Tower is with approximately 5% of the portfolio the most important entity, in the total portfolio of the property investment fund.

The rental income of Intervest Offices is spread over more than 200 different tenants, limiting the debtor's risk of Intervest Offices and improving the stability of the rental income. The ten most important tenants represent 48 % of the rental income, and are, apart from the European Commission, always prominent companies in their sector and part of international groups.

⁵ Classification according to the value of the buildings.
⁶ Classification according to the annual rental income.

INTERCITY BUSINESS PARK - GENERAAL DE WITTELAAN 9-21 - 2800 MECHELEN - OPPERVLAKTE 42.112 M²

Average duration of the office portfolio – risk control

“For the extension of our rented spaces with technical complex laboratories and architecturally defiant offices, Galapagos could always rely on the flexibility and constructive attitude of the Intervest team, what has a healthy attention for the specific needs and wishes of the tenant.”

BART FRANCKEN – GROUP LEADER GALAPAGOS (MECHELEN INTERCITY BUSINESS PARK)

As most of the lease contracts are of the type 3/6/9, it has to be pointed out that most lease contracts have a longer effective duration.

Specifically for 2008, 20 lease contracts have reached their first expiry date (mostly after 3 years). Only 5 % of them have been resigned (namely only 1 tenant on the total of 20 tenants).

For the tenants whose lease contract has ended contractually in 2008, 6 of the 7 lease contracts have been prolonged (86 %).

In 2008, a total of 47 contracts have reached their expiry date (end of lease contract or interim expiry date) for approximately 94.000 m². 39 lease contracts for a total of 83.000 m² have been prolonged for an average duration of 3,25 year till first expiry date.

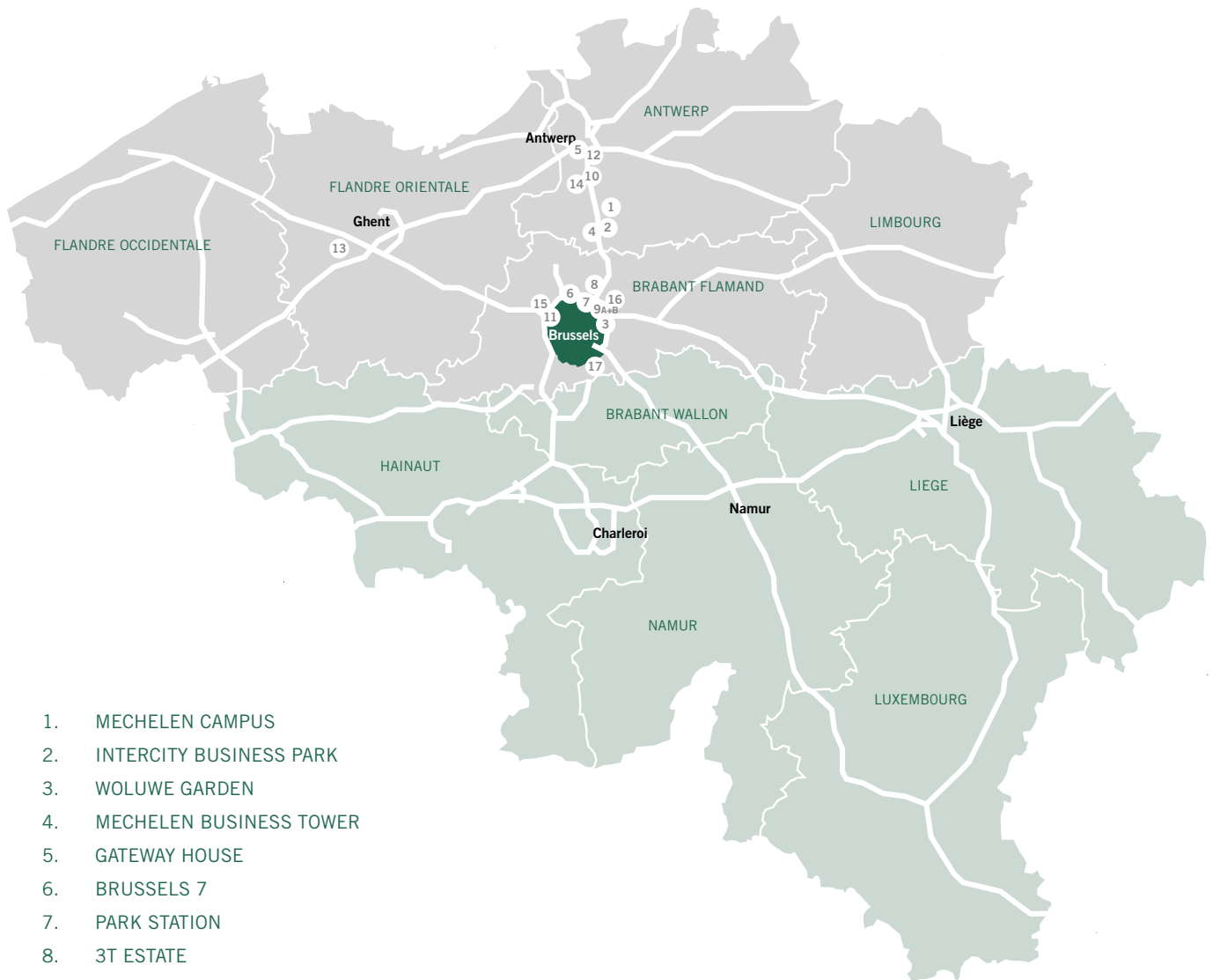
Besides, it can also be mentioned that Intervest Offices concludes more lease contracts from the type 4/6/9 and 5/9 or 6/9, which is favourable for the stability of the rental income. The lease contracts often have a term of notice of 9 months.

Moreover, Intervest Offices notices that companies, due to the current economic uncertainty, are often reluctant to move, unless the high (direct as well as undirected) moving expenses can be compensated by a considerable lower rent. As the rents in the periphery are under permanent pressure since 2001 as the rental conditions have been very sharp for many years, it is often impossible to obtain substantially better rental conditions.

The conclusion is that through an active asset management and with the necessary flexibility, Intervest Offices manages to anticipate the expectations regarding the housing of its tenants, herewith assuring the continuity of the expiring lease contracts.

DESCRIPTION OF THE OFFICE PORTFOLIO ⁷

Location of the offices in Belgium



1. MECHELEN CAMPUS
2. INTERCITY BUSINESS PARK
3. WOLUWE GARDEN
4. MECHELEN BUSINESS TOWER
5. GATEWAY HOUSE
6. BRUSSELS 7
7. PARK STATION
8. 3T ESTATE
- 9A. DELOITTE CAMPUS 1
- 9B. DELOITTE CAMPUS 2
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

⁷ Classification according to the surface area of the buildings.

Location of the offices in the Brussels periphery





1. MECHELEN CAMPUS

Schaliënhoevedreef 20 A,J – T
2800 Malines

Surface area: 60.768 m²
Year of construction: 2000 - 2007

Main tenants:
Borealis Polymers
EDB Business Partner
Express Line
Belgacom
EMC²
Endemol
Cypress Semiconductor
Virco-Tibotec
Imperial Tobacco
Clear2Pay
BellMicro
Cochlear
Passage Fitness
Sungard Benelux

Mechelen Campus digital:
www.mechelencampus.com



2. INTERCITY BUSINESS PARK

Generaal De Wittelaan 9-21
2800 Malines

Surface area: 42.112 m²
Year of construction: 1993 – 2000

Main tenants:
Virco-Tibotec
Esoterix
Galapagos
SGS Belgium
Pab-Benelux
Logins
Fanuc Robotics
Info Support
Intersafe Groeneveld
Cryo Save Labs
Biotest Seralco
Trisoft
KBC Bank
LXE Belgium
Electro Rent Europe

Intercity Business Park digital:
www.intercitybusinesspark.be



3. WOLUWE GARDEN

Boulevard de la Woluwe 18 – 22
1932 Sint Stevens Woluwe

Surface area: 25.074 m²
Year of construction: 2000

Tenants:
PricewaterhouseCoopers



4. MECHELEN BUSINESS TOWER

Blarenberglaan 2C
2800 Malines

Surface area: 12.917 m²
Year of construction: 2001

Property lease with Electronic Data
Systems Belgium (EDS) till 31
March 2016.

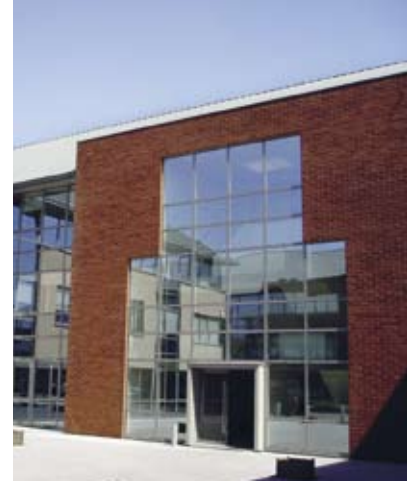


5. GATEWAY HOUSE

Brusselstraat 59
2000 Antwerp

Surface area: 11.318 m²
Year of construction: 1993 - 1994

Tenants:
Apcoa
Kuwait Petroleum
Thenergo
Elegis Advocatenkantoor
CRH Construction Accesories Europe
Sencit Belgium
HTC Advocaten



6. BRUSSELS 7

Nijverheidslaan 1 – 3
1853 Strombeek – Bever

Surface area: 10.343 m²
Year of construction: 1999 - 2002

Tenants:
Whirlpool
Kitchenaid
Rockwell Automation
Keyrus
ACL Europe 3W
Direct Management Solutions

Brussels 7 digital:
www.brussels7.be



7. PARK STATION

Woluwelaan 148-150
1831 Diegem

Surface area: 8.903 m²
Year of construction: 2000

Tenants:
Swiss Life Belgium
Belgische Krijgsmacht F16
EURid
CED Automotive
Hello Agency

Park Station digital:
www.parkstation.be



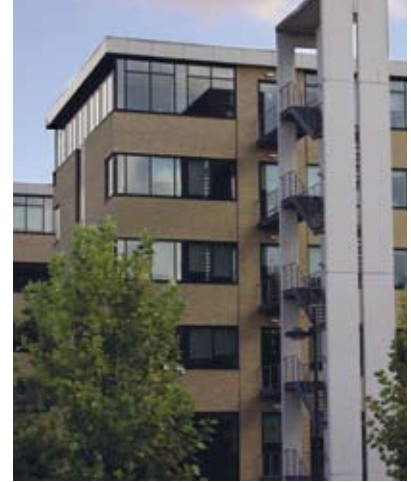
8. 3T ESTATE

Luchthavenlaan 25
1800 Vilvorde

Surface area: 8.757 m²
Year of construction: 1998

Tenants:
Ingram Micro
Fleet Logistics Belgium
Q-Lab
Transport Management Europe

3 T Estate digital:
www.3testate.be



9A. DELOITTE CAMPUS 1

Berkenlaan 8b
1831 Diegem

Surface area: 8.729 m²
Year of construction: 2001 - 2002

Property lease with Deloitte till 31
December 2016.



9B. DELOITTE CAMPUS 2

Berkenlaan 8a
1831 Diegem

Surface area: 7.787 m²
Year of construction: 2000

Property lease with Deloitte till 31
December 2015.

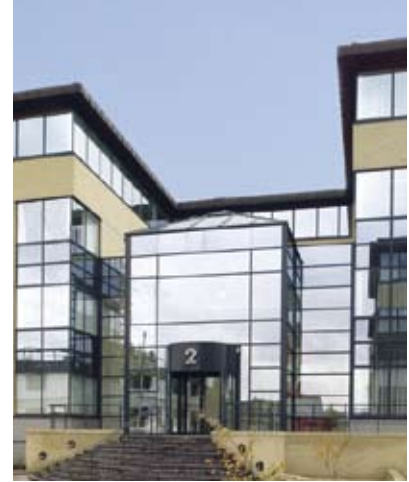


10. DE AREND

Prins Boudewijnlaan 45-49
2650 Edegem

Surface area: 7.424 m²
Year of construction: 1997

Tenants:
Euromex
Belos
Parsifal Ontwikkeling
Cheops Technology
Thomson Telecom Belgium



11. INTER ACCESS PARK

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
Systech



12. SKY BUILDING

Uitbreidingstraat 66
2600 Berchem

Surface area: 5.700 m²
Year of renovation: 2006
Year of construction: 1988

Tenants:
BDO Atrio
VTG Benelux
Leaseplan Fleet Management
Nationale Borg Maatschappij
Givi
N.R.G. Belgium
Toptel
SKS
Carlson Wagonlit
Hugo Ceusters

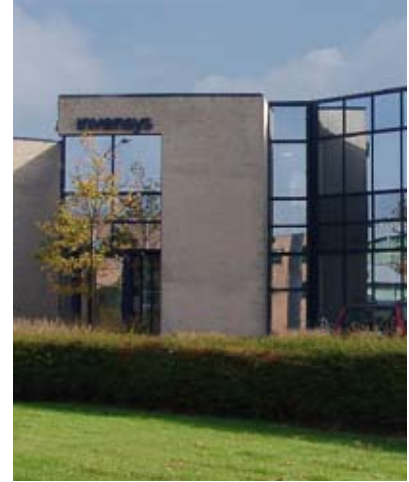


13. LATEM BUSINESS PARK

Xavier de Cocklaan 66-72
9830 Ghent

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
Sage Bob Software
Greenpan Europe
Duratex
Planet Services



14. AARTSELAAR LEASE COMPANY

Kontichsesteenweg 54
2630 Aartselaar

Surface area: 4.000 m²
Year of construction: 2000

Property lease with APV Benelux
till 30 November 2015.



15. EXITEN

Zuiderlaan 91
1731 Zellik

Surface area: 3.943 m²
Year of construction: 2002

Tenants:
Gras Savoye
IFM Electronic
Interelectra
Sapsa Bedding



16. HERMES HILLS

Berkenlaan 6
1831 Diegem

Surface area: 3.664 m²
Year of construction: 1990

Tenant:
Deloitte



17. PARK ROZENDAL

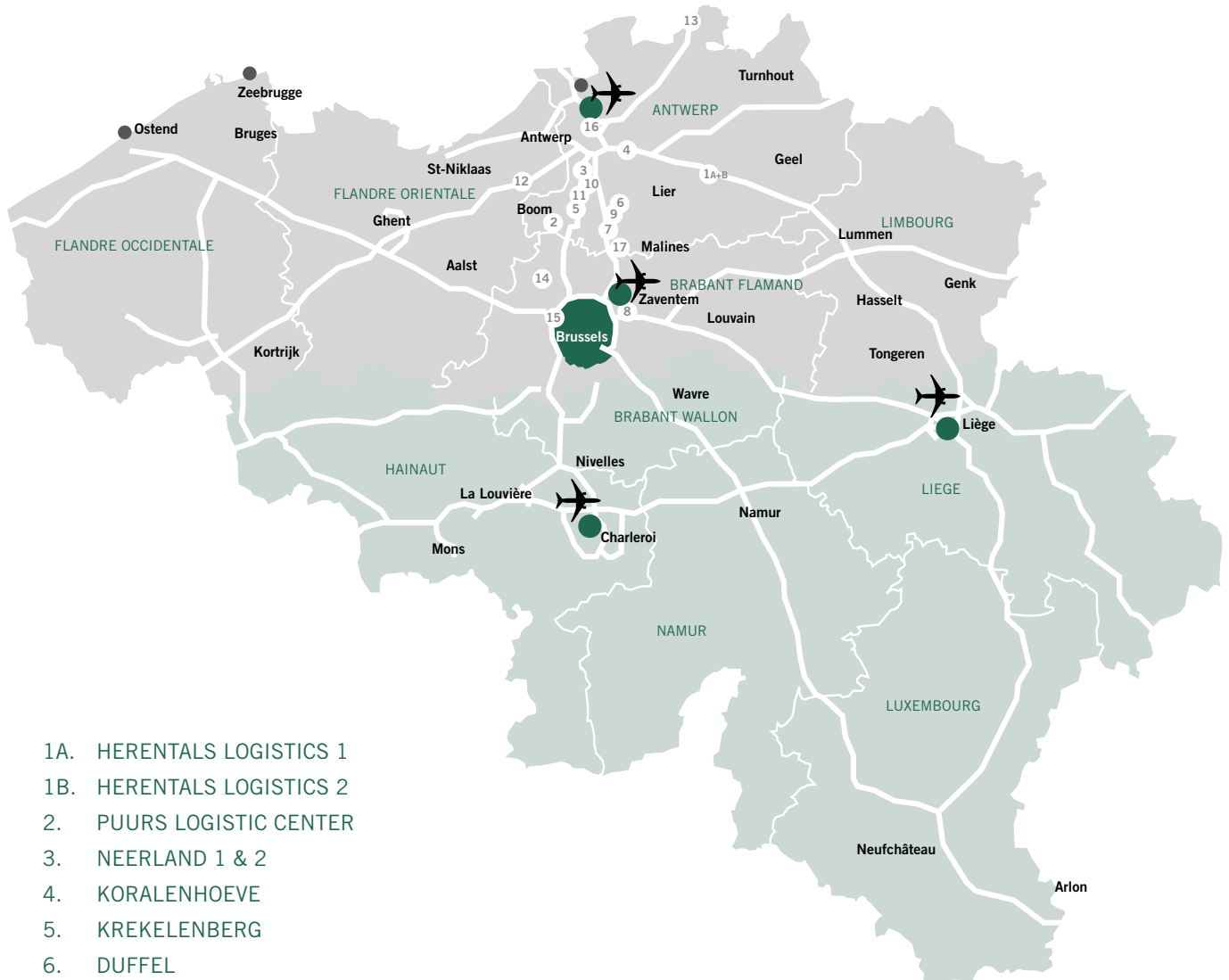
Terhulpesteenweg 6A
1560 Hoeilaart

Surface area: 2.801 m²
Year of construction: 1994
Year of renovation: 2006

Tenants:
Quality Business
BvD-it Services
Goffin Meyvis
Information & Data
Mylan

DESCRIPTION OF THE SEMI-INDUSTRIAL PROPERTIES⁸

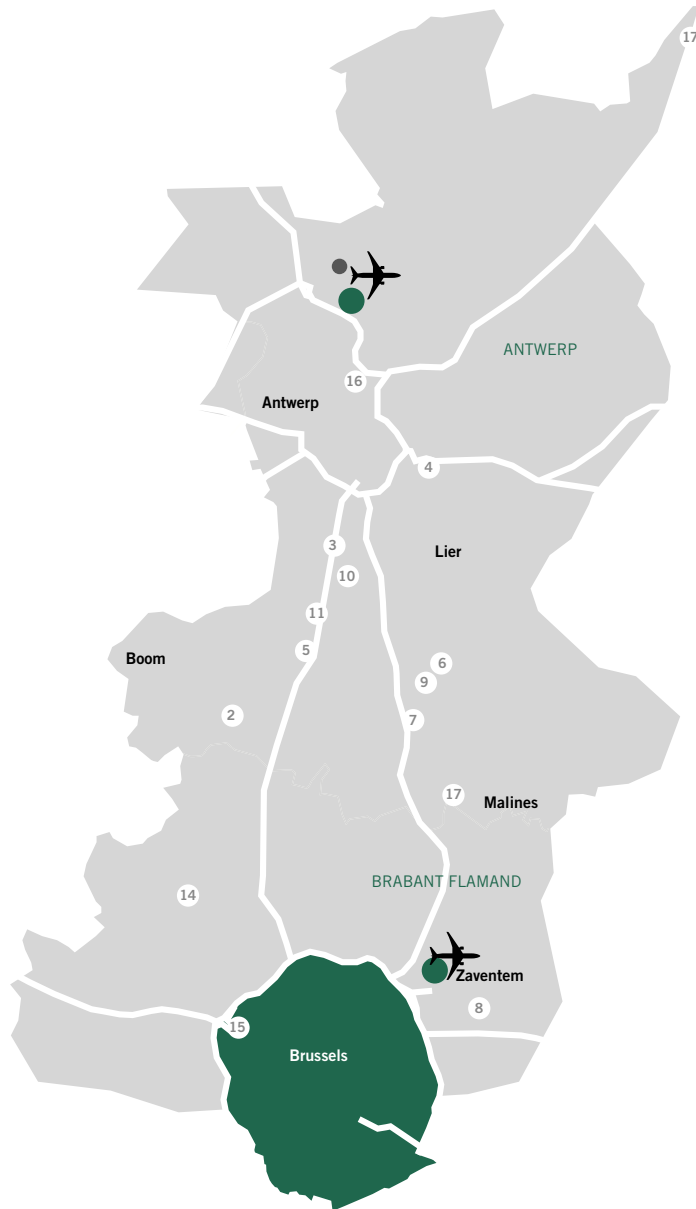
Location of the semi-industrial properties in Belgium



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

⁸ Classification according to the surface area of the buildings.

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





1A. HERENTALS LOGISTICS 1

Atealaan 34
2200 Herentals

Surface area
Offices: 8.500 m²
Storage hall: 32.768 m²
Year of construction: 1977

Main tenants:
Nokia Siemens
Truck Parking and Handling nv
Kreate Limited



1B. HERENTALS LOGISTICS 2

Atealaan 34
2200 Herentals

Surface area
Offices: 1.276 m²
Storage hall:
20.190 m² + 4.044 m²
(mezzanine)
Year of construction: 2008



2. PUURS LOGISTIC CENTER

Veurtstraat 91
2870 Puurs

Surface area
Offices: 1.600 m²
Storage hall: 41.890 m²
Year of construction: 2001

Tenant:
Fiege nv



3. NEERLAND 1 & 2

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



4. KORALENHOEVE

Koralehoeve 25
2160 Wommelgem

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

Tenant:
PGZ Retail Concept



5. KREKELENBERG

Industrieweg 18
2850 Boom

Surface area
Offices: 700 m²
Storage hall: 23.663 m²
Year of construction: 2000

Tenant:
JVC Logistics Europe



6. DUFFEL

Stocletlaan 23
2570 Duffel

Surface area
Offices: 240 m²
Storage hall: 23.435 m²
Year of construction: 1998

Tenants:
BLITS Belgium
Iron Mountain Belgium



7. INTERCITY INDUSTRIAL PARK

Oude Baan 14
2800 Malines

Surface area
Offices: 252 m²
Storage hall: 15.000 m²
Year of construction: 1999

Tenant:
Pfizer Service Company



8. GULDENDELLE

Arthur De Coninckstraat 3
3070 Kortenberg

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

Tenant:
Europese Commissie



9. NOTMEIR

Walemstraat 94
2570 Duffel

Surface area
Offices: 250 m²
Storage hall: 8.861 m²
Year of construction: 1995

Tenant:
Aleris Aluminium
(previously Corus Aluminium)



10. AARTSELAAR

Dijkstraat 1A
2630 Aartselaar

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

Tenant:
Party Rent



11. 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
SD Worx



12. EIGENLO

Eigenlostraat 23-27a
9100 Sint-Niklaas

Surface area
Offices: 1.328 m²
Storage hall: 6.535 m²
Year of construction: 1992 - 1994

Tenants:
Sarens J
Orca Cooling
Open
Lugano



13. TRANSPORTZONE MEER

Riyadhstraat
2321 Meer

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

Tenant:
VPK Packaging



14. MERCHTEM CARGO CENTER

Preenakker 20
1785 Merchtem

Surface area
Offices: 1.210 m²
Storage hall: 6.075 m²
Year of construction: 1992

Tenant:
MSF Supply



15. BERCHEM TECHNOLOGY CENTER

Technologiestraat
11, 15, 51, 55, 61 en 65
1082 Berchem-Sainte-Agathe

Surface area
Offices: 2.760 m²
Storage hall: 3.703 m²
Year of construction: 1992

Tenants:
Rexel Belgium
Brico Belgium
Vlaamse Gemeenschaps Commissie
GN Resound



16. KAAIEN ANTWERPEN

Kaaïen 218-220
2030 Antwerp

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

Tenant:
Waagnatie



17. RAGHENÒ

Dellingstraat 57
2800 Malines

Surface area
Offices: 612 m²
Storage hall: 4.002 m²
Year of construction: 1998

Tenant:
ThyssenKrupp Otto Wolff

EVOLUTION OF THE INVESTMENT PORTFOLIO

	31.12.2008	31.12.2007	31.12.2006	31.12.2005	31.12.2004
Investment value investment properties (€ 000)	586.492	579.475	519.653	599.934	563.807
Current rents (€ 000)	45.983	42.842	39.973	43.484	40.156
Yield (%)	7,8 %	7,4 %	7,7 %	7,2 %	7,1 %
Current rents, including estimated rental value of vacant properties (€ 000)	48.962	46.677	43.572	52.830	49.935
Yield if fully let (%)	8,3 %	8,1 %	8,4 %	8,8 %	8,9 %
Total lettable area (m ²)	539.373	505.363	452.168	538.643	518.012
Occupancy rate (%)	94 %	92 %	92 %	82 %	80 %

“On 31 December 2008 the rental yield of the portfolio amounts to 7,8 %”.

Sensitivity analysis

In case of a hypothetic negative adjustment of the yield used by the property experts for the valuation of the real estate portfolio of the property investment fund (yield or capitalisation rate) with 1 % (from 7,8 % to 8,8 % in average), the investment value of the real estate portfolio would decrease with € 62 million or 11 %. Herewith the debt ratio of the property investment fund would increase with 5 % to 47 %.

In the opposite case of a hypothetic positive adjustment of this yield with 1 % (from 7,8 % to 6,8 % in average), the investment value of the real estate would increase with € 62 million or 11 %. Herewith the debt ratio of the property investment fund would decrease with 5 % to 37 %.

Occupancy rate



“On 31 December 2008, the occupancy rate amounts to 94 %, which is significantly higher than the market average”.

VALUATION OF THE PORTFOLIO BY PROPERTY EXPERTS

Valuer	Valued property	Fair value (€ 000)	Investment value (€ 000)
Jones Lang LaSalle	Office buildings (except BXL 7)	392.680	402.497
Cushman & Wakefield	Semi-industrial properties (except Merchtem and Puurs)	138.604	142.205
de Crombrugghe & Partners	BXL 7, Merchtem and Puurs	40.771	41.790
TOTAL		572.055	586.492

In 2008, the valuation of the current real estate portfolio of Intervest Offices has been carried out by the following property experts:

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

The property experts analyse rental, sale and purchase transactions on a permanent basis. This makes it possible to 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:**

- factors in surroundings
- availability of parking
- infrastructure
- accessibility by way of private and public transport
- 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:

- **Update of the estimated rental income**

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 lease 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 renovated 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).

05



GRAS SAVOYE

Financial report

Exiten // Zuiderlaan 91 / 1731 Zellik / Surface area 3.943 m²

CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT <i>in thousands €</i>	Notes	2008	2007
Rental income	4	43.038	41.205
Rental-related expenses	4	-118	-122
NET RENTAL INCOME		42.920	41.083
Recovery of property charges	4	690	606
Recovery of charges and taxes normally payable by tenants on let properties	4	5.890	7.532
Costs payable by tenants and borne by the landlord for rental damage and refurbishment		-366	-380
Charges and taxes normally payable by tenants on let properties	4	-5.888	-7.432
Other rental related income and expenses		100	119
PROPERTY RESULT		43.346	41.528
Technical costs	5	-783	-875
Commercial costs	5	-570	-366
Charges and taxes on unlet properties	5	-356	-865
Property management costs	5	-1.657	-1.671
Other property charges	5	-138	-263
PROPERTY CHARGES	5	-3.504	-4.040
OPERATING PROPERTY RESULT		39.842	37.488
General costs	6	-1.253	-1.293
Other operating costs and income		-366	52
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		38.223	36.247
Changes in fair value of investment properties	8	-12.726	13.036
OPERATING RESULT		25.497	49.283

INCOME STATEMENT (continued) in thousands €	Notes	2008	2007
OPERATING RESULT		25.497	49.283
Financial income		124	149
Interest charges		-10.143	-9.428
Other financial charges		-185	-277
FINANCIAL RESULT	9	-10.204	-9.556
RESULT BEFORE TAXES		15.293	39.727
TAXES	10	-44	-29
NET PROFIT		15.249	39.698
Operating distributable result	11	27.975	26.975
Result on portfolio	8	-12.726	13.036
Attributable to:			
Equity holders of the parent		15.249	39.698
Minority interests		0	0

RESULT PER SHARE	Notes	2008	2007
Number of shares entitled to dividend	11	13.900.902	13.900.902
Basic earnings per share (€)	11	1,10	2,86
Operating distributable earnings per share (€)	11	2,01	1,94

CONSOLIDATED BALANCE SHEET

ASSETS <i>in thousands €</i>	Notes	31.12.2008	31.12.2007
Non-current assets		572.378	569.601
Intangible assets	12	87	121
Investment properties	13	572.055	565.043
Other tangible assets	12	222	316
Financial fixed assets	19	0	4.107
Trade receivables and other non-current assets		14	14
Current assets		5.196	7.724
Trade receivables	14	1.382	3.833
Tax receivables and other current assets	14	1.912	1.726
Cash and cash equivalents		885	684
Deferred charges and accrued income	14	1.017	1.481
TOTAL ASSETS		577.574	577.325

SHAREHOLDERS' EQUITY AND LIABILITIES <i>in thousands €</i>	Notes	31.12.2008	31.12.2007
Shareholders' equity		330.365	348.521
Shareholders' equity attributable to the shareholders of the parent company		330.202	348.474
Share capital	15	126.725	126.725
Share premium	15	60.833	60.833
Reserves		128.234	140.955
Result		31.295	30.286
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	15	-14.437	-14.432
Changes in fair value of financial assets and liabilities	19	-2.448	4.107
Minority interests	21	163	47
Liabilities		247.209	228.804
Non-current liabilities		207.570	208.436
Provisions	16	1.082	1.169
Non-current financial debts	18	206.012	206.840
<i>Credit institutions</i>		<i>206.001</i>	<i>206.822</i>
<i>Financial lease</i>		<i>11</i>	<i>18</i>
Other non-current liabilities		476	427
Current liabilities		39.639	20.368
Provisions	16	334	409
Current financial debts	18	34.494	14.677
<i>Credit institutions</i>		<i>34.488</i>	<i>14.672</i>
<i>Financial lease</i>		<i>6</i>	<i>5</i>
Trade debts and other current debts	17	2.576	3.096
Other current liabilities	17	1.190	402
Accrued charges and deferred income	17	1.045	1.784
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		577.574	577.325

DEBT RATIO	31.12.2008	31.12.2007
Debt ratio RD 21 June 2006 (max. 65 %) (%)	42 %	39 %

NET ASSET VALUE PER SHARE (€)	31.12.2008	31.12.2007
Net asset value per share (fair value)	23,77	25,07
Net asset value per share (investment value)	24,80	26,11

STATEMENT OF CHANGES IN EQUITY

<i>in thousands €</i>	Share capital	Share premium	Reserves	
			legal	not available for distribution
Balance sheet at 31 December 2006	126.719	60.833	90	125.193
Profit of the financial year 2007				
Transfer of the result on the portfolio to the reserves not available for distribution				13.036
Impact on the fair value*				1.519
Dividends 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
Profit of the financial year 2008				
Transfer of the result on the portfolio to the reserves not available for distribution				-12.726
Impact on the fair value *				5
Dividends financial year 2007				
Change in the fair value of financial assets and liabilities				
Minority interest Edicorp sa				
Balance sheet at 31 December 2008	126.725	60.833	90	127.494

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

available for distribution serves	Result	Impact on the fair value*	Changes in fair value of financial assets and liabilities	Minority interests	Total shareholders' equity
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
	15.249				15.249
	12.726				0
		-5			0
	-26.968				-26.968
			-6.555		-6.555
	2			116	118
650	31.295	-14.437	-2.448	163	330.365

CONSOLIDATED CASH FLOW STATEMENT

<i>in thousands €</i>	Notes	2008	2007
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		684	510
1. Cash flow from operating activities		27.480	22.817
Operating result		25.497	49.283
Paid interests		-10.187	-9.314
Other non-operating elements		-105	-157
Adjustment of the profit for non-cash flow transactions		9.971	-13.933
- Depreciations on intangible and other tangible assets	12	202	192
- Capital loss on the sale of other tangible assets		9	0
- Change in fair value of investment properties	8	9.921	-13.863
- Other non-cash flow transactions (+/-)		-161	-262
Changes in working capital		2.304	-3.062
Movement of assets			
- Trade receivables	14	2.451	-408
- Tax receivables and other current assets	14	-185	-1.247
- Deferred charges and accrued income	14	464	-208
Movement of liabilities			
- Trade debts and other current debts	17	-520	1.098
- Other current liabilities	17	789	-2.445
- Accrued charges and deferred income	17	-695	148
2. Cash flow from investment activities		-16.900	47.937
Acquisition of intangible and other tangible assets	12	-84	-125
Acquisition of shares of investment companies		-3.272	-16.533
Repayment of debts present in the purchased real estate companies		-12.757	-26.626
Investments in existing investment properties	13	-787	-1.279
Proceeds of the sale of investment properties		0	92.500
3. Cash flow from financing activities		-10.379	-70.580
Revenues from the issue of shares		0	473
Repayment of loans	18	-14.672	-200.936
Drawdown of loans	18	31.219	155.835
Repayment of financial lease liabilities	18	-7	-6
Receipts from non-current liabilities as guarantee		49	14
Dividends paid	11	-26.968	-25.960
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		885	684

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, prepared 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 principally means 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 reserves not available for distribution.

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 2008 include the company and its subsidiaries (the “Group”). The annual accounts of Intervest Offices sa have been prepared and released for publication by the board of directors on 16 February 2009 and will be proposed for approval to the general meeting of shareholders on 1 April 2009.

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 financial years as from 1 January 2008.

New or amended standards and interpretations effective in 2008

The following interpretations published by the International Financial Reporting Interpretations Committee became effective in the current financial year under review: *IFRIC 11 Group and Treasury Share Transactions*, *IFRIC 12 Service Concession Arrangements*, *IFRIC 13 Customer Loyalty Programmes* en *IFRIC 14- IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The implementation of these interpretations did not result in adjustments to the accounting principles for financial reporting as applied by Intervest Offices.

New or amended standards and interpretations not yet effective

A number of new standards, amended standards and interpretations has not yet taken effect in 2008, but may be applied in advance. Unless stated otherwise, Intervest Offices has not made use of this. To the extent that these new standards, amended standards and interpretations are relevant to Intervest Offices, the effect that their application might have on the consolidated accounts for 2008 and beyond is set out below.

- **IFRS 8 Operating Segments**

This new standard, effective as from January 1, 2009, replaces IAS 14 Segment Reporting. Intervest Offices has already applied this standard for the consolidated accounts on 31 December 2008. This standard introduces new guidelines concerning the information that has to be disclosed regarding the distinct segments. It is permitted to better match the choice of the distinct segments and the related notes to the segments currently in use in internal reporting. The application of this standard has not led to major changes in the notes on the consolidated annual accounts.

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

This standard applies to financial years starting on or after 1 January, 2009. Intervest Offices has already applied this amendment, although it has no effect on the applied principles for financial reporting, since Intervest Offices already capitalises borrowing 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 have an impact on the presentation of the 2009 annual accounts.

- **Adaptation of IFRS 3 – Business combinations**

This standard applies to the financial years starting on or after 1 July 2009. This standard will be applied for processing potential future acquisitions and transactions with minority interests.

- **IAS 40/IAS 16**

Assets under construction which are later held as investment property are no longer classified as tangible assets (IAS 16) but as investment properties (IAS 40). Herewith the difference between the cost price and the fair value are already recorded during the construction.

This standard applies for the financial years starting on or after 1 January 2009. This standard will have consequences for processing development projects in the annual accounts 2009.

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 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 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 tenants.

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 and to the fund management.

Result on disposals and changes in fair value of investment properties

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.

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.

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 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 such time as 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, including buildings of which a limited part is retained for the owner's own use, 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 a 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 properties 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 properties:

- 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 press release (see also www.beama.be – publications – press release: "First application of IFRS accounting rules").

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 assets".

e. Disposal of an 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 reserves not available for distribution.

Other tangible 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 assets".

b. Valuation

Other tangible 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 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:

• plant, machinery and equipment	20 %
• furniture and vehicles	25 %
• computer equipment	33 %
• real estate for own use:	
- land	0 %
- buildings	5 %
• 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 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 in accordance with 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, the following business segments are employed:

- 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.

Intervest Offices also employs a segmentation based on a geographic division, involving the location of the real estate in Belgium, 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 the 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 memoriam.

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.



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NOTE 3. SEGMENT INFORMATION

The reporting by segment is performed within Interest Offices according to two segmentation bases.

1. by business segment: this segmentation base is divided in “offices” and “semi-industrial buildings”

2. by geographic region: this segmentation base represents 5 geographic markets in Belgium in which the group operates.

By business segment

The two 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	
	2008	2007	2008	2007	2008	2007	2008	2007
<i>in thousands €</i>								
Rental income	31.084	29.779	11.954	11.426			43.038	41.205
Rental-related expenses	-60	-121	-58	-1			-118	-122
Net rental result	31.024	29.658	11.896	11.425			42.920	41.083
Rental related income and expenses	585	425	-159	20			426	445
Property result	31.609	30.083	11.737	11.445			43.346	41.528
Operating result before result on portfolio	30.396	28.380	11.218	10.989	-3.391	-3.122	38.223	36.247
Changes in fair value of investment properties	-7.510	2.717	-5.216	10.319			-12.726	13.036
Operating result of the segment	22.886	31.097	6.002	21.308	-3.391	-3.122	25.497	49.283
Financial result					-10.204	-9.556	-10.204	-9.556
Taxes					-44	-29	-44	-29
Net profit	22.886	31.097	6.002	21.308	-13.639	-12.707	15.249	39.698

Key figures by segment

BUSINESS SEGMENTS	Offices		Semi-industrial properties		TOTAL	
	2008	2007	2008	2007	2008	2007
<i>in thousands €</i>						
Fair value of investment properties	400.768	406.868	171.287	158.175	572.055	565.043
of which investments during the financial year (fair value)	0	34.417	16.146	8.839	16.146	43.256
Investment value of investment properties	410.787	417.040	175.705	162.435	586.492	579.475
Accounting yield of the segment (%)	7,8 %	7,3 %	7,0 %	7,2 %	7,5 %	7,3 %
Total lettable surface area (m ²)	236.459	236.459	302.914	268.904	539.373	505.363
Occupancy rate (%)	92 %	90 %	98 %	96 %	94 %	92 %

By geographic segment

The activity of Interwest 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 SEGMENTS	E19		A12		Brussels		Antwerp		Other regions		TOTAL	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<i>in thousands €</i>												
Rental income	17.271	15.606	5.675	5.520	12.631	12.720	4.387	4.627	3.074	2.732	43.038	41.205
Fair value of investment properties	202.603	210.154	72.156	75.112	177.789	178.469	59.512	58.887	59.995	42.421	572.055	565.043
Investment value of investment properties	207.668	215.408	73.960	76.990	182.234	182.931	61.135	60.494	61.495	43.652	586.492	579.475
Accounting yield of the segment (%)*	8,5%	7,4 %	7,9%	7,3 %	7,1%	7,1 %	7,4%	7,9 %	6,4% (*)	6,4 %	7,7%	7,3 %
(Dis)investment during the financial year (fair value)	0	26.641	0	0	0	7.776	0	0	16.146	8.839	16.146	43.256

* corrected for Herentals Logistics 2, acquired on 30 September 2008.

NOTE 4. PROPERTY RESULT**Rental income**

<i>in thousands €</i>	2008	2007
Rental income	43.351	42.015
Guaranteed income	862	287
Rental discounts	-1.310	-1.331
Rental benefits ('incentives')	-136	-122
Compensation for early termination of lease contracts	271	356
Total rental income	43.038	41.205

Overview of future minimum rental income

The cash value of 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>	2008	2007
Receivables with a remaining duration of:		
Less than one year	37.806	37.328
Between one and five years	78.180	70.148
More than five years	19.695	26.252
Total future minimum rental income	135.681	133.728

Rental-related expenses

<i>in thousands €</i>	2008	2007
Rent for leased assets and ground lease	-36	-69
Write-downs on trade receivables	-124	-100
Reversal of write-downs on trade receivables	42	47
Total rental-related expenses	-118	-122

Recovery of property charges

<i>in thousands €</i>	2008	2007
Compensations received for damage to property	0	11
Management fee received	690	595
Total recovery of property charges	690	606

The recovery of property charges is mainly related to the management fees 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 tables below.

Rebiling of rental charges and taxes

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

<i>in thousands €</i>	2008	2007
Rebiling of rental charges borne by the landlord	2.880	4.125
Rebiling of prelevies and taxes on let properties	3.010	3.407
Total recovery of rental charges and taxes normally payable by tenants on let properties	5.890	7.532

Rental charges and taxes normally payable by tenants on let properties

<i>in thousands €</i>	2008	2007
Rental charges borne by the landlord	-2.877	-4.057
Prelevies and taxes on let properties	-3.011	-3.375
Total rental charges and taxes normally payable by tenants on let properties	-5.888	-7.432
Total net amount of recovered rental charges and taxes	2	100

These items are on the one hand the costs of withholding taxes 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>	2008	2007
Recurrent technical costs	-783	-874
Maintenance	-733	-855
Insurance premiums	-50	-19
Non-recurrent technical costs	0	-1
Claims	-44	-99
Compensation of claims from the insurers	44	98
Total technical costs	-783	-875

Commercial costs

<i>in thousands €</i>	2008	2007
Brokers' fees	-246	0
Publicity	-125	-272
Lawyers' fees and legal costs	-199	-94
Total commercial costs	-570	-366

Charges and taxes on unlet properties

<i>in thousands €</i>	2008	2007
Vacancy charges of the year	-421	-617
Regularisation of vacancy charges on prior years	0	-128
Withholding tax on vacant properties	-218	-373
Recuperation of property tax on vacant properties	283	253
Total charges and taxes on unlet properties	-356	-865

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

Property management costs

<i>in thousands €</i>	2008	2007
External property management fees	-78	-81
Internal property management fees	-1.579	-1.590
Total property management costs	-1.657	-1.671

Other property charges

<i>in thousands €</i>	2008	2007
Charges borne by the landlord	-100	-191
Other property charges	-38	-72
Total other property charges	-138	-263

The charges borne by the landlord 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>	2008	2007
ICB tax	-273	-262
Custodian bank	-12	-11
Auditor's fee	-93	-81
Directors' remunerations	-29	-22
Liquidity provider	-11	-11
Financial services	-80	-154
Employee benefits	-482	-440
Other costs	-273	-312
Total general costs	-1.253	-1.293

NOTE 7. EMPLOYEE BENEFITS

<i>in thousands €</i>	2008			2007		
	Charges for the patrimony management	Charges linked to the management of the fund	TOTAL	Charges for the patrimony management	Charges linked to the management of the fund	TOTAL
Remunerations of employees and independent staff	814	264	1.078	892	255	1.147
salary and other benefits paid within 12 months	587	145	732	665	192	857
pensions and post-employment benefits	23	12	35	19	8	27
severance pay	0	34	34	0	0	0
social security	151	47	198	150	29	179
other charges	53	26	79	58	26	84
Remuneration of management	118	218	336	84	172	256
salary and other benefits paid within 12 months	118	218	336	84	172	256
TOTAL	932	482	1.414	976	427	1.403

The number of employees and independent staff at the 2008 year-end, expressed in FTE is 12 members of staff for the internal management of the patrimony (2007: 11) and 4 staff members for the management of the fund (2007: 5,5). The management comprises 3 persons, of whom 1 is not remunerated.

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 are related.

NOTE 8. CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

<i>in thousands €</i>	2008	2007
Positive change of investment properties	5.429	18.049
Negative change of investment properties	-15.350	-4.186
Subtotal change of investment properties	-9.921	13.863
Changes from spread of rental discounts and rent incentives	-880	306
Taking into result of the price difference on the acquisition of Mechelen Campus 3 sa and Zuidinvest sa	0	-1.806
Taking into result of the price difference on the acquisition of Herentals Logistic Center sa	0	779
Taking into result of the price difference on the acquisition of Edicorp sa	-1.479	0
Other changes related to fair value	-446	-106
Subtotal other changes related to fair value of investment properties	-2.805	-827
Total change in fair value of investment properties	-12.726	13.036

For 2008 the negative change in fair value of investment properties amounts to € 13 million compared to a positive change of € 13 million in 2007. This negative change in 2008 mainly results from the global economic recession. This recession has immobilized the investment market of professional real estate at the end of 2008, whereby the independent property experts have adapted in a negative way the capitalisation rates used for the valuation of the buildings of Interest Offices.

Further, the change also comprises the immediate taking into result of the price difference of - € 1,5 million on the acquisition of the shares of the company Edicorp sa (owner of Herentals Logistics 2, the logistic development in Herentals) on 30 September 2008. IFRS 3 related to business combinations is not applicable for this acquisition.

NOTE 9. FINANCIAL RESULT

<i>in thousands €</i>	2008	2007
Financial income	124	149
Interest charges with fixed interest rate	-5.972	-9.197
Interest charges with variable interest rate	-4.171	-231
Other financial costs	-185	-277
Total financial result	-10.204	-9.556

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

Interest charges classified by expiry date of the credit facility

<i>in thousands €</i>	2008	2007
Interest charges on non-current financial debts	-8.562	-9.159
Interest charges on current financial debts	-1.581	-269
Total interest charges	-10.143	-9.428

The average interest rate for the non-current financial debts for 2008 amounts to 4,33 % (2007: 4,08 %). The average interest rate for the current financial debts for 2008 amounts to 5,25 % (2007: 4,75 %). The total average interest rate amounts to 4,45 % in 2008, compared to 4,1 % in 2007.

The (hypothetic) future cash outflow of the interest charges from the withdrawn loans on 31 December 2008 at the variable interest rate of 31 December 2008 amounts to € 9,5 million (2007: € 10,2 million).

NOTE 10. TAXES

<i>in thousands €</i>	2008	2007
Corporate income tax	-40	-16
Not recoverable withholding tax	-4	-8
Other income taxes	0	-5
Total taxes	-44	-29

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 corporate tax is paid on the majority of the profit that comes from lettings and added value on disposals of investment properties.

NOTE 11. NUMBER OF SHARES AND EARNINGS PER SHARE

Movement of the number of shares

<i>in thousands €</i>	2008	2007
Number of shares at the beginning of the financial year	13.900.902	13.882.662
Number of shares issued	0	18.240
Number of shares at the end of the financial year	13.900.902	13.900.902
Number of shares entitled to dividend	13.900.902	13.900.902
Adjustments for diluted earnings per share	0	0
Weighted average number of shares for diluted earnings per share	13.900.902	13.900.902

Determination of the amount of mandatory dividend distribution

Net monetary operating result

<i>in thousands €</i>	2008	2007
Net profit (consolidated)	15.249	39.698
Adjustment to statutory annual accounts	0	121
Adjustment for non-cash flow transactions included in the net result (+/-)		
Depreciations (+) and withdrawals of depreciations (-)	0	192
Changes in fair value of investment properties (+/-)	12.726	-13.036
Net monetary operating result	27.975	26.975

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 net monetary operating result is equal to the amount liable for compulsory distribution.

Calculation of the profit per share

<i>in €</i>	2008	2007
Basic earnings per share	1,10	2,86
Diluted earnings per share	1,10	2,86
Distributable earnings per share	2,01	1,94

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 1 April 2009. In accordance with IAS 10, the dividend distribution is not recognized as a liability and has no effect on the profit tax.

	2008	2007
Dividend per share (€)	2,01	1,94
Remuneration of the share capital (€ 000)	27.941	26.968
Dividend as a percentage of the operating distributable result (%)	100 %	100 %

NOTE 12. NON-CURRENT ASSETS – EXCLUDING INVESTMENT PROPERTIES

<i>in thousands €</i>	2008	2007
Intangible assets	87	121
Acquisition value	179	155
Depreciations and impairment losses	-92	-34
Other tangible assets	222	316
Acquisition value	592	631
Depreciations and impairment losses	-370	-315
OTHER INFORMATION		
Externally acquired intangible assets		
Expected lifespan	3 years	3 years
Depreciation period	3 years	3 years

Depreciations on the intangible assets and other tangible assets are classified in the income statement under the items 'property management costs' and 'general costs'.

NOTE 13. NON-CURRENT ASSETS: INVESTMENT PROPERTIES

Investment and revaluation table

<i>in thousands €</i>	2008	2007
Amount at the end of the preceding financial year	565.043	506.741
Acquisitions	787	1.280
Properties acquired through acquisition of real estate companies	16.146	43.159
Change in fair value (+/-)	-9.921	13.863
Amount at the end of the financial year	572.055	565.043
OTHER INFORMATION		
Investment value of investment properties	586.092	579.475

The increase of investment properties for an amount of € 16,1 million results from the acquisition of Herentals Logistics 2, the logistic development in Herentals, through the purchase of the shares of the limited liability company Edicorp.

NOTE 14. CURRENT ASSETS**Trade receivables**

<i>in thousands €</i>	2008	2007
Trade receivables	534	1.753
Credit notes to receive	0	37
Invoices to issue	828	586
Doubtful debtors	395	486
Provision doubtful debtors	-395	-330
Receivable from the European Commission	0	1.087
Other trade receivables	20	214
Total trade receivables	1.382	3.833

The decrease of trade receivables results from the strict credit control policy that has been carried out in 2008.

The receivable of the European Commission for an amount of € 1,1 million has been repaid in advance on 3 January 2008.

Ageing analysis of trade accounts receivables

<i>in thousands €</i>	2008	2007
Receivables < 30 days	164	746
Receivables 30-90 days	0	571
Receivables > 90 days	370	436
Total outstanding trade receivables	534	1.753

Tax receivables and other current assets

<i>in thousands €</i>	2008	2007
Recoverable corporate tax	217	217
Recoverable exit tax	217	217
Recoverable withholding tax on the liquidation bonus as result of the merger of 18 October 2007	755	755
Recoverable withholding tax on the liquidation bonus as result of the merger of 2 April 2008	514	0
Other receivables	209	537
Total tax receivables and other current assets	1.912	1.726

For the description of the group's fiscal situation is referred to note 24.

Deferred charges and accrued income

<i>in thousands €</i>	2008	2007
Recoverable property tax	569	956
Other deferred charges	311	525
<i>Costs related to loans</i>	239	316
<i>Other costs to defer</i>	72	209
Income to accrue	137	0
Total deferred charges and accrued income	1.017	1.481

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

NOTE 15. SHAREHOLDERS' EQUITY

Capital

Share capital evolution		Share capital movement	Total outstanding share capital after transaction	Number of share issued	Total number of shares
Date	Transaction	<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 by absorption of the limited liabilities companies Catian, Innotech, Greenhill Campus and Mechelen Pand	16.249	18.653	2.479.704	4.376.163
21.12.2001	Merger by 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 Siref shares	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 sa; exchange of 111.384 Siref shares	4.107	118.111	167.076	11.708.037
23.12.2002	Merger by absorption of the limited liability companies Apibi, Pakobi, PLC, MCC and Mechelen Campus	5.016	123.127	1.516.024	13.224.061
17.01.2005	Merger by absorption of 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 by absorption of the limited liability companies Mechelen Campus 3 and Zuidinvest	6	126.725	18.240	13.900.902
02.04.2008	Merger by absorption of the limited liability company Herentals Logistic Center	0	126.725	0	13.900.902

On 31 December 2008 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.

Authorised 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 Official Gazette 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 unavailable 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 2008 the board of directors did not apply the granted authorisation to use amounts from the permitted capital.

Purchase of equity shares

In accordance with article 9 of the articles of association, the board of directors can proceed to 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>		Capital increase	Contribution in cash	Contribution value	Share premium
<i>Date</i>	<i>Transaction</i>				
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 Siref shares	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 the hypothetical disposal of investment properties

<i>in thousands €</i>	2008	2007
Amount at the end of the preceding financial year	-14.432	-12.912
Change in investment value of investment properties	399	-439
Increase from business combinations	-404	-1.081
Total impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-14.437	-14.432

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 16. PROVISIONS

<i>in thousands €</i>	2008	2007
Non-current provisions	1.082	1.169
Provisions for income tax dispute	920	920
Provision rental guarantees from disposal of investment properties	162	249
Current provisions	334	409
Provision rental guarantees from disposal of investment properties	334	409
Total provisions	1.416	1.578

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 description of the group's fiscal situation is referred to note 24.

NOTE 17. CURRENT LIABILITIES**Trade debts and other current debts**

<i>in thousands €</i>	2008	2007
Trade debts	205	393
Advances received from tenants	606	167
Invoices to be received	1.320	722
Provision exit tax	192	790
VAT	-13	651
Other current debts	266	373
Total trade debts and other current debts	2.579	3.096

Other current liabilities

<i>in thousands €</i>	2008	2007
Dividends payable	417	402
Liabilities for deferred payment of investment properties	773	0
Total other current liabilities	1.190	402

The liability concerning the deferred payment of investment properties is related to an outstanding debt towards the building contractor of Herentals Logistics 2 to be paid at the moment of the final delivery of the building.

Accrued charges and deferred income

<i>in thousands €</i>	2008	2007
Received indemnities	560	861
Deferred income (rental invoicing)	504	486
Other charges to accrue	-19	437
Total accrued charges and deferred income	1.045	1.784

NOTE 18. NON-CURRENT AND CURRENT FINANCIAL DEBTS

Classification by expiry date of the credit facility

<i>in thousands €</i>	2008				2007			
	Debts with a remaining duration of		Total	Percentage	Debts with a remaining duration of		Total	Percentage
	< 1 year	> 1 year and < 5 years			< 1 year	> 1 year and < 5 years		
Credit institutions (withdrawn credits)	34.488	203.553	238.041	94 %	14.672	206.822	221.494	84 %
Not withdrawn credit facilities	12.225	0	12.225	5 %	25.000	16.643	41.643	16 %
Financial lease	6	11	17	0 %	5	18	23	0 %
Market value financial derivatives	0	2.448	2.448	1 %	0	0	0	0 %
TOTAL	46.719	206.012	252.731	100 %	39.677	223.483	263.160	100 %
Percentage	18 %	82 %	100 %		15 %	85 %	100 %	

For the description of the financial structure of the property investment fund is referred to the report of the management committee.

Classification by variable or fixed interest rate of the loans

<i>in thousands €</i>	2008				2007			
	Debts with a remaining duration of		Total	Percentage	Debts with a remaining duration of		Total	Percentage
	< 1 year	> 1 year and < 5 year			< 1 year	> 1 year and < 5 year		
Variable	20.854	66.200	87.054	37 %	0	55.835	55.835	25 %
Fixed	13.640	137.364	151.004	63 %	14.677	151.005	165.682	75 %
TOTAL	34.494	203.564	238.058	100 %	14.677	206.840	221.517	100 %

Classification by type of credit facilities

<i>in thousands €</i>	2008		2007	
	Total	Percentage	Total	Percentage
Roll-over advances	144.407	61 %	113.188	51 %
Fixed advances	93.634	39 %	108.306	49 %
Financial lease	17	0 %	23	0 %
TOTAL	238.058	100 %	221.517	100 %

NOTE 19. FINANCIAL DERIVATIVES

On 25 January 2006 and 6 February 2006 the company has concluded interest rate swaps to hedge loans with variable interest rates. 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 these hedges were effective. 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 of a 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 nominal value of financial derivatives at year-end

<i>in thousands €</i>	Start date	Expiry date	Interest rate	Nominal Value	Market value	
					2008	2007
IRS	27.12.2006	30.12.2011	3,4725 %	60.000	-1.191	2.062
IRS	18.12.2006	18.12.2011	3,4700 %	60.000	-1.257	2.045
Fair value financial derivatives					-2.448	4.107

On 31 December 2008 these interest rate swaps have a negative market value of - € 2,4 million (€ 4,1 million) which is fixed on quarterly basis by the financial issuer. The negative market value of these financial derivatives results from the decrease of the interest rates during the fourth quarter of 2008.

Fair value and nominal value of bank obligations at year-end

<i>in thousands €</i>	2008		2007	
	Nominal value	Fair value	Nominal value	Fair value
Financial debts	238.041	238.212	221.494	221.829

When calculating the fair value of the financial debts, the financial debts with a fixed interest rate are taken into consideration. Financial debts with a variable interest rate or covered by financial derivatives are not taken into consideration.

NOTE 20. RELATED PARTIES

The company's related parties are its shareholders VastNed Offices/Industrial and VastNed Offices Belgium, its subsidiaries (see note 21) and its directors and members of the management committee.

Relation with VastNed Offices/Industrial and VastNed Offices Belgium

<i>in thousands €</i>	2008	2007
Interests paid on current account VastNed Offices/Industrial	0	56
Premium purchase right shares Mechelen Campus 3 paid to VastNed Offices Belgium	0	480

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>	2008	2007
Directors	58	44
Members of the management committee	336	256
Total	394	300

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

NOTE 21. LIST OF CONSOLIDATED COMPANIES

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

Company name	Address	Company number	Capital share (in %)	Minority interests <i>in thousands €</i>	
				2008	2007
ABC sa	Uitbreidingstraat 18, 2600 Berchem	BE 0466.516.748	99,00 %	2	4
MBC sa	Uitbreidingstraat 18, 2600 Berchem	BE 0467.009.765	99,00 %	39	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
Edicorp sa	Uitbreidingstraat 18, 2600 Berchem	BE 0429.238.856	94,00 %	120	0
Total minority interests				163	47

IFRS 3 related to business combinations is not applicable on the acquisitions of the financial year 2008.

To the extraordinary general meeting of shareholders on 1 April 2009, the merger by absorption of the company Edicorp sa by Interest Offices sa will be proposed.

NOTE 22. MERGERS

Name of the acquired company	Company number	Type	Date	Retroactivity book value	Percentage acquired shares	Number of new shares	Fair value issued shares <i>in thousands €</i>
Herentals Logistic Center	BE 0476.197.249	Merger	2 April 2008	yes	100 %	0	0

On 2 April 2008 the extraordinary general meeting of shareholders of Intervest Offices has approved the merger by absorption of the limited liability company Herentals Logistic Center, owner of the Siemens site in Herentals.

NOTE 23. FEE OF THE AUDITOR AND TO THE AUDITOR RELATED ENTITIES

<i>in thousands €</i>	2008	2007
Including non-deductible VAT		
Fee statutory auditor for audit mandate	85	81
Fee for exceptional activities or special assignments within:		
- Other control assignments	8	11
- Tax consulting assignments	5	37
- Other assignments beyond statutory assignments	0	21
Total fee of the auditor and related entities	98	150

Other control assignments are related to legal assignments concerning mergers with real estate companies.

NOTE 24. OFF BALANCE SHEET OBLIGATIONS

Framework convention logistic development in Herentals

For the further development of 20.000 m² logistic buildings on the land parcel of Herentals Logistics 2, Intervest Offices has a building obligation towards Cordeel Zetel Hoeselt sa for the general building works at agreed conditions conforming the market. The timing of this further development will depend on the evolution on the rental market of semi-industrial real estate and the availability of credit facilities.

Regarding the possible redevelopment of the existing Herentals Logistics 1 on the Atealaan 34 in Herentals, priority rights are given to Cordeel Zetel Hoeselt sa.

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. In 2008, the tax administration has raised a legal mortgage on a semi-industrial property located in Aartselaar, Dijkstraat, in order to guarantee the outstanding fiscal debt. 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 and has consequently started a procedure at the Council of State.

Guarantees with regard to financing

For the financing of the property investment fund, no registrations of mortgages 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 most financings, the credit institutions generally require an interest coverage ratio of more than 2 (see description of the financial structure in the report of the management committee).

Soil

Intervest Offices has by means of the merger with Herentals Logistic Center 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 13.06.2005 a certificate of conformity has been delivered by OVAM 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 on November 2007.

Further, Intervest Offices has no soil remediation obligations.

NOTE 25. POST BALANCE SHEET EVENTS

There are no significant events to be mentioned that occurred after the closing of the accounts as at 31 December 2008.

STATUTORY AUDITOR'S REPORT

INTERVEST OFFICES NV
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, 2008

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, 2008, 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 577.574 (000) EUR and a consolidated profit for the year then ended of 15.249 (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 Réviseurs 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, 2008, 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

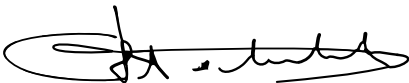
The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

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 17, 2009

The statutory auditor



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

STATUTORY ANNUAL ACCOUNTS INTERVEST OFFICES SA

The statutory annual accounts of Intervest Offices are prepared according to the IRFS-standards and in accordance with the RD of 21 June 2006. The entire version of the statutory annual accounts of Intervest Offices, together with the annual report and the report of the statutory auditor, will be deposited within the legal time frame at the National Bank of Belgium and can be obtained for free through the website of the company (www.intervestoffices.be) or on demand at the registered office.

The statutory auditor has issued an unqualified auditor's report for the statutory annual accounts of Intervest Offices sa.

INCOME STATEMENT <i>in thousands €</i>	2008	2007
Rental income	42.785	41.164
Rental-related expenses	-118	-122
NET RENTAL INCOME	42.667	41.042
Recovery of property charges	690	606
Recovery of charges and taxes normally payable by tenants on let properties	5.890	7.532
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	-366	-380
Charges and taxes normally payable by tenants on let properties	-5.888	-7.432
Other rental related income and expenses	100	119
PROPERTY RESULT	43.093	41.487
Technical costs	-783	-871
Commercial costs	-570	-365
Charges and taxes on unlet properties	-356	-865
Property management costs	-1.648	-1.670
Other property charges	-138	-263
PROPERTY CHARGES	-3.495	-4.034
OPERATING PROPERTY RESULT	39.598	37.453
General costs	-1.258	-1.293
Other operating income and expenses	-366	51
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	37.974	36.211
Changes in fair value of investment properties	-5.727	12.150
OPERATING RESULT	32.247	48.361
Financial income	412	298
Interest charges	-10.122	-9.428
Other financial charges	-185	-278
FINANCIAL RESULT	-9.895	-9.408
RESULT BEFORE TAXES	22.352	38.953
TAXES	-43	-20
NET PROFIT	22.309	38.933
Operating distributable result	27.975	26.975
Result on portfolio	-5.727	12.150
Non-distributable elements	61	-192

RESULT PER SHARE	2008	2007
Number of shares entitled to dividend	13.900.902	13.900.902
Basic earnings per share (in €)	1,60	2,80
Distributable earnings per share (in €)	2,01	1,94

Balance sheet

ACTIVA <i>in thousands €</i>	31.12.2008	31.12.2007
Non-current assets	570.312	562.530
Intangible assets	87	121
Investment properties	546.982	547.277
Other tangible assets	222	316
Financial fixed assets	23.007	14.802
Trade receivables and other non-current assets	14	14
Current assets	4.610	7.006
Trade receivables	1.128	3.697
Tax receivables and other current assets	1.912	1.189
Cash and cash equivalents	553	639
Deferred charges and accrued income	1.017	1.481
TOTAL ASSETS	574.922	569.536

SHAREHOLDERS' EQUITY AND LIABILITIES <i>in thousands €</i>	31.12.2008	31.12.2007
Shareholders' equity	330.488	341.702
Share capital	126.725	126.725
Share premium	60.833	60.833
Reserves	126.831	132.736
Result	32.375	31.289
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-13.810	-13.988
Changes in fair value of financial assets and liabilities	-2.448	4.107
Liabilities	244.434	227.834
Non-current liabilities	206.370	208.436
Provisions	1.082	1.169
Non-current financial debts	204.812	206.840
<i>Credit institutions</i>	<i>204.801</i>	<i>206.822</i>
<i>Financial lease</i>	<i>11</i>	<i>18</i>
Other non-current liabilities	476	427
Current liabilities	38.064	19.398
Provisions	334	409
Current financial debts	33.894	14.677
<i>Credit institutions</i>	<i>33.888</i>	<i>14.672</i>
<i>Financial lease</i>	<i>6</i>	<i>5</i>
Trade debts and other current debts	2.399	2.147
Other current liabilities	396	380
Accrued charges and deferred income	1.041	1.785
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	574.922	569.536

DEBT RATIO	31.12.2008	31.12.2007
Debt ratio RD 21 June 2006 (max. 65 %) (%)	42 %	39 %

NET ASSET VALUE PER SHARE (€)	31.12.2008	31.12.2007
Net asset value per share (fair value)	23,77	24,58
Net asset value per share (investment value)	24,75	25,59

06



General information

3T Estate // Luchthavenlaan 25 / 1800 Vilvorde / Surface area 8.757 m²



IDENTIFICATION

Name

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

Registered office

Uitbreidingstraat 18, 2600 Antwerp-Berchem

Enterprise identification number

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

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 Official Gazette.
- Financial announcements and notices convening the general meetings are published in the financial press.
- Important public company documents are available on the website: www.intervestoffices.be

The other publicly accessible documents that are mentioned in the prospectus are available for inspection at the company’s registered office.

Duration

The company was founded for an indefinite period.

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 Official Gazette, 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 subjected 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 2 April 2008, as published in the Appendices to the Belgian Official Gazette of 24 April 2008 under number 2008-04-24/0061998.

Object of the company

Article 4 of the articles of association

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 real estate 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.

EXTRACT FROM THE ARTICLES OF ASSOCIATION⁹

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 (according to his/her choice) 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.

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

In accordance with legal requirements, all natural persons or legal entities who acquire or surrender shares or other financial derivatives 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 derivatives in their possession, whenever the voting rights connected with these financial derivatives 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.

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.

⁹ 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 register office and on the website www.intervestoffices.be

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 may not fall under the application of the prohibitions referred to in article 19 of the law of 22 March 1993 related to the statute for and supervision of credit institutions.

Article 15 – Delegation of authority

In application of article 524 bis 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 20 July 2004 regarding 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 Neckebroek, 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 € 67.500 (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.

LIQUIDITY PROVIDER

In 2003, a liquidity contract has been concluded with ING Bank, avenue Marnix 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 EXPERTS

The property experts of the investment fund are:

- 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
- Jones Lang LaSalle Belgium, 1000 Brussels, rue Montoyer 10. The company is represented by Rod Scrivener

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

PROPERTY MANAGEMENT

In 2008 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.

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 property 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
- deduction of a liberating withholding tax of 15 % when the dividend is paid.

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.



DELOITTE CAMPUS 2 - BERKENLAAN 8A - 1831 DIEGEM - SURFACE AREA 7.787 M²

STATEMENT TO THE ANNUAL REPORT

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

- a. the annual accounts, prepared in accordance with the "International Financial Reporting Standards" (IFRS) as accepted by the European Union and in accordance with the RD of 21 June 2006, give a true and fair view of the equity, the financial position and the results of Intervest Offices and the companies included in the consolidation
- b. the annual report gives a true statement of the development and results of Intervest Offices during the current year and of the position of the property investment fund and the companies included in the consolidation, as well as of the main risks and uncertainties where Intervest Offices is confronted with.

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.

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 2008.

Corporate governance

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

Current rents

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

Debt ratio

The debt ratio is calculated as the liabilities (excluding provisions and accrued charges and deferred income) less the change in the fair value of the financial coverage derivatives, 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 per share

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

Dividend yield

The dividend yield is the gross dividend divided by the share price on closing date.

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.

Operating distributable result

The operating distributable result is the operating result before the result on portfolio minus the financial result and taxes, and exclusive the revaluations of financial derivatives (which are not considered as hedge accounting in accordance with IAS 39) and other non-distributable elements.

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.

ANNUAL REPORT 2008

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