INTERVEST
OFFICES

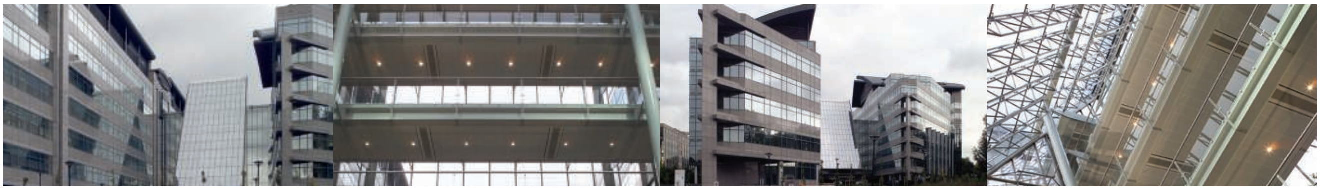
ANNUAL REPORT 2009

INTERVEST OFFICES IS:

- a Belgian property investment fund, listed on NYSE Euronext Brussels
- specialises in investments in high-quality office buildings and semi-industrial properties strategically situated on good locations outside municipal centres
- focuses on an investment policy based on the principles of high-quality professional real estate and the principles of risk diversification based on building type and geographic spread.
- enjoys a high dividend yield
- has a strong balance sheet with a low debt ratio

FINANCIAL CALENDAR:

Announcement of annual results to 31 December 2009	Tuesday 23 February 2010
General meeting of shareholders:	Wednesday 7 April 2010 at 4.30 pm
Dividend payable:	
- Ex-date dividend 2009	Tuesday 20 April 2010
- Record date dividend 2009	Thursday 22 April 2010
- Dividend payment 2009	as from Friday 23 April 2010
Interim statement on the results to 31 March 2010	Monday 10 May 2010
Half-yearly financial statement to 30 June 2010	Tuesday 3 August 2010
Interim statement on the results to 30 September 2010	Thursday 28 October 2010

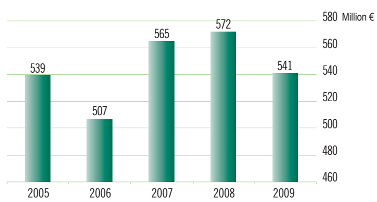


Woluwe Garden - Sint-Stevens-Woluwe

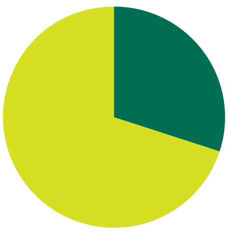
RISK SPREAD OF THE REAL ESTATE PORTFOLIO

Real estate portfolio	31.12.2009	31.12.2008
Fair value of investment properties (€ 000)	540.817	572.055
Total leasable space (m^2)	540.770	539.373

Evolution of fair value of the real estate properties

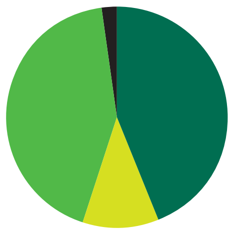


Nature of the portfolio



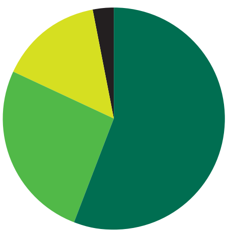
- 30% Semi-industrial buildings
- 70% Office buildings

Geographic spread of offices



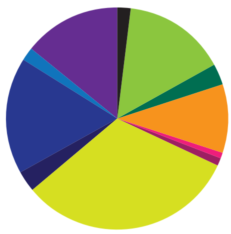
- 44% Brussels
- 11% Antwerp
- 43% E19 (incl. Malines)
- 2% Others

Geographic spread of semi-industrial properties



- 56% Antwerp - Malines (A12, E19)
- 26% Antwerp - Liège (E313, E34, E314)
- 15% Brussels
- 3% Other

Diversification by tenants



- 2% Building industry
- 15% Healthcare
- 3% Financial services
- 10% Logistics
- 1% Mail and Telecommunication
- 1% Production
- 32% Other services
- 3% Government
- 17% Technology, research and development
- 2% Automobile industry
- 14% Trade

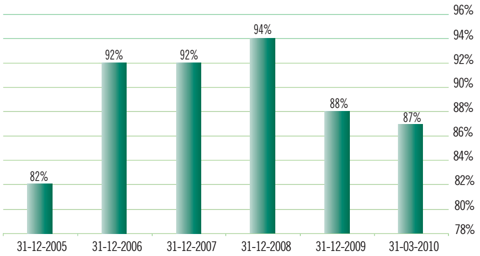
STRONG BALANCE SHEET: DEBT RATIO 44 %

Key figures	31.12.2009	31.12.2008
Shareholders' equity (€ 000)	297.533	330.365
Liabilities (€ 000)	248.240	247.209
Debt ratio as per Royal Decree of 21 June 2006 (max. 65 %) (%)	44 %	42 %

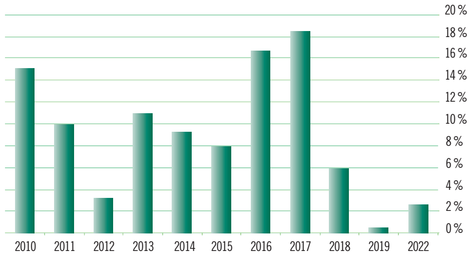
Key figures per share	31.12.2009	31.12.2008
Number of shares	13.907.267	13.900.902
Net asset value (fair value) (€)	21,39	23,77
Net asset value (investment value) (€)	22,37	24,80
Share price on closing date (€)	21,90	17,75
Premium (+)/discount (-) to net asset value (fair value) (%)	2 %	- 25 %

RESULTS

Occupancy rate: 88 %

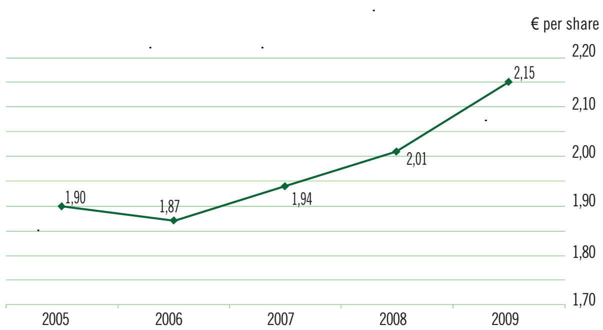


Average remaining duration of lease contracts: 3,6 years



Rental income: € 42,5 million

Positive results: distribution of gross dividend: € 2,15



"In 2009, the gross dividend of Intervest Offices increased by 7 % from € 2,01 to € 2,15 per share."

Mechelen Business Tower - Malines

Results (€ 000)	2009	2008
Rental income	42.472	43.038
Rental related charges	-160	-118
Property management costs and income	314	426
Property result	**42.626**	**43.346**
Property charges	-3.720	-3.504
General costs and other operating income and costs	-1.179	-1.619
Operating result before result on portfolio	**37.727**	**38.223**
Changes in fair value of investment properties	-32.270	-12.726
Operating result	**5.457**	**25.497**
Financial result (excl. change in fair value - IAS 39)	-7.762	-10.204
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-240	0
Taxes	-52	-44
Net result	**-2.597**	**15.249**
Operating distributable result	29.913	27.975
Result on portfolio	-32.270	-12.726
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-240	0
Gross dividend per share (€)	**2,15**	**2,01**
Net dividend per share (€)	**1,83**	**1,71**

DIVIDEND YIELD

> "On 31 December 2009 the share price of the Intervest Offices' share was € 21,90 offering a gross dividend yield of 10 %."

CONTENTS

“In 2009, the gross dividend of Intervest Offices increased by 7 %, from € 2,01 to € 2,15 per share.”

“Decrease by 5,6 % of the fair value real estate portfolio as a result of the global economic crisis.”

LETTER TO THE SHAREHOLDERS

Dear shareholder,

2009 was an extremely difficult year in the logistic real estate market and the office market. Historically low transaction volumes have been recorded in the investment market and the rental market in Belgium. The inactivity in the investment market has led to substantial adjustments of the fair value of office buildings as well as of logistic real estate. Consequently, the office portfolio of Intervest Offices has decreased in fair value by 5,6 % and the logistic real estate by 5,4 %. At the end of 2009, the fair value of the real estate portfolio of the property investment fund amounted to € 541 million.

As a result of the economic crisis, it was not possible in 2009 to maintain the favourable occupancy rate of 94 % achieved by the property investment fund at the end of 2008. The volume of the lease contracts and the expired rental guarantees have not been sufficiently compensated by new rentals. On 31 December 2009, the occupancy rate of the real estate properties was 88 %.

In spite of those weak activity levels, a good operating dividend was achieved in financial year 2009. This is mainly due to the interest rate policy, which generated an average interest rate of only 3,2% for the company's debt in 2009 (2008: 4,5%). The operating distributable result for financial year 2009 amounted to € 29,9 million, making it possible to offer a gross dividend of € 2,15 per share, versus € 2,01 per share in 2008. The gross dividend yield of the property investment fund therefore amounted to 10 %, based on the share price at 31 December 2009.

Although the investment-market activity is showing initial signs of recovery, this recovery is thus far limited to buildings with long-term lease contracts. It is expected that the general recovery of the investment market will only become structural when more certainty develops with respect to the recovery on the rental markets. Expectations are that the take-up of space for offices as well as for logistic real estate will decrease further in 2010 and that the first improvement can only be expected in 2011.

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

Through a proactive building-maintenance policy, it will be possible to keep technical costs under control over the next few years. In addition, we shall be pursuing a comprehensive marketing and rental policy in 2010.

Despite all these efforts, we do not expect to be able to maintain the current favourable operating result in 2010. The final operating distributable result will largely depend on how interest rates evolve and on opportunities for new acquisitions.

We thank you for your trust and we thank all of our employees for their much-appreciated efforts and we wish them the best for the challenges that lie ahead of us !

The board of directors

Reinier van Gerrevink
Managing director

Jean-Pierre Blumberg
Chairman of the board of directors

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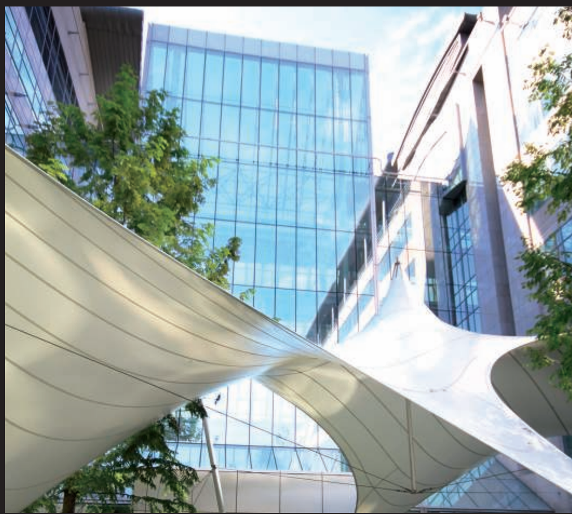
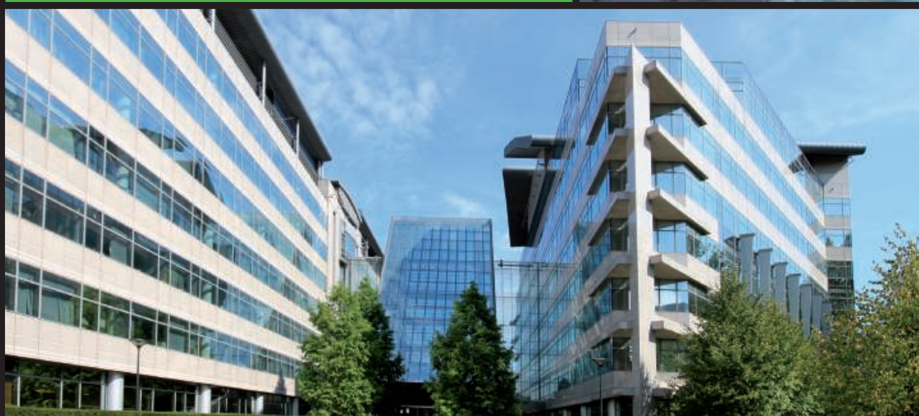
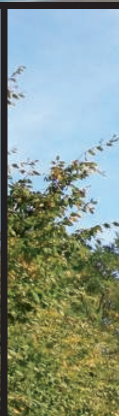


Report of the board of directors





WOLUWE GARDEN
Woluwedal 18 -22
1932 Sint-Stevens-Woluwe
Space: 25.074 m²

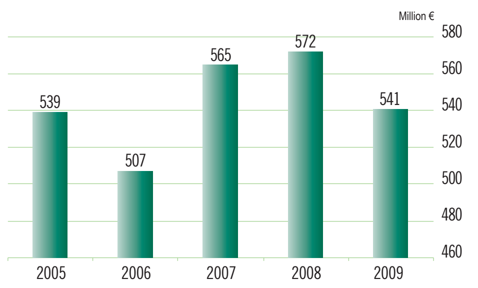
PROFILE

Intervest Offices invests in high-quality Belgian business properties that are leased to first-class tenants. The properties that the company invests in consist primarily of up-to-date buildings that are strategically located outside municipal centres. To optimize the risk profile, it would also be possible to consider investments in properties in municipal centres. Investments in semi-industrial properties would also be possible for the same reason.

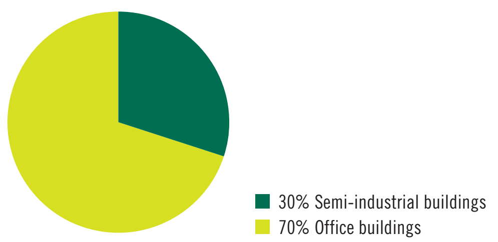
> "On 31 December 2009, the portfolio comprised 70 % office buildings and 30 % semi-industrial buildings. The total fair value of the investment properties at 31 December 2009 amounted to € 541 million."

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

Evolution of the fair value of the real estate properties



Type of real estate



INVESTMENT POLICY

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 preferably require major repair work in the short term and are situated at strategic locations, preferably on the Antwerp-Brussels axis. Other locations, which could contribute to the stability of rental income, are taken into consideration when such opportunities arise.

'Business properties' refers not only to office buildings, but also to semi-industrial buildings, warehouses and high-tech buildings. In principle, the company does not invest in residential or retail properties.

Intervest Offices' aim is to make its share more attractive by ensuring high liquidity, by expanding its real estate portfolio and by improving the risk profile.

> "The investment policy is based on the principle of achieving a combination of direct return based on rental income and indirect return based on the increase in the value of the real estate portfolio."

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 large investors, which improves growth opportunities.

High liquidity makes it easier to issue new shares (for increasing the capital, contributions of property or mergers), which is also very important for growth.

To improve its liquidity, Intervest Offices has concluded a liquidity agreement with ING Bank. The liquidity of most Belgian property investment funds is fairly low. One major 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 long-term investments rather than on a speculative basis, which reduces the number of transactions.

"In 2009, the free float of the share of Intervest Offices was unchanged at 45,3 %."

Size of the real estate portfolio

A large portfolio clearly offers a number of benefits:

- It helps to **spread the risk** for the shareholders. Potential regional 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 **economies of scale** make it possible to manage the portfolio more efficiently, with the result that a greater amount of operating profit can be paid out. This relates, for instance, to costs of maintenance and repair, long-term renovation costs, consultancy fees, publicity costs, etc.
- With a larger total portfolio, **management's negotiating position** is improved when discussing new lease terms and offering new services, alternative locations, etc.
- It makes it possible for a specialised management team to use its knowledge of the market to pursue an innovative and creative policy, resulting in **an increase in shareholder value.** This makes it possible to achieve 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, being able to offer new services, etc.

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. enduring contribution to the result per share
2. exchange ratio based on net asset value (investment value)
3. prevention of dilution of the dividend yield

Improvement of risk spread

Intervest Offices tries to spread its risk in a variety of ways. For example, tenants often operate in widely divergent sectors of the economy, such as the computer industry, media, consultancy, telecommunications, travel and the food industry. In addition, the company takes great care to ensure that the expiry dates and first interim expiry dates of the lease contracts are well spread to ensure staggered continuity of occupancy over time.

"Rexel is very satisfied with the move to Exiten in an environment with a better image, on a perfect location with high visibility along the Brussels ring road, in a building offering more possibilities for economical energy management than our previous location."

ALAIN RIFFLART - CFO REXEL BELGIUM

STATEMENT ON CORPORATE GOVERNANCE

General

Intervest Offices uses the Belgian Corporate Governance Code 2009 as its benchmark and complies with the principles of this Code 2009 very strictly. The principles of corporate governance pursued by Intervest Offices have been formalised by the board of directors in a number of directives:

- the Corporate Governance Charter
- the code of conduct
- whistle-blowing rules
- the market abuse-prevention directive

The complete 'Corporate Governance Charter' that sets out the important internal procedures for the management entities of Intervest Offices, as well as the other directives, are available for review on the company website (www.intervestoffices.be).

The terms of the Belgian Corporate Governance Code 2009 may only be deviated from when specific circumstances require it. If such an event occurs, the deviation is explained, in accordance with the "comply or explain" principle, in the annual report.

Board of directors

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
Intervest 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

Tom de Witte
Director

Address
Kamerlingh Onnesstraat 69
NL - 2984 ED Ridderkerk

Term
April 2011

Function
Chief financial officer
VastNed Group

Management entities

Board of directors

Composition

The board of directors comprises 6 members, 3 of whom 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.

Activities

In 2009, the board of directors met seven times. In 2009, the most important agenda items during the meetings of the board of directors and with respect to which the board has taken decisions were:

- approval of the quarterly, half-yearly and annual figures
- approval of the annual accounts and the statutory reports
- approval of the budgets 2009 and the business plan 2010
- discussion on the real estate portfolio (investments and disinvestments, tenancy issues, valuations, etc.)
- merger of Intervest Offices with Edicorp sa on 1 April 2009

All directors attended all meetings, except for Tom de Witte on 16 February 2009, Jean-Pierre Blumberg on 4 May 2009, Reinier van Gerrevink on 4 May and 2 November 2009 and Hubert Roovers on 2 November 2009.

In 2009, Reinier van Gerrevink and Hubert Roovers were charged with oversight of day-to-day management, pursuant to article 4 § 1 5° of the Royal Decree of 10 April 1995 concerning property investment funds. During financial year 2009, Reinier van Gerrevink and Tom de Witte represented the majority shareholder VastNed Offices/Industrial sa.

Audit committee

Composition

In 2009, the audit committee comprises three independent 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.

In 2009, these independent directors fulfilled all nine criteria of independence in accordance with article 526 ter of the Belgian Companies Code.

The independent directors are experts in the area of accountancy and auditing and the audit committee as a whole is expert in the area of the company's activities.

Activities

In 2009, the audit committee met four times. The most important items on the agenda of the audit committee in 2009 were:

- discussion of the quarterly, half-yearly and annual figures
- analysis of the annual accounts and statutory reports
- discussion of the budgets
- oversight of statutory audit of the (consolidated) annual accounts and analysis of the recommendations of the statutory auditor
- analysis of the efficiency of the internal audit mechanism and risk-management of the company
- discussion of the Belgian Corporate Governance Code 2009

All the members attended all meetings, except for Jean-Pierre Blumberg on 9 February and 4 May 2009.

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

The management committee
from left to right
Jean-Paul Sols, Inge Tas, Reinier van Gerrevink

The management committee

In 2009, the management committee comprised:

- 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

Pursuant to article 524bis of the Company Code and Article 15 of the company's articles of association, the board of directors has delegated specific management authority. 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 is available for review on the website (www.intervestoffices.be).

Evaluation of the management entities

Under the direction of the chairman, the board of directors periodically reviews its size, composition, working and efficiency. It carries out the same review with respect to the audit committee and the interaction with the management committee. For the purposes of such reviews, the board of directors can be assisted by external experts.

During this evaluation process:
- an assessment is made of the functioning and leadership of the board of directors
- the question of whether major subjects are prepared and discussed thoroughly
- an assessment is made of the actual contribution and involvement of each director in the discussions and decisions
- the composition of the board of directors is assessed with respect to the desired composition of the board
- the functioning and composition of the audit committee is discussed
- the collaboration and communication with the management committee is evaluated

If the above mentioned assessment procedures show some weaknesses, the board of directors will have to offer appropriate solutions. This can lead to changes in the composition or the functioning of the board of directors or the audit committee.

Conflicts of interest

If a director, because of his other board mandates, or for any other reason, has an interest with respect 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 Companies 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, § 1 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 Belgian Companies Code shall apply. At the same time, reference should be made to the Royal Decree of 10 April 1995, article 3, articles 22 to 27 on avoiding conflicts of interest.

The procedure for avoiding conflicts of interest was not invoked during financial year 2009.

Remuneration report

Outlines of the remuneration policy

The remuneration policy has several principles:
- the total remuneration must be appropriate to the level and the nature of the position in order for Intervest Offices to continue to be able to attract and keep qualified and professional members for its board of directors and for the management committee
- no remuneration is paid to the members of the board of directors who represent the majority shareholder
- the remuneration structure of the management committee consists of a variable bonus meant to promote the interests of Intervest Offices; the representatives of the majority shareholder are not eligible for this bonus
- the principles of the Belgian Corporate Governance Code 2009 are used as guideline; agreements concluded in prior employment contracts or management contracts will in principle be respected.

Remunerations

Basic remuneration 2009

Non-executive directors
In 2009, the annual fixed remuneration of the independent non-executive directors amounted to € 14.000 per annum for members of the board of directors (€ 15.000 a year for the chairman of the board of directors). No additional remuneration applies for membership of a committee or for holding the position of chairmanship of a committee. The directors representing the majority shareholder are not remunerated for their work on the board of directors.

Members of the management committee
The amount of the fixed remuneration allocated for remuneration in 2009 to the members of the management committee, with the exception of the managing director, is € 262.073. As the management committee in 2009 comprises only two people who are remunerated for their performance, it is the opinion of the board of directors that, for reasons of privacy, a joint disclosure of the total remuneration package is sufficient here and that it is not necessary to disclose the individual remuneration of the CEO (and therefore of the other committee member also).
The mandate of the managing director representing the majority shareholder is not remunerated for work carried out in the management committee.

Bonus for financial year 2008, paid in 2009

The two members of the management committee, except the managing director, may be eligible for an annual bonus of a global amount not to exceed € 22.500. The level of the bonus granted is fixed on the basis of measurable criteria linked to previously agreed performance achievement.

In 2008, these criteria related to rental activity (including the letting of some specially designated properties), the occupancy rate, and the further improvement of the IT environment. On the basis of the targets achieved in 2008, a bonus totalling € 12.000 was paid out in 2009.

In addition to this normal bonus, a member of the management committee may be eligible for an additional annual bonus based on exceptional performances. For financial year 2008, no additional bonus was granted.

Basic remuneration for 2010 and bonus for financial year 2009

The annual fixed remuneration of the independent non-executive directors is unchanged from the aforementioned remuneration for financial year 2009.

The annual fixed remuneration for the members of the management committee, with the exception of the managing director, is indexed at 1 January of each year, (i) in accordance with the normal index of the consumer price index, whereby the baseline is the index value in the month preceding the date of commencement of the contract and the new index level will be that of the month preceding the month in which the indexing has taken place (ii), increased by 1 percent. This represents an increase by 0,25 %.

In 2009, the criteria for a bonus were related to rental activity (including the letting of some specially designated properties), the stabilization of the net rental income, the occupancy rate, the rental recovery and the improvement of the risk profile of the portfolio. On the basis of the targets achieved in 2009, a bonus totalling € 17.400 was granted. For financial year 2009, no additional bonus was granted.

Duration and termination conditions

The members of the board of directors are appointed for a period of 3 years at the pleasure of the general meeting, which can revoke their appointment at any time. There is no dismissal compensation.

The members of the management committee are appointed for an indefinite period. Members of the management committee are entitled to dismissal compensation equivalent to an amount ranging from twelve months to eighteen months fixed remuneration, (except in cases of gross negligence or deliberate fault, in which case no remuneration shall be due).

Major risk factors and internal control and risk management systems

In 2009, the board of directors of Intervest Offices again turned its attention to the risk factors that Intervest Offices must contend with.

> "The constant evolution on the real estate markets and the financial markets require continuous monitoring of the strategic, operational, financial and compliance risks to safeguard the results and the financial situation of Intervest Offices."

Strategic risks

These risks are determined in large measure by the strategic choices made by Intervest Offices to limit the vulnerability to external factors. The size of these risks is determined by the strategic choices with respect to investment policy, such as:

- **type of real estate:** the company has decided to invest in the office sector, where, in order to respond optimally to the vagaries of the office cycle, the company strives to achieve an adequate percentage of investments in offices in liquid real estate markets, to determine the maximum level of exposure of investments in specific locations/regions and the maximum risk vis-à-vis the returns. In addition to investing in offices, the company may also invest in well-let semi-industrial and logistic spaces.

- **period of investment:** based on the knowledge of the economic and real estate-market cycles, the company tries to respond to the upward and downward movements of the market as well as possible.

Operating risks

These risks arise from the daily transactions and (external) events that occur within the strategic framework, such as:

- **investment risks:** internal control measures have been implemented in Intervest Offices to limit the risk of poor investment decisions. The risk profile is developed on the basis of as precise an evaluation as possible based on market research, the evaluation of the future yields, screening of the existing tenants, studying the environmental and permit requirements, analysing the tax risks, etc.

- **rental risks:** these risks are related to the type and location of the property, the extent to which it competes with nearby buildings, the quality of the property, the quality of the tenants and the lease contract. Intervest Offices carries out an on-going review of these factors. On a regular basis, a risk profile is assigned to each property (on the base of internal local knowledge and information provided by outsiders and evaluators).
  Depending on the risk profile, a certain return has to be achieved over a certain period, which is then compared to the expected return on the basis of the internal returns model. On that basis, an analysis is made with respect to which properties merit additional investment, where changes should be made to the tenant mix, and which buildings should be sold. Additionally, the vacancy levels and the vacancy risk are analysed each quarter, based on the expiry dates of the lease contracts. Within the constraints of the current lease legislation, the company strives to achieve balance with respect to the period of the lease contracts. That makes it possible to anticipate future lease terminations and contract reviews.

- **cost control - risks:** there is a risk that the net return on real estate will be influenced negatively by high operating costs and investments. Intervest Offices has implemented a variety of internal control measures to reduce this risk, such as the periodical comparison of maintenance projections with actual performance, and approval procedures for entering into maintenance and investment obligations.

- **debtor's risks:** Intervest Offices has clear procedures for screening tenants when new lease contracts are concluded. Furthermore, when new lease contracts are negotiated, deposits or bank guarantees are required. Internal control procedures have also been put into place to ensure that rents are received on time and that lease arrears are dealt with effectively. The financial and property administration keeps a close eye on keeping lease arrears to a minimum.

- **legal and fiscal risks:** in order to limit the financial risk and the risk to the company's reputation as a result of sub-optimal contracts with third parties, and depending on the degree of complexity, the contracts are reviewed by external advisors. Intervest Offices is, furthermore, insured against liabilities resulting from its activities or its investments. Tax law is an important factor for investment in real estate (VAT, registration rights, exit tax, split acquisitions, property 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 in the amount of borrowed capital versus 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, a high degree of leverage could lead to the risk that the company is unable to meet the interest and repayments obligations of borrowed capital, along with other payment obligations. In such an event, it would not be possible to obtain new financing or such financing would only be available at very unfavourable conditions. To be able to fulfil the payment obligations, properties would then have to be sold, with the accompanying risk that the sale would not be at the most favourable terms. The value development of the offices portfolio is mainly determined by developments on the real estate market. Intervest Offices aims at a balance between shareholders' equity and borrowed capital when financing its properties. Intervest Offices also strives to secure access to the capital market by providing transparent information and maintaining regular contacts with bankers and current or (potential) shareholders and by increasing the liquidity of the share. And, last, but not least, with respect to long-term financing, the company strives to achieve a balanced spread of the refinancing dates and a weighted average duration of between 3,5 and 5 years. The company may deviate from that target temporarily if specific circumstances require it.

- **liquidity risk:** Intervest Offices must generate sufficient cash flow to satisfy its daily payment obligations. On the one hand, this risk is limited by the measures described under operating risks, whereby the risk of losing cash flows by, for example, vacancy or bankruptcy of tenants is limited. Intervest Offices must also, on the other hand, have sufficient credit facilities to be able to meet fluctuations in liquidity needs. To be able to do so, cash flow forecasts are made. In addition, Intervest Offices has arranged for sufficient credit facilities with its bankers to be able to meet those fluctuations. To be able to draw on those credit facilities, the conditions of the bank facilities must be met continuously.

- **interest-rate risk:** using borrowed capital as a financing source means that the return also depends on interest-rate developments. To limit that risk, the company strives, when devising its loan portfolio, to achieve a proportion of one-third short-term borrowed capital (at variable interest rates) and two-thirds long-term borrowed capital (at fixed interest rates). That policy may be deviated from temporarily, depending on the developments of the interest rates. Additionally, the company tries, with respect to the long-term borrowed capital, to achieve a balanced spread of the dates of review of the interest rates and duration of at least 3 years. In 2009, the company executed several interest rate swaps with duration of 5 year in order to limit the interest-rate risk in the future.

Compliance risks

This includes the risk that the relevant legislation and regulations are not adequately complied with and that the employees do not act with integrity. Intervest Offices limits this risk by vetting its new recruits, by making its employees conscious of the risk and by ensuring, with the support of external legal advisors, that they are sufficiently informed of changes to important laws and regulations. In order to ensure that the company culture operates along ethical lines, Intervest Offices has drawn an internal code of conduct and whistle-blowing rules.

Other parties

Statutory auditor

The statutory auditor, appointed by the general meeting of shareholders, is the cooperative partnership Deloitte Réviseurs d'Entreprises SC, which is represented by Rik Neckebroeck, auditor.

Property experts

The real estate portfolio is valuated every quarter by two independent experts, Jones Lang LaSalle and Cushman & Wakefield, each for a part of the portfolio, by rotation.

Compliance officer

Pursuant to clauses 3.7. and 6.8. as well as appendix B of the Belgian Corporate Governance Code 2009, the company nominated Inge Tas, member of the management committee and CFO as Compliance officer, charged with the supervision of compliance with the rules on market abuse. Those rules were imposed by the Act 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.

"Comply or explain"-principle

In 2009, the company deviated from the following stipulations of the code (explain):

- **Clauses 5.3 and 5.4 on the operation of committees (incl. appendix D & E)**
  The board of directors decided not to set up an appointment committee or a remuneration committee. It is the opinion of the board that tasks of these committees are tasks of the full board of directors. The limited size of the board makes an efficient debate on these subjects possible.

- **Clause 6.2 Executive management**
  The management committee does not comprise all executive directors. This constitutes a deviation from clause 6.2 because of the specificity of the composition of the management committee (and article 4 § 1 5°of the Royal Decree of 10 April 1995 on property investment funds, which expressly requires that two directors supervise the day-to-day management).

- **Clause 7.16 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 above 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.

- **Clause 2.9 Company secretary**
  The board of directors has not designated a company secretary, who advises the board of directors regarding all administrative matters and takes care of the communication within and between the management entities of the company, as provided for by clause 2.9. The limited size of the company and the board of directors make such a position superfluous.

SUSTAINABILITY

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

Intervest Offices therefore pursue a policy to limit the negative impact of its activities on the environment as much as possible. In an economically justified way, the company works increasingly and continuously in a sustainable way, with the satisfaction of the tenant being the underlying principle. In the summer of 2009, Intervest Offices formalised that principle in a 'sustainability policy framework'.

In the operational administration of its portfolio, Intervest Offices concentrates 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,** Intervest Offices concentrates on raising awareness among users, who, after all, determine consumption levels to a high degree. Where possible, the actual use by tenants of HVAC (Heating Ventilation Air Conditioning) is charged to the tenants, rather than using the calculation method generally used, which assigns the charges based on the square metres leased. This billing method is already in use on Mechelen Campus and Park Station. In 2010, this method will be extended to buildings where it is possible from a technical and administrative point of view, namely: Intercity Business Park, Inter Access Park and 3T Estate.

   In the second place, renewable energy is used as much as possible. For this purpose, Intervest Offices made a central purchase of green electricity in May 2009, so that all common equipment works on electricity generated from hydro-electric generating installations.

   In the third place, and especially for the semi-industrial portfolio, a project has started to generate renewable energy. The installation of a photovoltaic system on the roof of semi-industrial buildings results, on the one hand, in lower CO2 emissions and on the other hand in lower energy bills for the tenants. In 2009, preparations were carried out for the first two buildings to install systems of 1.9 kW (kWp) and 1.2 kW peak power on the sites of Puurs Logistic Center and Boom Krekelenberg, respectively. Both installations will be operational in the summer of 2010, resulting in a CO2 reduction of 800 tonnes a year. When using a lighter, synthetic load-bearing structure, it might be possible to increase that power by 30%. That is still being analysed.

   For the period 2010 to 2012, additional installations with an estimated power of 5 kWp will be completed, whereby the impact on the environment will even be greater.

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.

   In three buildings, however, an advanced method of waste removal has been introduced, whereby the waste is separated into 8 different groupings (paper, cardboard, PMD, residual waste, glass, batteries, strip-lights and ink cartridges).

   Given the size of the Intercity Business Park, 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-treatment centre, but also makes it possible to develop an individual waste-removal program for each tenant. In this way, the tenants are given a sense of responsibility, which also generates cost benefits and reduces the mountain of waste. In addition to the ecological advantages, savings of approximately 15% are achieved vis-à-vis to traditional waste removal by container.

3. The **location** of buildings is primarily important when new buildings are being acquired. As far as possible, the buildings to be acquired will be checked for multimodal 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 encourage the use of bicycles.

4. Finally, with respect to the **welfare** of its tenants, Intervest Offices manages its buildings to try to achieve maximum safety and tenant satisfaction. To ensure the safety and welfare of the users, evacuation procedures have been developed, in addition to the legal inspections for all multi-tenant buildings. Evacuation exercises are held annually.

Inter Acces Park - Dilbeek

> "Through the resolute choice of Intervest Offices for our Alpine energy, everyone in the office buildings can use green energy, thus limiting the impact on the environment."
>
> JAN VAN LIMBERGEN, ACCOUNT MANAGER ELECTRABEL GDF-SUEZ

To be able to evaluate the performance of the individual buildings from the perspective of sustainability, they are benchmarked and gradually certified.

In that context, records on several sustainability indicators (energy consumption, CO2 emissions, water consumption, waste production, energy performance and environment audit) have been kept since 2008 for all individual buildings that are managed by Intervest Offices itself. These performances are compared within the portfolio as well as outside the portfolio and can result in various actions and/or modifications to the buildings.

In 2009, a first building in the Intervest Offices portfolio was certified based on its environmental performances. This has been achieved by means of the BREEAM-In-Use ('Building Research Establishment Environmental Assessment Methodology'-In Use, or in short 'BIU') methodology. The BREEAM-In-Use evaluates existing buildings from the perspective of their sustainability, as well as their physical characteristics, organisation and management, and the use of the building. For the time being, this BIU methodology is exclusively based on British situations and rules, but it will be extended to the continental or specific Belgian situation over the next few years. The score is therefore provisional and only indicative. It will be converted into a definitive score when a specific Belgian methodology will be provided by BRE (British Building Research Establishment). The current provisional screening does give Intervest Offices some tools for identifying weak points and/or making some necessary changes. To obtain a representative sampling of the total portfolio, 2 or 3 other buildings within the portfolio will be screened in 2010 using this methodology.

02

Report of the management committee

MECHELEN CAMPUS
Schaliënhoevedreef 20, A-J,T
2800 Malines
Space: 60.768 m^2


INTERVEST
OFFICES

Roundtable discussion with the property experts of Intervest Offices on the evolution of the investment and rental market of office and logistic real estate.

On 15 January 2010, Intervest Offices brought its two property experts together around the table to discuss the current investment and rental market.

Participants:
- Rod Scrivener, Patricia Lannoije, Arnaud Van de Werve (Jones Lang Lasalle)
- Kris Peetermans, Jef Van Doorslaer (Cushman & Wakefield)
- Jean-Paul Sols, Luc Feyaerts, Marco Hengst (Intervest Offices)

The office rental market

Jean-Paul Sols:

It is no secret that 2009 will go down in history as a highly uncertain economic year. The uncertainty has not only been apparent in the financial markets but has affected all articles of the economy. Governments did not escape the financial crisis, not at least because of the bank crisis, reduced tax income, increasing unemployment and the sharp increase in the aging population. It goes without saying that 2009, especially for the office market, has been a very difficult year. What has that meant for the 2009 figures ?

Jef Van Doorslaer:

In 2009, office take-up in Brussels dropped to a level that has not been seen for a decade. Especially the demand from governments has declined strongly to a little less than 100.000 m². Corporate take-up has also gone down, albeit somewhat less, to a little less than 300.000 m². This is the lowest level since 2003, the last year that the consequences of the Internet bubble were still working their way through the system. The decrease concerns the centre of Brussels ("CBD") as well as the Brussels periphery. Take-up has also decreased considerably in areas outside Brussels. Through a few important transactions during the last quarter (GDF-Suez 75.000 m² in Noordwijk, Chambers of Deputies 43.000 m² in the Forum, Hogeschool-Universiteit Brussels 16.400 m² in 't Serclaes) the decline on an annual basis has been limited to between 25 % and 30 %, but during the first three quarters of 2009 it amounted to between 60 % and 65 %.

Luc Feyaerts:

How is the low take-up reflected in the occupancy rate of offices at 31 December 2009 ?

Jef Van Doorslaer:

In the centre of Brussels, the periphery, and in towns outside Brussels, the vacancy rate increased notably. For the first time in years, the average vacancy rate is above 10 %, with peaks (e.g. the Brussels periphery) of more than 20 %. The markets of Antwerp and Malines, which are much smaller markets, are slightly more stable. The figures for Antwerp and Malines have to be interpreted with some care, given the possible distortion due to important non-recurrent transactions (Mercator Verzekeringen 13.800 m² and Arcadis Gedas 4.500 m², both in office complex City Link in Berchem, Euphony 3.400 m² in Klipper House and Kraft Foods 6.200 m² in Malines Stationsstraat).

In addition, there is the phenomenon of so-called "grey vacancy": a number of tenants with current lease contracts currently have a space surplus, which they wish to sublease if possible. So far, most tenants have been waiting to do so, hoping for recovery. Unlike the years 2001-2003, there is not a notable sublease market. The possibility that the phenomenon will reappear in 2010 cannot be discounted entirely, however.

Jean-Paul Sols:

It is clear that in these economic circumstances, office prices are under pressure. How do you view the further evolution of rental prices of offices ?

Kris Peetermans:

The rental prices are indeed under pressure and, depending on different parameters (region, type of building, type of tenant, number of m², duration of the lease contract, etc.), incentives of 15 % to 40 % of the list price are being given.

Jef Van Doorslaer:

Also the prime rents in the centre of Brussels are under pressure, but when we analyse the long-term average over 30 years, a steady rise will be seen, which levelled off during periods of

lower economic growth, but without decreasing fundamentally for longer periods. When the market recovers, the rental prices should logically increase again, also given the fact that there is less on offer because of the major decrease in the number of new developments.

Jean-Paul Sols:

What is the influence of these rental prices on new developments and to what extent are existing buildings staying competitive ?

Rod Scrivener:

For a healthy and economic development project, the rental prices must at least amount to € 150 to € 160 per m²/year, which is higher than the current market rents in the Brussels periphery. The construction costs have indeed decreased over the past year, but the margin remains too small to start new projects. This is, of course, positive for the current inventories.

Kris Peetermans:

The projects that have already been undertaken on risk will be delivered soon, but they still have to be let. For these buildings, developers are ready to make important concessions and to grant incentives to new tenants, which will, of course, have an influence on the existing inventory. As a result, the price difference between new modern offices and the inventory of existing buildings is rather small, so that less recent buildings are more difficult to let.

Luc Feyaerts:

What do you believe will be the trend for the next 24 months ?

Patricia Lannoije:

It is obvious that there is an increased demand for locations that are easily accessible by public transport, with a clear preference for the railway locations. The government policy promoting public transport and reimbursing costs is therefore bearing fruit. Another hot item is the interest in so-called green buildings.

Kris Peetermans:

The demand for green buildings is indeed increasing, but a lot of companies are still weighing the pros and cons. Companies are usually not willing to pay more rent for a green building, unless there are some returns on investment. Investments in energy-saving instruments must therefore, at least in part, be considered as an incentive for the tenant, and have a limited effect on the rental value.

Rod Scrivener:

Tenant satisfaction remains crucial when choosing a location. Owners who carry out a proactive asset management will not be confronted as often with tenants moving because they can obtain a lower price elsewhere. When companies have significantly lower space requirements or when they have other space requirements, each company will of course do the match, but most companies decide to stay where they are. The building must naturally meet all comfort requirements in all areas, making an active management policy from the owner very important.

Jef Van Doorslaer:

Besides the shift in demand, we expect little or no net take-up of office space. The employment situation is not expected improve strongly for the coming year which will result in a limited demand from the corporate business, in particular.

Wilrijk Neerland 1 and 2 - Wilrijk

Rental market of semi-industrial and logistic real estate

Jean-Paul Sols:

Is there a similar tendency for the figures for logistic and semi-industrial buildings ?

Patricia Lannoije:

A clear reduction is also taking place in the semi-industrial and logistic buildings sector. For logistic buildings in particular, there is a decrease by more than 50 % (total take-up of only 480.000 m² spread over 15 transactions), which have mostly taken place during the second half of 2009. On the axis Antwerp-Limbourg-Liège virtually no transactions have taken place. On the other hand, the semi-industrial market has held its own relatively well.

Marco Hengst:

The competition in the rental market for logistics buildings is concentrated mainly in the region between the south of the Netherlands - Lille. How do you consider the competitive position of Belgium in this respect ?

Rod Scrivener:

The Netherlands promotes itself very much as a distribution country by giving tax and other incentives. Belgium's location continues to make it an important distribution country with its main Antwerp-Brussels logistics axis and Antwerp-Limbourg-Liège as its second axis with the combination of several means of transport (Albert canal, railway). A third and emerging axis is the Walloon axis, which covers Liège via Charleroi to Mons.

Jef Van Doorslaer:

For the European Distribution Centres (EDC), the region Limbourg - Liège (and the Limburg region in the Netherlands remains the most important, as this is the only region that can serve the Benelux as well as the Ruhr area and Paris. More than one-quarter of the EDCs are located in this region.

Jean-Paul Sols:

What is your view of the near future ?

Patricia Lannoije:

An inverse phenomenon has to be taken into account, namely that companies proceed more to insourcing, including the distribution activity, which can have a negative effect on the take-up. On the other hand, the inventory decreases as a result of fewer speculative developments, which will have a positive effect on the take-up, unless the economic situation worsens. The first signs of light recovery are already noticeable, so we are relatively hopeful.

Marco Hengst:

How will the prices for semi-industrial and logistic buildings evolve ?

Rod Scrivener:

The listed rents will remain relatively stable (between € 39 to € 43 per m² on the axis Antwerp - Brussels, although there will be some fluctuations outside that range). There will be a slight downward tendency on the rental price actually achieved as more incentives are granted in comparison with past years. Higher prices will be asked for new developments (€ 45 per m² on the axis Antwerp-Brussels), in order to compensate developers for higher costs, but, so far, the market is not willing to pay those higher rents.

Investment market

Jean-Paul Sols:

What do the global figures for 2009 look like in the investment market ?

Jef Van Doorslaer:

2009 was an "annus horribilis" for the investment market, with the lowest investment volume over the last 10 years, with a total of € 1,3 billion, € 650 million of which is in offices. During the last quarter of 2009, only a few major transactions took place, representing approximately 40 % of the volume for all of 2009 (especially the shopping centre K in Kortrijk to Union for € 200 million, the Forum to the Chambers of Deputies for € 139 million and 't Serclaes to the Hogeschool-Universiteit Brussels for € 60 million), without which the figures would have been even worse.

Kris Peetermans:

It is noticeable that the type of investors differs strongly from prior years, with a lot of local investors and German investors. In the past, that had been much more spread out.

Marco Hengst:

Is the better fourth quarter of 2009 an indicator of recovery ?

Rod Scrivener:

Although the first signs of recovery of activity on the investment market are visible, it is not clear if this recovery will continue over the next few months.

Kris Peetermans:

It is clear that there is more than enough money waiting for investment opportunities and real estate remains attractive, especially through the yields which have increased considerably over the last 18 months. With the current spread between the bid and ask price, there are still only a few transactions, except in buildings with first-class tenants with long-term lease contracts (9 years or more).

Jean-Paul Sols:

How do you think the investment market will evolve in the coming months ?

Rod Scrivener:

The inactivity on the investment market along with the economic situation have led to considerable value corrections for office buildings as well as for logistics real estate. In the office market, there is the effect of lower effective rents as well as the uncertainty of the near future with respect to the use of space, i.e. the impact of vacancy, which has a negative result on the yields being sought.

Compared to a number of other European countries, however, Belgium is a very stable country with respect to real estate prices. It is unlikely that the yields will continue to increase; a levelling is more probable. So, contrary to certain other echoes from the market, a decrease of the yields is not yet imminent. Value decreases are of course still possible as a result of the increasing vacancy.

Jean-Paul Sols:

What kinds of transactions do you expect in the office and logistics market ?

Rod Scrivener:

We don't expect many forced transactions, because they are not a solution for bankers. The focus with respect to the coming transactions will shift, however. The focus will lie on the income from investments and less on the anticipation of a growth in value.

Kris Peetermans:

For semi-industrial and logistic buildings specifically, we expect that properties on long-term leases (9 to 15 years) on good locations will continue to be negotiated at sharp conditions. Logistics buildings are often let for a short period.

IMPORTANT DEVELOPMENTS IN 2009

Rentals

The rental activity on the Belgian market was extremely limited in 2009 (for the Brussels periphery more than 50 % below the level of 2008). There were nevertheless some important demands in 2009 in the rental market for offices as well as for logistic buildings.

Intervest Offices was on the short-list of a number of candidate tenants for potential renting several times. The inventory in the office markets, especially in the Brussels periphery and in Mechelen is considerable, however, reducing the rental opportunities considerably and putting rental conditions under pressure.

The phenomenon of supply exceeding demand is felt much less strongly in the logistic market. Here it is notable that the decision for important transactions such as the potential rental of the Intercity Industrial Park (Oude Baan in Mechelen) and Herentals Logistics 2 buildings were postponed each time by candidate tenants because of the current economic uncertainty in the logistics sector.

Rental activity in the office portfolio

Given the current economic circumstances, the occupancy rate of the office portfolio of Intervest Offices remained at a high level in 2009, with 90 %. The occupancy rate only decreased slightly - with 2 % - in 2009. This decrease resulted mainly from the termination of the rental guarantee in Mechelen Campus Tower in Mechelen Campus for a space of approximately 3.000 m² and the departure of Tibotec Virco from the building Mechelen Campus D. The occupancy rate of the other office buildings of Intervest Offices remained virtually stable in 2009.

New tenants

In the office portfolio of Intervest Offices new lease contracts were signed in 2009 for a total space of 4.420 m² (on a total office portfolio of approximately 246.000 m²), attracting 13 new tenants. This represents 55% of the new rentals for 2008; this decline of 45 % is, however, lower than the decline of approximately 52% of rental transactions recorded in the Brussels periphery.

In 2009, the most important transactions were:

- Intercity Business Park (Malines): 1.244 m² with Niscayah and 486 m² with Tandberg
- Inter Access Park (Dilbeek): 396 m² with Ingersoll Rand
- Park Station (Diegem): 368 m² with Ram Mobile Data
- De Arend (Edegem): 331 m² with Reficom
- Latem Business Park (Ghent): 306 m² with MG Invest

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

In the office portfolio, lease contracts for space of 44.077 m² in 27 transactions were renegotiated in 2009. This is considerably more than the renegotiations in 2008 for a total space of 26.310 m². Leaving aside the lease contract with PricewaterhouseCoopers in Woluwe Garden (representing more than half of the space of the renegotiations in 2009) there was a decline of approximately 22 % in 2009 compared to 2008.

In 2009, the most important transactions were:

- prolongation and extension by PricewaterhouseCoopers for 23.712 m² on Woluwe Garden
- prolongation for 6.107 m² by Borealis on Mechelen Campus
- prolongation for 2.163 m² by Cypress Semiconductor Corporation on Mechelen Campus
- prolongation for 1.910 m² by International Business Systems on Latem Business Park (Ghent)
- prolongation for 1.540 m² by Passage Fitness on Mechelen Campus
- prolongation and extension of 1.274 m² by Cheops in De Arend (Edegem)
- prolongation for 1.211 m² by Rexel in Exiten (Zellik)
- prolongation for 984 m² by Fleet Logistics Belgium in 3T Estate B (Vilvorde)
- prolongation for 727 m² by Bell Microproducts Europe on Mechelen Campus
- extension of 716 by Galapagos m² on Intercity Business Park (Malines)
- prolongation for 643 m² by Logins on Intercity Business Park (Malines)
- prolongation for 545 m² by Express Line on Mechelen Campus

Latem Business Park - Ghent

"In Intervest Offices
we have found a very dynamic team
searching for solutions
in a flexible and creative way.
For us, this makes a clear difference
for looking together to the future."

NICOLAS COLLETTE - GENERAL MANAGER BELUX TANDBERG

"Thanks to the collaboration
of Intervest Offices, IBS was able
to find a suitable solution
for its changed need for space
in the Latem Business Park."

JOHNNY VERSCHAEREN - FINANCE & ADMINISTRATION MANAGER
IBS TECHNOLOGY & SERVICES


De Arend - Edegem

"Following the recent takeover of another
company in our sector,
Cheops Technology could - in collaboration
with Intervest Offices - find an immediate
solution for the increased need of office space."

FILIP GOOS - MANAGING DIRECTOR CHEOPS TECHNOLOGY

Wilrijk Neerland 1 and 2 - Wilrijk

Rental activity of the semi-industrial portfolio

At the end of December 2009, the occupancy rate of the logistic real estate portfolio was 83 %, which is extremely low compared to previous years (98 % on 31 December 2008). This strong decline is entirely due to the vacancy in the building Neerland (Boomsesteenweg 801-803) in Wilrijk after the departure of Brico Belgium on 30 April 2009 (- 78 %) and in the building Herentals Logistics 2 with the termination of the rental guarantee on 30 September 2009 (- 100 %). The occupancy rate of the other semi-industrial buildings of Intervest Offices remained stable in 2009.

Given the strong decrease of the take-up of logistic real estate on the Belgian rental market, the building Neerland is Wilrijk remained 78 % vacant after the termination of the lease contract with Brico Belgium. Despite strong interest from several candidate tenants, no tenant has currently been attracted for Herentals Logistics 2.

New tenants

In the semi-industrial portfolio, new lease contracts were concluded in 2009 for a total space of 19.237 m^2 in 5 transactions. This is an increase by almost 45 % compared to 2008 (13.224 m^2 in 2008).

In 2009, the most important transactions were:

- Wilrijk Neerland : 6.920 m^2 with Ikea
- Antwerpen Kaaien: 5.500 m^2 with Waagnatie
- Herentals Logistics 1: 4.128 m^2 with OTN Systems and 2.329 m^2 with Devoteam Belgium

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

In the semi-industrial portfolio, lease contracts for a space of 10.379 m^2 in 5 transactions were renewed or prolonged in 2009. This is a decrease compared to 2008 but during that year the lease contract of the largest semi-industrial building (Puurs Logistic Center) was prolonged for a space of 43.490 m^2.

In 2009, the most important transactions were:

- prolongation and extension by ThyssenKrupp Otto Wolff in Ragheno Park for 7.088 m^2 (including an addition that was built)
- prolongation for 1.744 m^2 by Brico Belgium in Berchem-Sainte-Agathe
- extension by 1.247 m^2 by Fusite in Eigenlo (Sint-Niklaas)

> "On 31 December 2009,
> the occupancy rate
> of the total portfolio was 88 %."

Announcement of the departure of Tibotec Virco from Malines

At the end of June 2009, Tibotec Virco announced that its activities in Malines (Intercity Business Park and Mechelen Campus) were to be transferred in 2010 to the plant of Janssen Pharmaceutical (Johnson & Johnson) in Beerse. Tibotec Virco is the third-largest tenant of Intervest Offices and represents in 2009 approximately 8 % of the rental income of the company. The impact of the move of Tibotec Virco on the rental income of 2009 was rather limited and this will remain the same for 2010 as the lease contracts only expire during the third and fourth quarter of 2010. Starting in 2011, the impact is estimated at 4 % of the rental income of Intervest offices. This negative impact can be limited by earlier pre-letting of the buildings.

Investments

Taking the importance of a relatively low debt ratio in the current economic environment into account, Intervest Offices feels that it is appropriate only to consider relatively small-scale investments (maximum € 15 million to € 20 million). Intervest Offices has paid particular attention to finding investment opportunities. In 2009, the offer of investment opportunities was very limited, however. Some possible investments were analysed but no consensus could be reached with the sellers regarding the valorisation and/or guarantees to be given.

Disinvestments

Intervest Offices did not carry out any divestments in its portfolio in 2009.

Merger of 1 April 2009

On 1 April 2009, the extraordinary general meeting of shareholders approved the merger by absorption by Intervest Offices sa of the limited liability company Edicorp (owner of the Herentals Logistics 2 building). The merger was done by means of the issue of 6.365 new shares of Intervest Offices sa.

This merger can be seen as a formal and logical step as Intervest Offices had already acquired the majority of the shares of Edicorp sa in 2008, as part of the plan to expand the real estate patrimony of Intervest Offices further.

Herentals Logistics 2 - Herentals

FINANCIAL RESULTS[1]

Income statement

> "In 2009, the gross dividend of Intervest Offices increased by 7 % from € 2,01 to € 2,15 per share."

in thousands €	2009	2008
Rental income	42.472	43.038
Rental related expenses	-160	-118
Property management costs and income	314	426
Property result	**42.626**	**43.346**
Property charges	-3.720	-3.504
General costs and other operating costs and income	-1.179	-1.619
Operating result before result on portfolio	**37.727**	**38.223**
Changes in fair value of investment properties	-32.270	-12.726
Operating result	**5.457**	**25.497**
Financial result (excl. change in fair value IAS 39)	-7.762	-10.204
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-240	0
Taxes	-52	-44
Net result	**-2.597**	**15.249**
Operating distributable result[2]	29.913	27.975
Result on portfolio	-32.270	-12.726
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-240	0

Result per share	2009	2008
Number of shares entitled to dividend	13.907.267	13.900.902
Net result (€)	-0,19	1,10
Gross dividend (€)	2,15	2,01
Net dividend (€)	1,83	1,71

[1] Compartive figures as at 31 December 2008 between brackets.
[2] For the calculation of the operating distributable result: see note 11 of the financial report.

For financial year 2009, the rental income of Intervest Offices was € 42,5 million. This decrease by € 0,5 million or 1% compared to financial year 2008 (€ 43,0 million) is mainly due to:

- on the one hand:
  - the decrease of rental income in the semi-industrial building Neerland in Wilrijk by - € 0,7 million
  - the effect of the new lease contract with Pricewaterhouse-Coopers in Woluwe Garden, resulting in a rental income decrease by - € 1 million
  - the termination of the rental guarantee in Mechelen Campus Tower by - € 0,2 million
- compensated on the other hand by:
  - additional lettings and extensions of lease contracts in the office and semi-industrial buildings as well as indexations for € 1 million
  - the acquisition of the logistics development Herentals Logistics 2 in Herentals on 30 September 2008, increasing the rental income by € 0,5 million in 2009.

During financial year 2009, the **property charges** of the property investment fund slightly increased to € 3,7 million (€ 3,5 million). This increase by € 0,2 million was mainly due to an increase of the vacancy costs due to a one-time lower than foreseen refund from the Flemish government of property taxes on vacant buildings for the financial year 2005 and 2006.

The **general costs and other operating income and costs** amount to € 1,2 million, which is € 0,4 million lower than the year previous (€ 1,6 million) through the non-recurrent regularisation in 2008 of deductible VAT for the years 2002 through 2008.

As a result of the developments shown above, the **operating result before result on portfolio** decreased for financial year 2009 by 1,3 % or € 0,5 million to € 37,7 million (€ 38,2 million).

The **change in fair value of the investment properties** comprised mainly the decrease in fair value of the real estate portfolio of the property investment fund of € 32 million. This decrease in fair value was € 10 million for the semi-industrial buildings and € 22 million for the office buildings, mainly as a result of the increase of the vacancy in the real estate portfolio and the rise of the capitalisation rates applied in 2009 following the recession in the professional real estate investment market.

The **financial result (excl. change in fair value of financial derivatives)** amounted to - € 7,7 million (-€ 10.2 million). The decrease of the financial charges by 24 % or € 2,4 million was because the property investment fund has further benefited from the current low interest rates in the financial market.

> "The average interest rate of the current credit facilities of the property investment fund for the financial year 2009 amounted to 3,2 % (4,5 %)."

The **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** comprise the change of the market value of interest rate swaps which, in accordance with IAS 39, cannot be classified as cash flow hedge instrument, for an amount of - € 0,2 million (€ 0 million).

The **net result** of Intervest Offices for the financial year 2009 amounted to - € 2,6 million (€ 15,2 million) and can be divided in:

- the **operating distributable result** of € 29,9 million (€ 28,0 million) or an increase by approximately 7 %. This positive result mainly comes from the decrease of the financing costs due to the current low interest rates.
- the **result on portfolio** of - € 32,3 million (- € 12,7 million) as a result of the negative change in fair value of the real estate portfolio, representing a decrease of fair value by 5,6 %.
- the **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** for an amount of - € 0,2 million (€ 0 million).

In 2009, the **operating distributable result** of Intervest Offices thus increased to € 29,9 million (€ 28,0 million). With 13.907.267 shares having been issued, this represents a **gross dividend** of € 2,15 per share for financial year 2009 compared to € 2,01 in 2008. This represents an increase of the dividend by 7 % per share.

Balance sheet

in thousands €	31.12.2009	31.12.2008
ASSETS		
Non-current assets	541.099	572.378
Current assets	4.674	5.196
Total assets	**545.773**	**577.574**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	**297.533**	**330.365**
Share capital	126.729	126.725
Share premium	60.833	60.833
Reserves	128.278	159.529
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-13.606	-14.437
Changes in fair value of financial assets and liabilities	-4.746	-2.448
Minority interests	45	163
Non-current liabilities	**205.807**	**207.570**
Current liabilities	**42.433**	**39.639**
Total shareholders' equity and liabilities	**545.773**	**577.574**

Data per share	31.12.2009	31.12.2008
Number of shares entitled to dividend	13.907.267	13.900.902
Net asset value (fair value) (€)	21,39	23,77
Net asset value (investment value) (€)	22,37	24,80
Share price on closing date (€)	21,90	17,75
Premium (+)/discount (-) to net asset value (fair value) (%)	2 %	- 25 %
Debt ratio as per Royal Decree 21 June 2006 (max. 65 %) (%)	44 %	42 %

Assets

The **non-current assets** consist mainly of the investment properties of Intervest Offices. On 31 December 2009, the fair value of these investment properties amounted to € 541 million (€ 572 million on 31 December 2008). This decrease by 5,6 % or € 31 million is the result of the decrease by € 22 million of the fair value of the office portfolio and the decrease by € 10 million of the fair value of the semi-industrial portfolio on the one hand, and of investments of € 1 million in the existing real estate portfolio on the other hand.

> "The fair value of the real estate portfolio amounted to € 541 million."

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

> "Thanks to strict credit controls, the number of days of outstanding customers is only 7 days."

Liabilities

The **shareholders' equity** of the property investment fund amounted to € 298 million. The share capital (€ 127 million) increased by € 3.720 in 2009 as a result of the merger by absorption of Edicorp sa on 1 April 2009. The share premium (€ 61 million) was unchanged from the previous year. Following the merger on 1 April 2009, the total number of shares entitled to dividend increased by 6.365 shares and amounted to 13.907.267 units on 31 December 2009. The reserves amounted to € 128 million (€ 160 million).

> "The investment property fund has a limited debt ratio of 44 %, one of the lowest of the sector."

In accordance with the Beama interpretation of IAS 40 (publication of the Belgian Association of Asset Managers of 8 February 2006), the real estate portfolio is valuated at fair value. At the end of the year, the difference with the investment value is shown separately in shareholders' equity. On 31 December 2009, this difference amounted to € 14 million (€ 14 million).

The change in fair value of financial assets and liabilities in the amount of - € 5 million (- € 2 million) represents the current market value of the effective cash flow hedges (in accordance with IAS 39), that Intervest Offices concluded to hedge the variable interest rates on the non-current financial debts. The negative market value of these financial derivatives is the result of the strong decrease in interest rates in 2009.

On 31 December 2009, the **net asset value** (fair value) of the share was € 21,39. Given that the share price on 31 December 2009 was € 21,90, the share was quoted on closing date at a premium of 2 % compared to the net asset value (fair value).

The **non-current liabilities** comprised mainly non-current financial liabilities for an amount of € 204 million (€ 206 million). These consisted of long-term bank loans with expiry dates in 2011 or later, as well as of the negative market value of the financial derivatives.

On 31 December 2009, the current **liabilities** amounted to € 42 million (€ 40 million) and consisted mainly of € 37 million in current financial debts (bank loans with an expiry date in 2010), of € 2 million in trade debts and invoices to be received, of € 1 million in other current liabilities, and, finally, of € 3 million in accrued charges and deferred income.

FINANCIAL STRUCTURE

On 31 December 2009, Intervest Offices had a conservative financial structure allowing it to continue to carry out its activities in 2010 and to meet its commitments.

The most important characteristics of the financial structure on 31 December 2009 were:

- Amount of financial debts: € 236 million (excluding the market value of financial derivatives)
- 77 % long-term financing with an average remaining duration of 1,6 year
- Spread expiry dates of the credit facilities between 2010 and 2012
- Spread of credit facilities over 5 European financial institutions
- Available non-withdrawn credit lines: € 22 million
- 68% of the withdrawn credit facilities have a fixed interest rate, 32 % have a variable interest rate
- Fixed interest rates are fixed for a remaining average period of 2,6 years
- Market value of financial derivatives: - € 5 million
- Average interest rate for 2009: 3,2 % (incl. margins)
- Limited debt ratio of 44 % (legal maximum: 65 %)

Balance between long-term and short-term financing

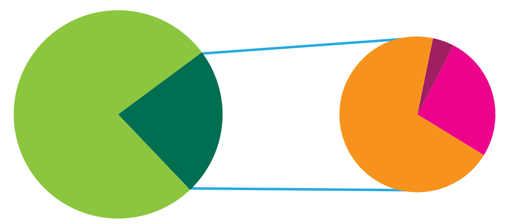
On 31 December 2009, 77 % of the credit lines of Intervest Offices were long-term financing. 23 % of the credit lines were short-term financings, with 6 % consisting of financing with an unlimited duration progressing each time for 364 days (€ 17,5 million), 16 % of two credit facilities which must be extended in 2010 (€ 40 million) and 1 % is an instalment in 2010 (€ 0,6 million).

> "77% of the credit facilities
>
> are long-term financings."

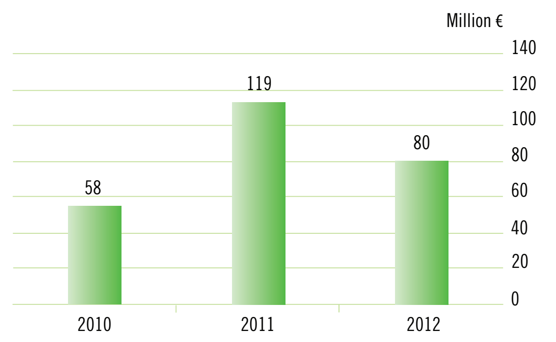
Duration and spread of the expiry date of long-term financings

The strategy of Intervest Offices is to maintain this average duration between 3,5 and 5 years, but it is possible to deviate from that principle when specific market circumstances require it. Given the current developments on the financing markets, there was a slight deviation for the refinancing concluded in 2009, by using shorter durations, assuming that the margins on the financings will be normalized over the medium term. Negotiations with Intervest Offices' bankers for the financing of credit facilities expiring during the financial year 2011, will start in the course of 2010.

Period to maturity of financings



Expiry calendar of financings



The credit facility portfolio of Intervest Offices is spread over 5 European financial institutions

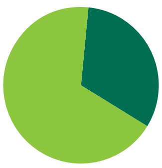
Mechelen Business Tower - Malines

"The weighted average remaining duration of the long-term credit facilities amounted to 1,6 year on 31 December 2009."

Available credit lines

On 31 December 2009, the property investment fund still had € 22 million of non-withdrawn credit facilities at its financial institutions to meet the fluctuations of liquidity needs, for financing future investments and for the payment of the dividend of the financial year 2009.

Percentage credit facilities with fixed and variable interest rate



"68 % of the credit facilities have a fixed interest rate or are hedged by financial derivatives."

When composing the loan portfolio, the strategy of Intervest Offices consists of achieving a ratio of one-third borrowed capital with a variable interest rate and two-thirds borrowed capital with a fixed interest rate. On 31 December 2009, 68 % of the credit withdrawals of the property investment fund consisted of financing with a fixed interest or fixed by interest rate swaps (IRS). 32 % of the credit lines have a variable interest rate, which is beneficial due to the current low interest rate levels.

Duration of the fixed interest rates

For credit facilities with a fixed interest rate, the interest rate on 31 December 2009 was fixed for an average period of 2,6 years. During financial year 2009, Intervest Offices concluded additional interest rate swaps for € 40 million at 2,63 % and 2,815 % as hedging instrument for long term credit facilities which were renegotiated in 2008 and 2009 (see note 18 of the financial report).

Average interest rates

The interest rate policy of Intervest Offices consists in concluding one-third of its credit facilities with a variable interest rate. Through the strong decrease of the Euribor during financial year 2009, the property investment fund benefited greatly from the historically low interest rates. In 2009, the total average interest rate of the financial debts of the property investment fund decreased to 3,2 %, margins included (2008: 4,5 %).

For 2009, the average interest rate for the non-current financial debts amounted to 3,2 % (2008: 4,3 %).
For 2009, the average interest rate for the current financial debts amounted to 3,3 % (2008: 5,3 %).

Refinancing in 2009

During financial year 2009, Intervest Offices renegotiated two expired long-term credit facilities (for an amount of € 30,9 million) with its bankers. The new credit facilities, for a total amount of € 38,6 million, both have a duration of 2 years and were concluded at market rates.
Further, during financial year 2009, an expired short-term credit facility (for an amount of € 15 million) was renegotiated. The new credit facility, also for an amount of € 15 million, has a duration of 1 year and was also concluded at market rates.

Interest rate sensitivity

For financial year 2009, the effect on the operating result of a (hypothetical) increase in interest rates by 1 % gave a negative result of approximately € 0,9 million (2008: € 0,6 million). If the interest rates on this date were to decrease by 1 %, the effect on the operating result would give a positive result of € 0,9 million (2008: € 0,6 million). The calculations take the existing financial derivatives into account.

Interest cover ratio

The interest cover ratio is the ratio between the operating result before the result on portfolio and the financial result (excluding the change in fair value of financial derivatives in accordance with IAS 39). For Intervest Offices, this ratio amounted to 4,86 for financial year 2009 (3,74 for the financial year 2008), which is significantly better than the required 2 to 2,5, which was agreed in the financing agreements of the property investment fund as a covenant.

Debt ratio

On 31 December 2009, the debt ratio of the property investment fund amounted to 44 % (42 % on 31 December 2008). The slight increase of the debt ratio was mainly due to the negative change in fair value of the real estate portfolio during 2009.

ALLOCATION OF PROFITS 2009

The board of directors proposes to distribute the result for the financial year 2009 of Intervest Offices sa as follows:

in thousands €	
Net result for financial year 2009[3]:	-2.574
• transfer of the result on portfolio to the reserves available for distribution	32.285
• transfer of the changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) to the 'changes in fair value of financial assets and liabilities' in shareholders' equity	240
Operating distributable result (statutory annual accounts)	29.951
Dividend proposed	-29.901

"A proposal to allocate a gross divided of € 2,15 per share will be put to the general meeting of shareholders on 7 April 2010."

This represents a net dividend of € 1,83 after the deduction of 15 % withholding tax. Taking into account 13.907.267 shares that will share in the full result for the financial year, this means a distributable dividend of € 29.900.624.

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, will also distribute 100 % of the distributable profit for 2009.

The dividend will be payable as from 23 April 2010. As far as the bearer shares are concerned, this can be done by presentation of dividend certificate number 11.

[3] As legally speaking only the operating distributable result of the statutory annual accounts can be distributed and not of the consolidated annual accounts, the present profit distribution is based on the statutory figures (see note 11 of the financial report).
To be in accordance with article 617 of the Belgian Companies Code, the board of directors will propose to the general meeting of shareholders of 7 April 2010, to requalify the unrealised capital gains in the portfolio from the "reserves not available for distribution" to the "reserves available for distribution" as nor the law nor the articles of association consider these reserves as not available.

FORECAST FOR 2010

In 2010, Intervest Offices will primarily concentrate on letting the available spaces in the office portfolio and in the logistics portfolio of the property investment fund.

In the office portfolio, important lettable spaces are primarily situated in Malines. The major spaces are located in Mechelen Campus Tower where approximately 10.000 m² are immediately available for letting as well as in Intercity Business Park where 8.000 m² can be offered.

In the logistic portfolio all attention will be given to letting Herentals Logistics 2, where, in addition to a storage hall of 20.000 m² which is immediately available, a potential extension of approximately at least 45.000 m² is possible.

As the rental market always reacts with some delay to the evolution of the economic situation, Intervest Offices expects that the first recovery of the rental markets for offices and logistic buildings will only occur in 2011.

In 2010 and in 2011, Intervest Offices will make important savings on maintenance costs, management costs and service charges, with the main focus remaining on the price-quality ratio of the services and the lettability of the patrimony.

With respect to the further growth of the property investment fund, acquisitions in 2010 will largely depend on the possibility of obtaining credit facilities from financial institutions.

Mechelen Campus - Malines

> "Thanks to their flexibility during the negotiations and the easy, open and direct collaboration during prior years, we consider Intervest Offices to be an excellent long-term partner."
>
> DIDIER VANDERHAEGEN - LEAD BUYER BUSINESS SERVICES PROCUREMENT BOREALIS

> "In 2010 Intervest Offices will once again concentrate on securing the income from existing buildings for a longer period by increasing the duration of the lease contracts in cooperation with the tenants."

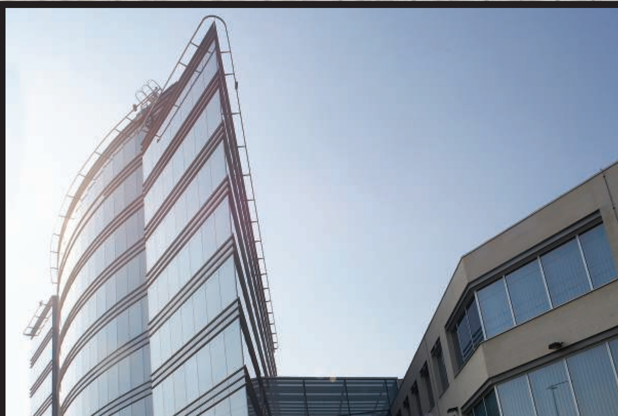
Over the medium term, Intervest Offices aims to strengthen its position as an important player in office buildings in the periphery and in semi-industrial properties.

03

Report on the share

MECHELEN BUSINESS TOWER

Blarenberglaan 2C
2800 Malines
Space: 12.917 m²



STOCK MARKET INFORMATION

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

Evolution of the share price

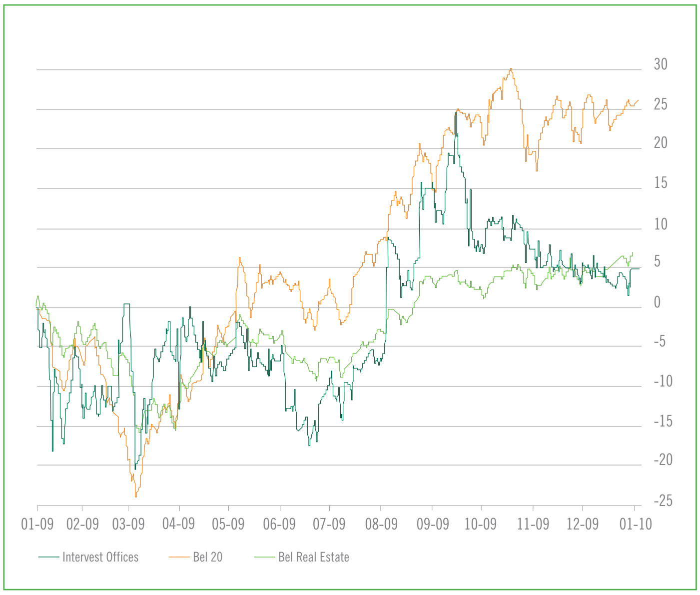
In 2009 the share price of Intervest Offices was subjected to important fluctuations due to turbulence and uncertainty in the financial market as a result of the worldwide economic and credit crises. The lowest closing share price reached € 16,66 (6 March 2009) and the highest closing share price € 26,00 (16 September 2009).

Premiums and discounts Intervest Offices

During the first half-year 2009, the share of Intervest Offices was quoted with a discount, evolving into a premium during the second half-year 2009 through the increase of the share price. On 31 December 2009 the premium of the share was 2 % compared to the net asset value (fair value).

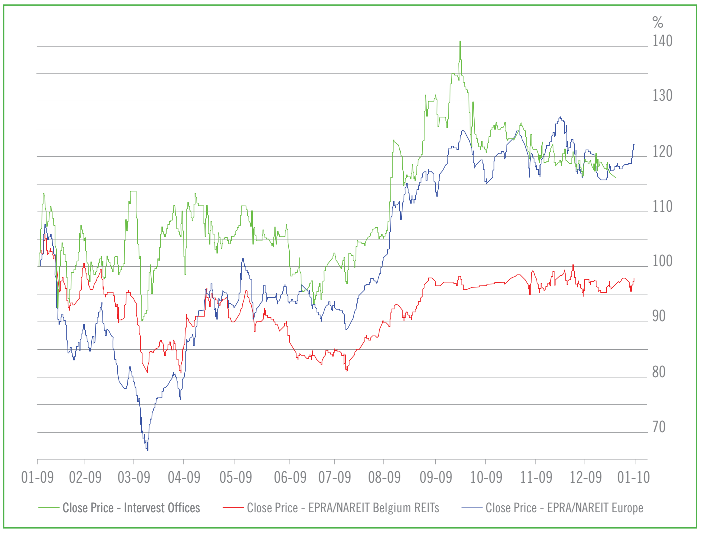
The net asset value of Intervest Offices included the 2008 dividend up to the payment date on 17 April 2009.

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



During 2009, the share of Intervest Offices fluctuated along with the BEL Real Estate. The share price also increased along with the BEL 20, except during the fourth quarter 2009.

Comparison of Intervest Offices with Epra/Nareit Europe index



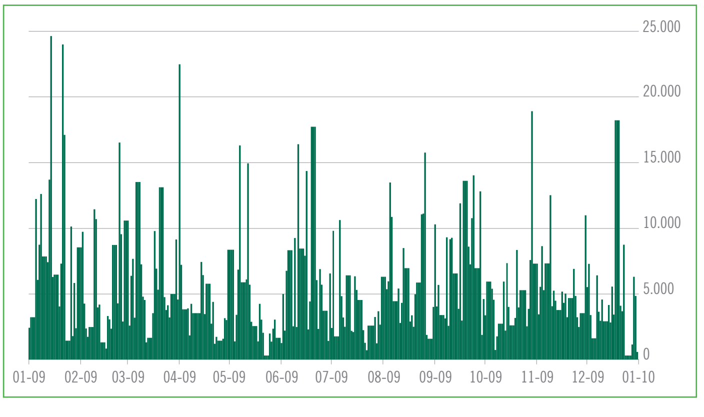
During 2009, the share of Intervest Offices fluctuated along with EPRA/NAREIT Europe-index and performed much better than the EPRA/NAREIT Belgium REITs index.

Comparison of Intervest Offices with GPR indices

This graph shows that in 2009 Intervest Offices performed better than the GPR 250 Europe index, the GPR 250 Belgium index and the Euronext 100 index.

Additional information over the indices can be obtained from Euronext Brussels for the Euronext 100 and Bel 20 and at Global Property Research (www.propertyshares.com) regarding the GPR 250 Europe and GPR 250 Belgium.

Traded volumes Intervest Offices



In 2009, the traded volumes, with an average of 5.692 shares per day, were slightly lower than in 2008 (an average of 5.945 shares per day).

A liquidity contract was concluded with ING Bank to promote the negotiability of the shares. In practice, this takes place through the regular submission of buy and sell orders within certain margins.

DIVIDEND AND NUMBER OF SHARES

	31.12.2009
Number of shares at the end of the period	13.907.267
Number of shares entitled to dividend	13.907.267

Share price (€)	**31.12.2009**
Highest closing share price	26,00
Lowest closing share price	16,66
Share price on closing date	21,90
Premium to net asset value (fair value) (%)	2 %
Average share price	20,54

Data per share (€)	**31.12.2009**	**31.12.2008**	**31.12.2007**
Net asset value (fair value)	21,39	23,77	25,07
Net asset value (investment value)	22,37	24,80	26,11
Gross dividend	2,15	2,01	1,94
Net dividend	1,83	1,71	1,65
Gross dividend yield (%)	9,8 %	11,3 %	6,5 %
Net dividend yield (%)	8,4 %	9,6 %	5,6 %

> "On 31 December 2009,
> the share price of the Intervest Offices
> was € 21,90, offering its shareholders
> a gross dividend yield of 10 %."

Gateway House - Antwerp

SHAREHOLDERS

On 31 December 2009, the following shareholders were known to the company:

VastNed Group	**7.612.260 shares**	**54,7 %**
VastNed Offices/Industrial sa K.P. van der Mandelelaan 43A - 3062 MB Rotterdam The Nederlands	7.587.654 shares	54,5 %
Belle Etoile sa Uitbreidingstraat 18 - 2600 Berchem - Antwerp	24.606 shares	0,2 %
Public	**6.295.007 shares**	**45,3 %**
Total	**13.907.267 shares**	**100 %**

In accordance with article 74 of the Public Takeover Offer Act of 1 April 2007, VastNed Offices/Industrial sa and Belle Etoile sa have communicated that they act jointly.

FINANCIAL CALENDAR

Announcement of annual results to 31 December 2009	Tuesday 23 February 2010
General meeting of shareholders	Wednesday 7 April 2010 at 4.30 pm
Dividend payable:	
- Ex-date dividend 2009	Tuesday 20 April 2010
- Record date dividend 2009	Thursday 22 April 2010
- Dividend payment 2009	as from Friday 23 April 2010
Interim statement on the results to 31 March 2010	Monday 10 May 2010
Half-yearly financial statement to 30 June 2010	Tuesday 3 August 2010
Interim statement on the results to 30 September 2010	Thursday 28 October 2010

Sky Building - Antwerp

04

Property Report

PARK STATION
Woluwelaan 148-150
1831 Diegem
Space: 8.903 m²

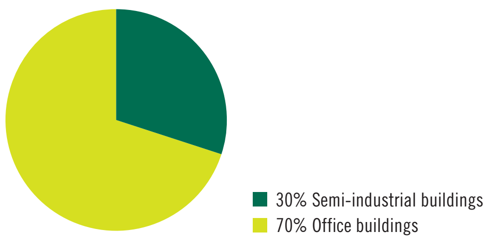

Park Station
S

COMPOSITION OF THE PORTFOLIO

31 December 2009

Regions	Office space (m²)	Storage and other space (m²)	Fair value (€ 000)	Investment value (€ 000)	COMMERCIAL RENT / YEAR (€ 000)		Occupancy rate (%)
					Rental income	Rental income + vacancy	
Offices							
Brussels	84.388	2.482	165.980	170.130	12.350	13.640	91 %
E19 (incl. Malines)	104.281	11.516	163.766	167.860	14.221	16.223	88 %
Antwerp	27.289	1.153	42.380	43.440	3.698	3.896	95 %
Other regions	5.350	0	6.557	6.720	593	599	99 %
Total offices	**221.308**	**15.151**	**378.683**	**388.150**	**30.862**	**34.358**	**90 %**
Semi-industrial properties							
Antwerp - Malines (E19, A12)	6.670	165.962	91.010	93.371	6.968	8.038	87 %
Antwerp - Liège (E313)	11.817	87.299	42.659	43.725	1.928	2.944	65 %
Brussels	4.750	19.950	24.518	25.131	1.955	2.149	91 %
Other regions	1.328	6.535	3.947	4.046	330	346	95 %
Total semi-industrial properties	**24.565**	**279.746**	**162.134**	**166.273**	**11.181**	**13.477**	**83 %**
TOTAL INVESTMENT PROPERTIES	**245.873**	**294.897**	**540.817**	**554.423**	**42.043**	**47.835**	**88 %**

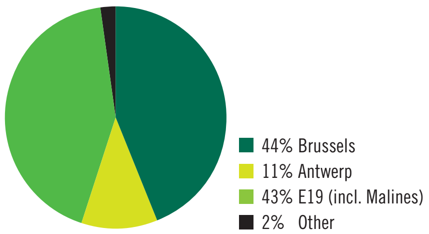
Nature of the portfolio



On 31 December 2009, the portfolio consisted of 70 % in offices and 30 % in semi-industrial properties, which is unchanged compared to the situation on 31 December 2008.

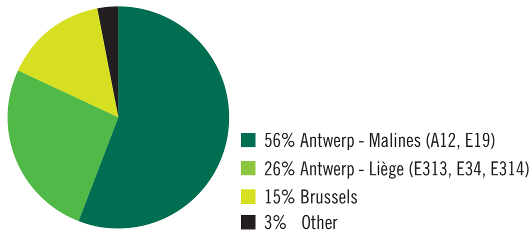
Geographic spread of the portfolio

Offices



The Antwerp-Brussels axis is still the most important and most liquid office region of Belgium. 98 % of the office portfolio of Intervest Offices is located in this region.

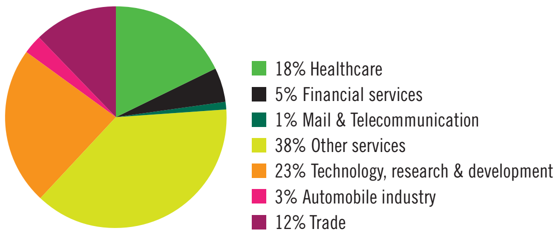
Logistics and semi-industrial properties



82 % of the logistics portfolio is located on the Antwerp-Malines axis (primarily the E19 and A12) and Antwerp-Liège (primarily the E313) which are the most important logistic axes in Belgium. 15 % of these properties are in the centre of the country, in the area of Brussels.

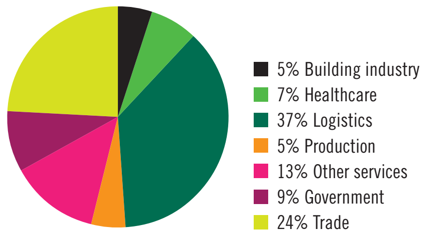
Sector spread of the portfolio

Offices



The tenants are well spread over different economic sectors which reduces the risk of vacancy in case of fluctuations of the economy which could hit some sectors more than others.

Logistic and semi-industrial properties

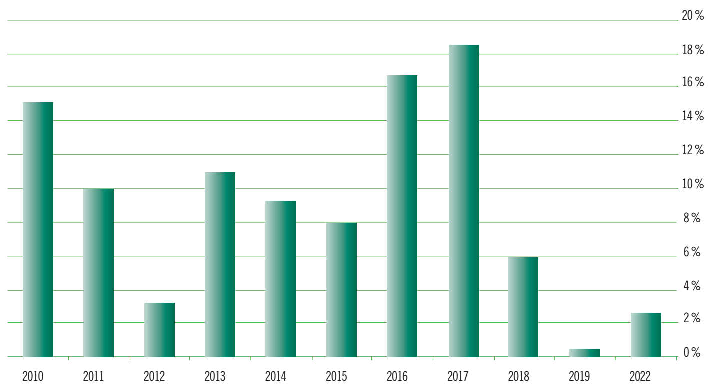


More than half of the logistic and semi-industrial portfolio is let to companies from outside the logistics sector which improves the stability of the rental income, especially in periods of a less favourable economic situation.

Mechelen Campus - Malines

"On 31 december 2009 the real estate portfolio had a leasable space of 540.770 m²."

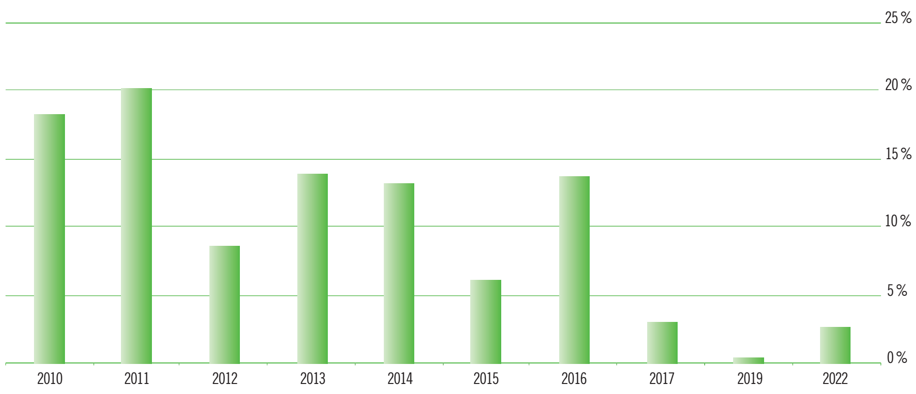
Expiry date of the lease contracts of the entire portfolio



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.

> "The collaboration with Intervest Offices takes place in an accurate and fast way
> and where possible in accordance with the needs of the tenant,
> so that we decided to prolong our lease contract and to extend further on the site."
>
> MIGUEL RYS - MANAGING DIRECTOR - XTENSO

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

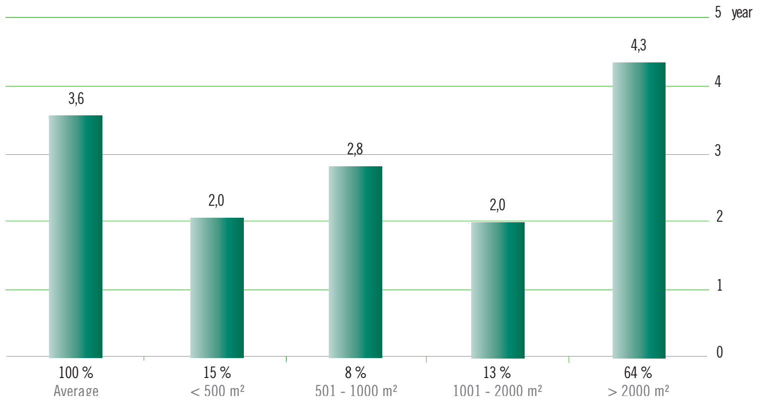


As most contracts are of the type 3/6/9, the tenants have the possibility of ending their lease contracts every three years. This graph shows the first expiry dates of all lease contracts (this can be the expiry date or an interim expiry date).

The above graph shows the worst case scenario which is further analysed and explained in the following graphs.

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

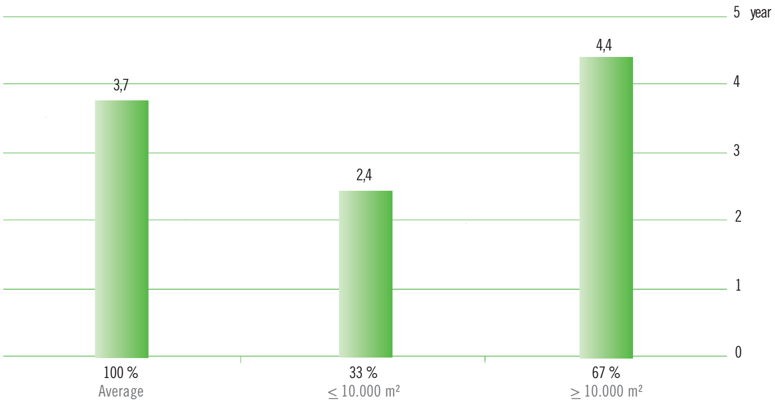
Average duration of the office lease contracts until the next expiry date



> "On 31 December 2009, the average remaining duration of the lease contracts in the office portfolio was 3,6 years. For spaces above 2.000 m², it was 4,3 years."

It should be noted here that, especially for offices, the average rental period (as from 1 January 2010) until the next expiry date was nearly 3,6 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 2010) is only 4,3 years. The lease contracts, expiring in the period 2010 - 2012, are thus mainly smaller spaces, representing a more limited risk to the total rental income of Intervest Offices.

Average duration of the semi-industrial lease contracts until the next expiry date



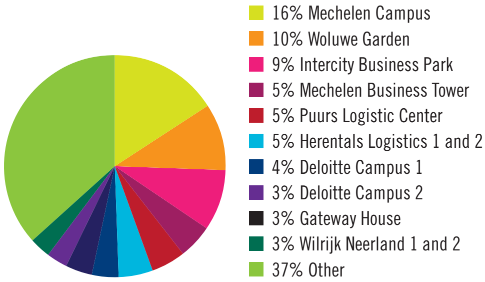
> "For the semi-industrial portfolio, the average remaining duration of the lease contracts with space above 10.000 m² is 4,4 years."

There is the same tendency for the semi-industrial buildings, namely that for important tenants (above 10.000 m² in storage halls) as at 1 January 2010 the next expiry date is only within 4,4 years.

"Intervest Offices has 18 office locations and 18 semi-industrial properties in the portfolio"

Deloitte Campus 2 - Diegem

Risk spread of buildings by size[4]

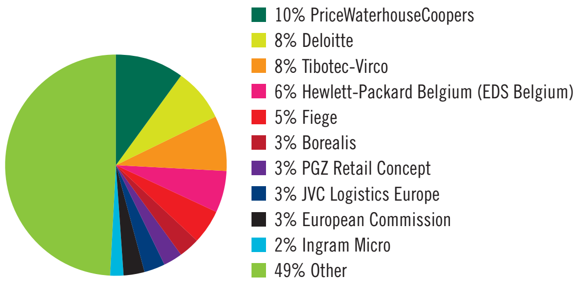


Intervest Offices aims to obtain an optimal risk spread and tries to limit the size of the buildings and complexes.

The largest complex is Mechelen Campus with a surface area of 60.768 m^2 and eleven buildings. Woluwe Garden and Intercity Business Park are also complexes consisting of different buildings that can be sold separately.

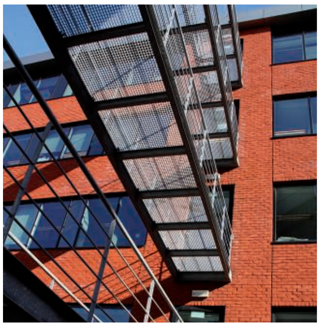
Mechelen Business Tower, which represents approximately 5 % of the company's total portfolio, is the most important entity.

Risk spread by tenants[5]



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 51 % of the rental income, and are, with the exception of the European Commission, all prominent companies in their sector and part of international groups.

[4] Classification according to the value of the buildings.
[5] Classification according to the annual rental income.



Deloitte Campus 2 - Diegem

Average duration of the office portfolio - risk control

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 2009, 22 lease contracts reached their first expiry date (mostly after 3 years). Only 18 % of them have been resigned (4 out of the total of 22 tenants). This is a slight deterioration compared to 2008 when only one of 20 tenants terminated the lease.

For the tenants whose lease contract ended contractually in 2009, only 4 of the 14 lease contracts were prolonged (27 %), representing 52 % of the expired surface area.

In 2009, a total of 62 contracts reached their expiry date (end of lease contract or interim expiry date); 43 of them were prolonged (70 %).

The figures shown above are less positive than the figures for the exceptional year 2008, with its historically high occupancy rate, and show the consequences of the financial crisis on the rents of the offices as well as the semi-industrial properties.

In these circumstances, some tenants are taking advantage of the current opportunities on the market, with some owners being willing to rent their building at any price, sometimes even at prices below the building costs. Intervest Offices wishes to offer competitive rents and adjusts its rental policy to the market circumstances.

On the other side, Intervest Offices notices that some companies are often reluctant to move due to the current economic uncertainty unless the high (direct as well as indirect) moving expenses can be compensated by a considerable lower rent as mentioned above. As rents in the periphery have been under constant pressure since 2001 and as rental conditions have been very competitive for many years, the previous rental levels have been maintained reasonably well.

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

> "Our choice for the site and location, in this case of Intervest Offices, is good for our sector. In collaboration with Intervest Offices everything happens in a correct and smooth way, with the necessary flexibility. It is clear that we wish to build a long-lasting relation with Intervest Offices."
>
> DICK VANDE VYVERE, MANAGING DIRECTOR PASSAGE FITNESS

EVOLUTION OF THE REAL ESTATE PORTFOLIO

	31.12.2009	31.12.2008	31.12.2007	31.12.2006	31.12.2005
Investment value investment properties (€ 000)	554.423	586.492	579.475	519.653	599.934
Current rents (€ 000)	42.043	45.983	42.842	39.973	43.484
Yield (%)	7,6 %	7,8 %	7,4 %	7,7 %	7,2 %
Current rents, including estimated rental value of vacant properties (€ 000)	47.835	48.962	46.677	43.572	52.830
Yield if fully let (%)	8,6 %	8,3 %	8,1 %	8,4 %	8,8 %
Total leasable space (m^2)	540.770	539.373	505.363	452.168	538.643
Occupancy rate (%)	88 %	94 %	92 %	92%	82 %

The slight decrease of the yield compared to 31 December 2008 can be explained by the fact that the real estate value decreased by less than the current rents. This is primarily due to the fact that the rental income of Herentals Logistics 2 and Wilrijk Neerland in the semi-industrial portfolio came to an end in the course of 2009, while the decrease in terms of percentage of the investment value has certainly been more limited.

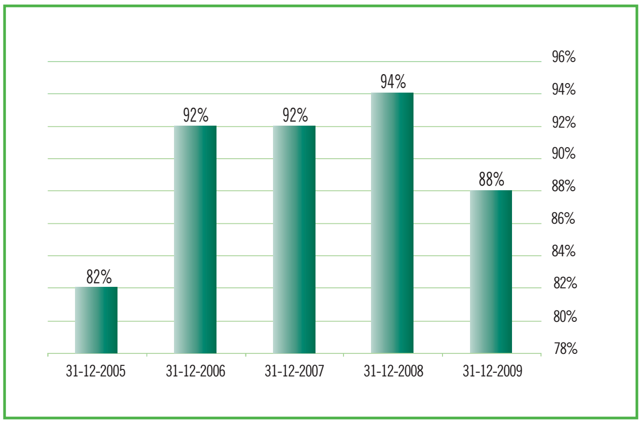
> "On 31 December 2009 the rental yield of the portfolio was 7,6 %."

Sensitivity analysis

In case of a hypothetical negative adjustment of the yield that the property experts use for the valuation of the real estate portfolio of the property investment fund (yield or capitalisation rate) with 1 % (from 7,6 % to 8,6 % on average), the investment value of the real estate portfolio would decrease by € 63 million or 12 %. That would increase the debt ratio of the property investment fund by 6 % to 50 %.

In the opposite case of a hypothetical positive adjustment of this yield by 1 % (from 7,6 % to 6,6 % on average), the investment value of the real estate would increase by € 84 million or 15 %. That would reduce the debt ratio of the property investment fund by 6 % to 38 %.

Occupancy rate



VALUATION OF THE PORTFOLIO BY PROPERTY EXPERTS

Valuator	Valued properties	Fair value (€ 000)	Investment value (€ 000)
Cushman & Wakefield	Office buildings	378.683	388.150
Jones Lang LaSalle	Semi-industrial properties	162.134	166.273
TOTAL		**540.817**	**554.423**

On 31 December 2009, the valuation of the current real estate portfolio of Intervest Offices was carried out by the following property experts:

- **Cushman & Wakefield**, represented by Kris Peetermans and Erik Van Dyck
- **Jones Lang LaSalle**, represented by Rod Scrivener

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.

Various factors are taken into account for the assessment of real estate assets:

- **Market:**
  - supply and demand of tenants and buyers of comparable properties
  - yield trends
  - expected inflation
  - current interest rates and expectations in terms of interest rates
- **Location:**
  - factors in surroundings
  - availability of parking
  - infrastructure
  - accessibility by private and public transport
  - facilities such as public buildings, stores, hotels, restaurants, pubs, 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

Three major valuation methods are then used:

- **Update of the estimated rental income**

  The investment value is the result of the applicable return yield or capitalisation rate, which represents the gross return required by a buyer) on the estimated rental value (ERV), corrected by the present value (NPV) of the difference between the current actual rent and the estimated rental value at the date of valuation 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 valuated on the basis of the value after renovation or the end of the work, reduced by the amount of work yet to be done, fees for architects and engineers, interim interest expenses, the estimated vacancy and a risk premium.

- **Unit prices**

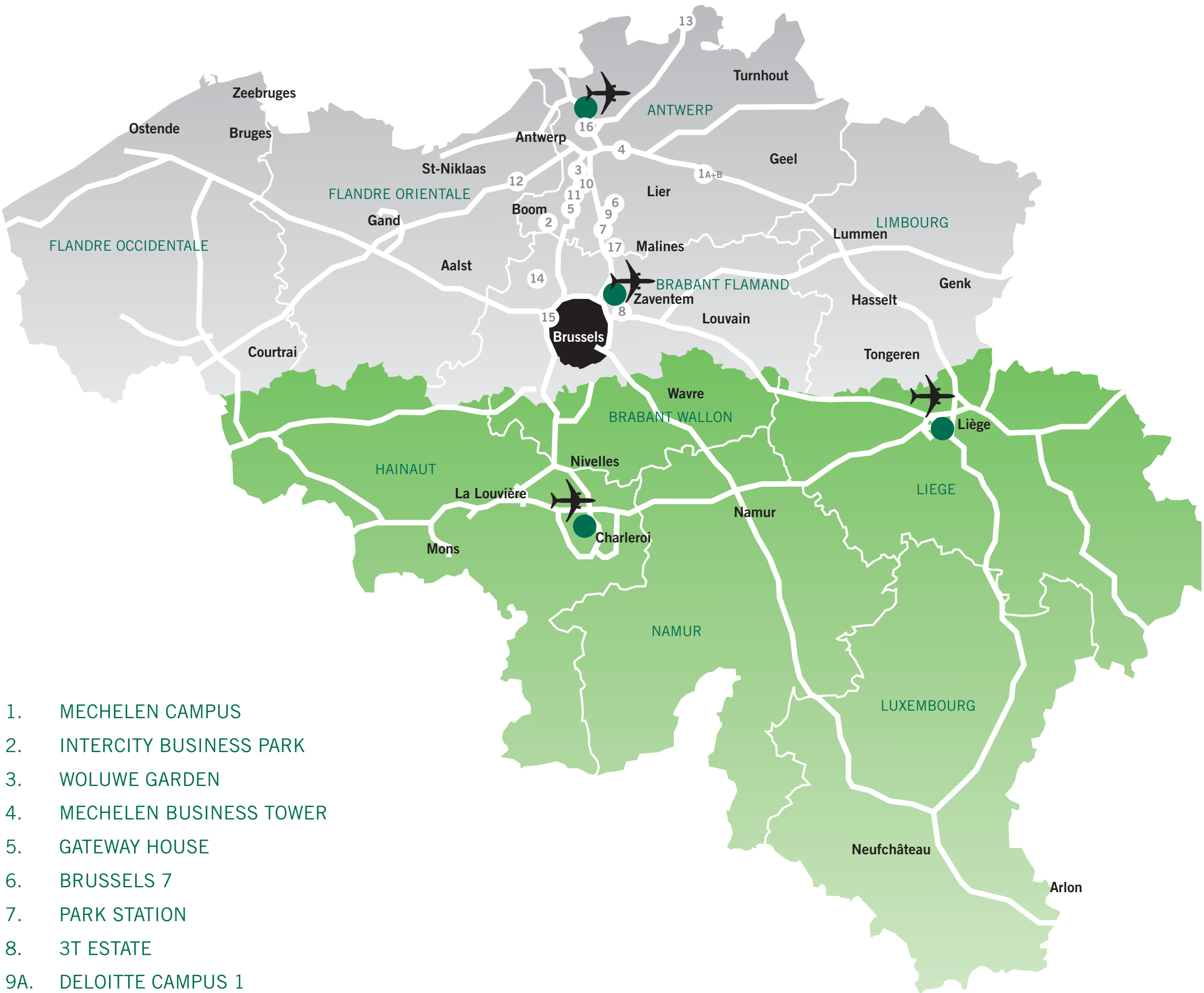
  The investment value is determined on the basis of unit prices for the real estate asset per m² for office space, storage space, archive space, number of parking spaces, etc. and this in turn on the basis of the market and building analyses described above.

- **Discounted cash flow analysis**

  This method is used primarily for valuation of assets that are the subject of leasing or long-term contracts. The investment value is determined on the basis of the conditions stipulated in the lease contract. This value is equal to the sum of the NPV of the various cash flows over the duration of the lease contract. The cash flows consist of yearly payments (discounted according to a financial interest rate) along with the value at which the asset could be sold at the end of the lease contract (based on the free market value at that moment and discounted at a capitalisation 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 according to the first method mentioned above (net present value of the estimated rental income).

DESCRIPTION OF THE OFFICE PORTFOLIO[6]

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
15. EXITEN
16. HERMES HILLS
17. PARK ROZENDAL

[6] Classification according to the space area of the buildings.

Location of the offices in the Brussels periphery

MECHELEN CAMPUS 1

Schaliënhoevedreef 20 A-J,T
2800 Malines

Space: 60.768 m²
Year of construction: 2000 - 2007

Main tenants:

- Borealis Polymers
- EDB Business Partner Belgium
- Express Line
- Endemol België
- Tibotec-Virco
- Imperial Tobacco
- Clear2Pay
- Bell Microproducts
- Cochlear
- Passage Fitness
- Sungard Benelux
- Planon
- Prosource
- Mundipharma Pharmaceuticals
- Cypress Semiconductor Corporation Belgium

Mechelen Campus digital:
www.mechelencampus.com

INTERCITY BUSINESS PARK 2

Generaal De Wittelaan 9-21
2800 Malines

Space: 42.112 m²
Year of construction: 1993 - 2000

Main tenants:

- Tibotec-Virco
- Esoterix
- Galapagos
- SGS Belgium
- PAB Benelux
- Logins
- Fanuc Robotics
- Info Support
- Intersafe Groeneveld Belgium
- Biotest Seralco
- Trisoft
- KBC Bank
- LXE Belgium
- Electro Rent Europe
- Niscayah

Intercity Business Park digital:
www.intercitybusinesspark.be

WOLUWE GARDEN 3

Boulevard de la Woluwe 18-22
1932 Sint Stevens Woluwe

Space: 25.074 m²
Year of construction: 2000

Tenant:

- PricewaterhouseCoopers

MECHELEN BUSINESS TOWER 4

Blarenberglaan 2C
2800 Malines

Space: 12.917 m²
Year of construction: 2001

Property lease
with Hewlett-Packard Belgium
(previously EDS)
to 31 March 2016.

GATEWAY HOUSE 5

Brusselsestraat 59
2000 Antwerp

Space: 11.318 m²
Year of construction: 1993 - 1994

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

BRUSSELS 7 6

Nijverheidslaan 1-3
1853 Strombeek-Bever

Space: 10.343 m²
Year of construction: 1999 - 2002

Tenants:
- Whirlpool
- Kitchenaid
- Rockwell Automation
- Keyrus
- Exertum
- Thalia Retail Management

Brussels 7 digital:
www.brussels7.be

PARK STATION 7

Woluwelaan 148-150
1831 Diegem

Space: 8.903 m²
Year of construction: 2000

Tenants:

- Delta Lloyd Life
- Belgische Krijgsmacht F16
- EURid
- CED International
- Hello Agency
- RAM Mobile Data

Park Station digital:
www.parkstation.be

3T ESTATE 8

Luchthavenlaan 25
1800 Vilvorde

Space: 8.757 m²
Year of construction: 1998

Tenants:

- Ingram Micro
- Fleet Logistics Belgium
- Q-Lab
- Transport Management Europe
- SD Worx

3T Estate digital:
www.3testate.be

DELOITTE CAMPUS 1 9A

Berkenlaan 8b
1831 Diegem

Space: 8.729 m²
Year of construction: 2001 - 2002

Property lease with Deloitte
to 31 December 2016.

DELOITTE CAMPUS 2 — 9B

Berkenlaan 8a
1831 Diegem

Space: 7.787 m²
Year of construction: 2000

Property lease with Deloitte to 31 December 2015.

DE AREND — 10

Prins Boudewijnlaan 45-49
2650 Edegem

Space: 7.424 m²
Year of construction: 1997

Tenants:

- Euromex
- Cheops Technology
- Thomson Telecom Belgium
- Reficom

INTER ACCESS PARK — 11

Pontbeekstraat 2 & 4
1700 Dilbeek (Groot- Bijgaarden)

Space: 6.869 m²
Year of construction: 2000

Tenants:

- Fortis Lease Group Services
- Edwards Lifesciences
- Vacature
- Mitiska Ventures
- Commercial Finance Group
- Sharp Electronics Belgium
- Ingersoll Rand Security Technologies
- Systech

SKY BUILDING 12

Uitbreidingstraat 66
2600 Berchem

Space: 5.700 m²
Year of construction: 1988
Year of renovation: 2006

Tenants:

- BDO
- VTG Benelux
- LeasePlan Fleet Management
- Nationale Borg Maatschappij
- Givi
- Televersal & Toptel
- SKS
- Carlson Wagonlit
- RSA Global
- Hugo Ceusters

LATEM BUSINESS PARK 13

Xavier de Cocklaan 66-72
9830 Ghent

Space: 5.350 m²
Year of construction: 1992 - 1993

Tenants:

- Nomadesk
- IT Mobile
- Der Kreis
- Novum Pharma
- Lijncom
- Hamburg-Mannheimer Consulting
- Laser Refractie Center
- Mecon Optronics
- IBS International Business Systems
- Sage Bob Software
- Greenpan Europe
- Duratex
- Planet Services
- Annabie
- MG Invest
- Aexis Technical Services

AARTSELAAR 14

Kontichsesteenweg 54
2630 Aartselaar

Space: 4.000 m²
Year of construction: 2000

Property lease with
Invensys Systems
to 30 November 2015.

EXITEN
Zuiderlaan 91
1731 Zellik
15

HERMES HILLS
Berkenlaan 6
1831 Diegem
16

PARK ROZENDAL
Terhulpsesteenweg 6A
1560 Hoeilaart
17

Space: 3.943 m²
Year of construction: 2002

Tenants:
- Gras Savoye Belgium
- IFM Electronic Belgium
- Rexel Belgium
- Sapsa Bedding

Space: 3.664 m²
Year of construction: 1990

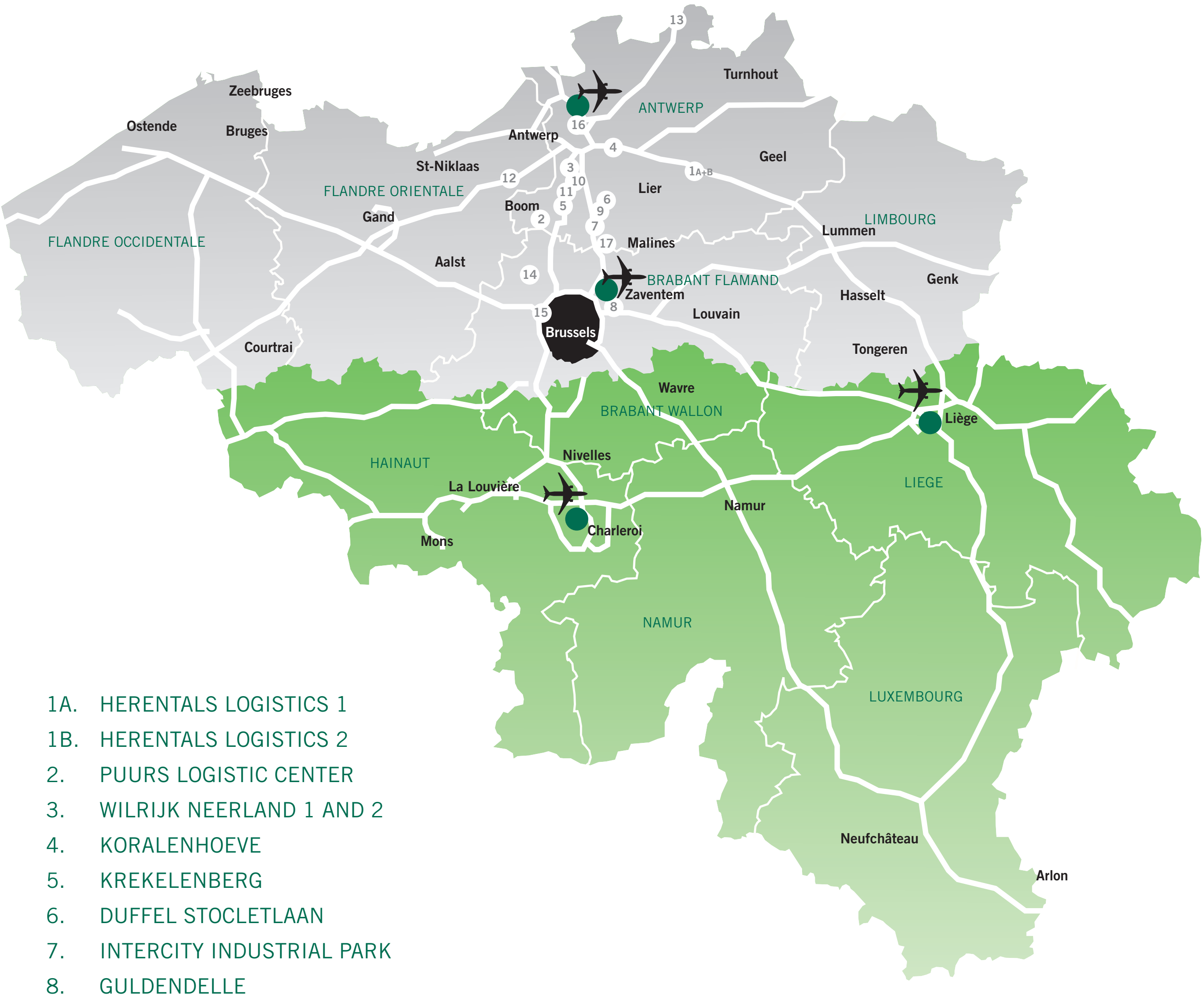
Tenant:
- Deloitte

Space: 2.801 m²
Year of construction: 1994
Year of renovation: 2006

Tenants:
- Quality Business
- BvD-it Services
- Sysmex
- Mylan

DESCRIPTION OF THE SEMI-INDUSTRIAL PROPERTIES[7]

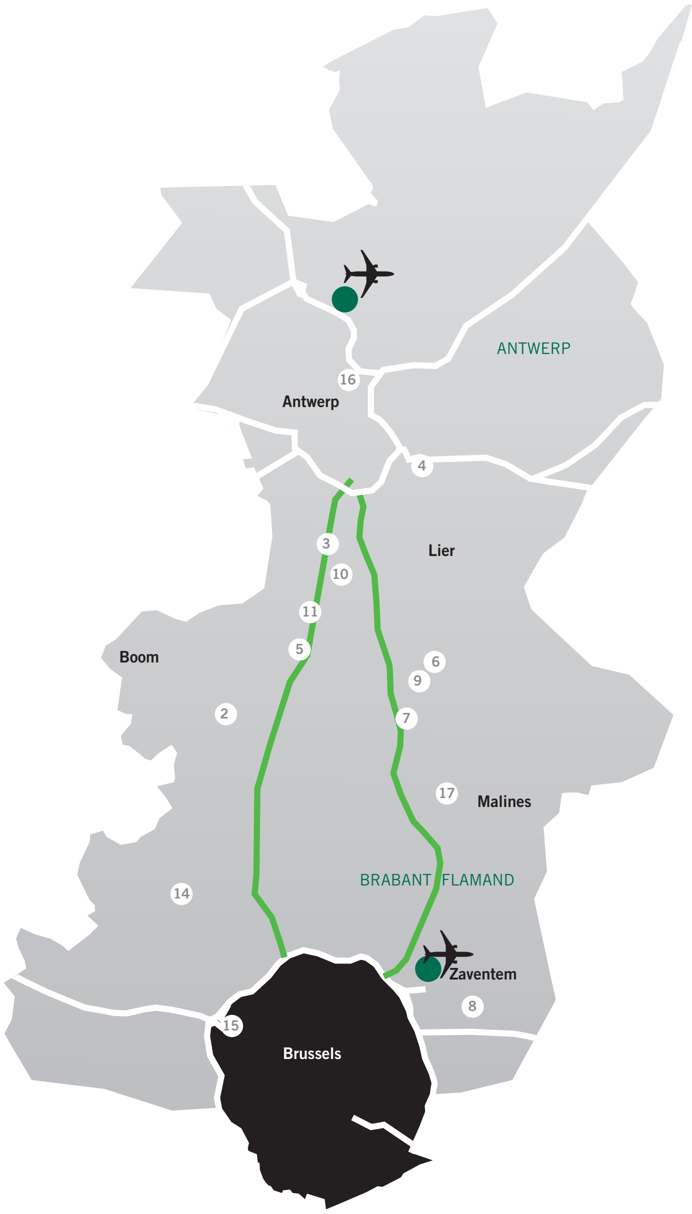
Location of the semi-industrial properties in Belgium



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

[7] Classification according to the surface area of the buildings.

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



HERENTALS LOGISTICS 1 — 1A

Atealaan 34
2200 Herentals

Offices space: 8.500 m²
Storage hall space: 32.768 m²
Year of construction: 1977

Main tenants:

- Nokia Siemens
- Devoteam
- Kreate Limited
- OTN Systems
- Promatic-B (Actemium)

HERENTALS LOGISTICS 2 — 1B

Atealaan 34
2200 Herentals

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

PUURS LOGISTIC CENTER — 2

Veurtstraat 91
2870 Puurs

Offices space: 1.600 m²
Storage hall space: 41.890 m²
Year of construction: 2001

Tenant:

- Fiege

WILRIJK NEERLAND 1 AND 2 3

Boomsesteenweg 801-803, Geleegweg 1-7
Kernenergiestraat 70, 2610 Wilrijk

Offices space: 632 m²
Storage hall space: 28.536 m²
Year of construction: 1986 en 1989

Tenant:
Ikea Belgium

KORALENHOEVE 4

Koralenhoeve 25
2160 Wommelgem

Offices space: 1.770 m²
Storage hall space: 22.949 m²
Year of construction: 1998

Tenant:
PGZ Retail Concept

KREKELENBERG 5

Industrieweg 18
2850 Boom

Offices space: 700 m²
Storage hall space: 23.663 m²
Year of construction: 2000

Tenant:
JVC Logistics Europe

DUFFEL STOCLETLAAN 6

Stocletlaan 23
2570 Duffel

Offices space: 240 m²
Storage hall space: 23.435 m²
Year of construction: 1998

Tenants:

- BLITS Belgium
- Iron Mountain Belgium

INTERCITY INDUSTRIAL PARK 7

Oude Baan 14
2800 Malines

Offices space: 252 m²
Storage hall space: 15.000 m²
Year of construction: 1999

GULDENDELLE 8

Jan-Baptist Vinkstraat 2
3070 Kortenberg

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

Tenant:

- European Commission

DUFFEL NOTMEIR 9

Walemstraat 94
2570 Duffel

Offices space: 250 m²
Storage hall space: 8.861 m²
Year of construction: 1995

Tenant:
Aleris Aluminium

AARTSELAAR 10

Dijkstraat 1A
2630 Aartselaar

Offices space: 793 m²
Storage hall space: 7.269 m²
Year of construction: 1994

Tenant:
Party Rent

SCHELLE 11

Molenberglei 8
2627 Schelle

Offices space: 1.600 m²
Storage hall space: 6.400 m²
Year of construction: 1993

Tenants:
Meiko
Trafuco
Traffic Safety Association
(Vereniging voor Verkeersveiligheid),
SD Worx

EIGENLO 12

Eigenlostraat 23-27a
9100 Sint-Niklaas

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

Tenants:
- Sarens J
- Orca Cooling
- Open
- Fusite Furniture Europe
- E-Trinity
- Eticolor

TRANSPORTZONE MEER 13

Riyadhstraat
2321 Meer

Offices space: 271 m²
Storage hall space: 7.348 m²
Year of construction: 1990

Tenant:
- VPK Packaging

MERCHTEM CARGO CENTER 14

Preenakker 20
1785 Merchtem

Offices space: 1.210 m²
Storage hall space: 6.075 m²
Year of construction: 1992

Tenant:
- MSF Supply

BERCHEM TECHNOLOGY CENTER 15

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

Offices space: 2.760 m²
Storage hall space: 3.703 m²
Year of construction: 1992

Tenants:
- Rexel Belgium
- Brico Belgium
- Vlaamse Gemeenschapscommissie
- Amplifon Belgium

ANTWERPEN KAAIEN 16

Kaaien 218-220
2030 Antwerp

Storage hall space: 5.500 m²
Year of construction: 1997

Tenant:
- Waagnatie

RAGHENO 17

Dellingstraat 57
2800 Malines

Offices space: 603 m²
Storage hall space: 5.408 m²
Year of construction: 1998

Tenant:
- ThyssenKrupp Otto Wolff

05

Financial report

EXITEN
Zuiderlaan 91
1731 Zellik
Space: 3.943 m²

3T-Estate - Vilvorde

INDEX

CONSOLIDATED INCOME STATEMENT

in thousands €	Notes	2009	2008
Rental income	4	42.472	43.038
Rental-related expenses	4	-160	-118
NET RENTAL INCOME		**42.312**	**42.920**
Recovery of property charges	4	644	690
Recovery of rental charges and taxes normally payable by tenants on let properties	4	5.189	5.890
Costs payable by tenants and borne by the landlord for rental damage and refurbishment		-445	-366
Rental charges and taxes normally payable by tenants on let properties	4	-5.172	-5.888
Other rental-related income and expenses		98	100
PROPERTY RESULT		**42.626**	**43.346**
Technical costs	5	-639	-783
Commercial costs	5	-349	-570
Charges and taxes on unlet properties	5	-781	-356
Property management costs	5	-1.776	-1.657
Other property charges	5	-175	-138
PROPERTY CHARGES	5	**-3.720**	**-3.504**
OPERATING PROPERTY RESULT		**38.906**	**39.842**
General costs	6	-1.184	-1.253
Other operating income and costs	6	5	-366
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		**37.727**	**38.223**
Changes in fair value of investment properties	8	-32.270	-12.726
OPERATING RESULT		**5.457**	**25.497**

(continued) *in thousands €*	Notes	2009	2008
OPERATING RESULT		**5.457**	**25.497**
Financial income		101	124
Interest charges		-7.722	-10.143
Other financial charges		-141	-185
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	18	-240	0
FINANCIAL RESULT	9	**-8.002**	**-10.204**
RESULT BEFORE TAXES		**-2.545**	**15.293**
TAXES	10	**-52**	**-44**
NET RESULT		**-2.597**	**15.249**
Note:			
Operating distributable result	11	29.913	27.975
Result on portfolio	8	-32.270	-12.726
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	18	-240	0
Attributable to:			
Equity holders of the parent company		-2.597	15.249
Minority interests		0	0

RESULT PER SHARE	Notes	2009	2008
Number of shares entitled to dividend	11	13.907.267	13.900.902
Net result (€)	11	-0,19	1,10
Operating distributable result (€)	11	2,15	2,01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands €	Notes	2009	2008
NET RESULT		**-2.597**	**15.249**
Changes in fair value of financial assets and liabilities (effective hedges - IAS 39)	18	-2.298	- 6.555
COMPREHENSIVE INCOME		**-4.895**	**8.694**
Attributable to:			
Equity holders of the parent company		-4.895	8.694
Minority interests		0	0

CONSOLIDATED BALANCE SHEET

ASSETS *in thousands €*	**Notes**	**31.12.2009**	**31.12.2008**
Non-current assets		**541.099**	**572.378**
Intangible assets		68	87
Investment properties	12	540.817	572.055
Other tangible assets		200	222
Trade receivables and other non-current assets		14	14
Current assets		**4.674**	**5.196**
Trade receivables	13	1.404	1.382
Tax receivables and other current assets	13	1.994	1.912
Cash and cash equivalents		733	885
Deferred charges and accrued income	13	543	1.017
TOTAL ASSETS		**545.773**	**577.574**

SHAREHOLDERS' EQUITY AND LIABILITIES *in thousands €*	**Notes**	**31.12.2009**	**31.12.2008**
Shareholders' equity		**297.533**	**330.365**
Shareholders' equity attributable to the shareholders of the parent company		**297.488**	**330.202**
Share capital	14	126.729	126.725
Share premium	14	60.833	60.833
Reserves		128.278	159.529
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	14	-13.606	-14.437
Changes in fair value of financial assets and liabilities	18	-4.746	-2.448
Minority interests	20	**45**	**163**
Liabilities		**248.240**	**247.209**
Non-current liabilities		**205.807**	**207.570**
Provisions	15	1.031	1.082
Non-current financial debts	17	204.254	206.012
Credit institutions		*204.236*	*206.001*
Financial lease		*18*	*11*
Other non-current liabilities		522	476
Current liabilities		**42.433**	**39.639**
Provisions	15	386	334
Current financial debts	17	36.585	34.494
Credit institutions		*36.579*	*34.488*
Financial lease		*6*	*6*
Trade debts and other current debts	16	1.946	2.576
Other current liabilities	16	656	1.190
Accrued charges and deferred income	16	2.860	1.045
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**545.773**	**577.574**

DEBT RATIO	**31.12.2009**	**31.12.2008**
Debt ratio as per Royal Decree 21 June 2006 (max. 65 %) (%)	44 %	42 %

NET ASSET VALUE PER SHARE (€)	**31.12.2009**	**31.12.2008**
Net asset value per share (fair value)	21,39	23,77
Net asset value per share (investment value)	22,37	24,80

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

in thousands €	Share capital	Share premium	Reserves
Balance at 31 December 2007	**126.725**	**60.833**	**171.241**
Comprehensive income 2008			15.249
Transfers of the impact on fair value *			5
Dividends financial year 2007			-26.968
Minority interest Edicorp sa			2
Balance at 31 December 2008	**126.725**	**60.833**	**159.529**
Comprehensive income 2009			-2.597
Transfers of the impact on fair value *			-831
Dividends financial year 2008			-27.941
Merger 1 April 2009	4		118
Balance at 31 December 2008	**126.729**	**60.833**	**128.278**

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

Impact on fair value*	Changes in fair value of financial assets and liabilities	Minority interests	Total shareholders' equity
-14.432	**4.107**	**47**	**348.521**
	-6.555		8.694
-5			0
			-26.968
		116	118
-14.437	**-2.448**	**163**	**330.365**
	-2.298		-4.895
831			0
			-27.941
		-118	4
-13.606	**-4.746**	**45**	**297.533**

CONSOLIDATED CASH FLOW STATEMENT

in thousands €	Notes	2009	2008
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		**885**	**684**
1. Cash flow from operating activities		**30.649**	**27.480**
Operating result		**5.457**	**25.497**
Interests paid		**-7.777**	**-10.187**
Other non-operating elements		**-332**	**-105**
Adjustment of the result for non-cash flow transactions		**32.226**	**9.971**
- Depreciations on intangible and other tangible assets		189	202
- Impairment losses on the sale of other tangible assets		7	9
- Changes in fair value of investment properties	8	31.786	9.921
- Other non-cash flow transactions (+/-)		244	-161
Changes in working capital		**1.075**	**2.304**
Movement of assets			
- Trade receivables	13	-22	2.451
- Tax receivables and other current assets	13	-82	-185
- Deferred charges and accrued income	13	473	464
Movement of liabilities			
- Trade debts and other current debts	16	-630	-520
- Other current liabilities	16	-534	789
- Accrued charges and deferred income	16	1.870	-695
2. Cash flow from investment activities		**-689**	**-16.900**
Acquisition of intangible and other tangible assets		-158	-84
Acquisition of shares of investment companies		0	-3.272
Repayment of debts present in the purchased real estate companies		0	-12.757
Investments in existing investment properties	12	-548	-787
Acquisition of assets with deferred payment		18	0
3. Cash flow from financing activities		**-30.112**	**-10.379**
Repayment of loans	17	-24.224	-14.672
Drawdown of loans	17	22.013	31.219
Repayment of financial lease liabilities	17	-7	-7
Receipts from non-current liabilities as guarantee		47	49
Dividend paid	11	-27.941	-26.968
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**733**	**885**

NOTES ON THE CONSOLIDATED ANNUAL ACCOUNTS

NOTE 1. SCHEME FOR ANNUAL ACCOUNTS OF PROPERTY INVESTMENT FUNDS

As a listed property investment fund, Intervest Offices has prepared its consolidated annual accounts in accordance with the "International Financial Reporting Standards" (IFRS) as accepted by the European Union. A scheme for the annual accounts of property investment funds is contained in the Royal Decree of 21 June 2006.

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

- Realised 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-realised increases and/or decreases in value.

The result on the portfolio is not distributed to the shareholders, but transferred to or from the reserves.

NOTE 2. PRINCIPLES OF FINANCIAL REPORTING

Statement of conformity

Intervest Offices sa is a property investment company, having its registered offices in Belgium. The consolidated annual accounts of the company as per 31 December 2009 include the company and its subsidiaries (the "Group"). The annual accounts of Intervest Offices sa have been prepared and were released for publication by the board of directors on 22 February 2010 and will be submitted for approval to the general meeting of shareholders on 7 April 2010.

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 Royal Decree 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 2009.

New or amended standards and interpretations effective in 2009

The following standards and interpretations became effective in 2009 and affected either the presentation, disclosure or the financial results of the Group.

- **IFRS 8 Operating Segments**
  (applicable for the financial years beginning on or after 1 January 2009)
  This standard introduces new guidelines concerning the information that must be disclosed with respect to the distinct segments. The standard allows making a better match between 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 1 Presentation of Financial Statements**
  (applicable prospectively for financial years beginning on or after 1 January 2009)
  This revised standard prohibits the presentation of items of income and expenses (being non-owner changes in equity) in the statement of changes in consolidated equity. The non-owner changes in equity must therefore be presented separately from owner changes in equity in a statement of comprehensive income. The Group presents hereby all owner related changes in equity in the statement of changes in consolidated equity, while all non-owners related changes in equity are presented in the consolidated statement of comprehensive income.
  The presentation of the comparative figures is adapted so that these are also in conformity with the revised standard. The Group has elected to present the statement of comprehensive income in two linked statements (the income statement and the statement of other comprehensive income).

- **Amendments to IAS 40 Investment Property**
  (applicable for the financial years beginning on or after 1 January 2009)
  As a result of this amendment, assets under construction are considered as investment properties and are no longer to be accounted for under IAS 16 Tangible Assets. As a result, assets under construction are measured (valued) at fair value from the moment that this fair value can be determined reliably. If the fair value of assets under construction cannot be determined reliably, these assets shall be measured (valued) at cost until either the fair value can be determined reliably or construction is completed.

The following published standards and interpretations became effective for the current financial year, but do not affect the disclosure, notes or financial results of the Group: amendments to IFRS 1 *First time adoption of International Reporting Standards,* amendment to IFRS 2 *Vesting Conditions and Cancellations,* amendment to IFRS 7 *Financial Instruments: Disclosures - Improving disclosures about financial instruments,* amendment to IAS 23 *Borrowing Cost,* amendment to IAS 32 *Financial Instruments: Presentation,* IFRIC 13 *Customer Loyalty Programmes,* IFRIC 15 *Agreements for the construction of real estate,* IFRIC 16 *Hedges of a net investment in a foreign operation,* amendment to IFRIC 9 *Reassessment of Embedded Derivatives.*

New or amended standards and interpretations not yet effective in 2009

The following standards are considered to be the most relevant ones to the Group:

- **IFRS 3 Business Combinations:**
  the amended standard continues to apply the acquisition-value methodology to business combinations, with some significant changes. The Group will apply the amended standard prospectively to all business combinations as from 1 January 2010.

- **Amendment to IAS 27 Consolidated and Separate Financial Statements:**
  the amended standard requires the effects of all transactions with minority shareholders to be recognised in equity if there is no change in control. The Group will apply this amended standard prospectively to transactions with minority shareholders as from January 2010.

Presentation basis

The consolidated annual accounts are expressed in thousands of €, rounded to the nearest thousand.

The accounting principles are applied consistently and the consolidated accounts are presented before profit distribution.

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 in order to obtain benefits from its activities. A subsidiary company's annual financial statement is recognised in the consolidated annual financial statement by means of the integrated consolidation methodology from the time that control arises until such time as it ceases. If necessary, the financial reporting principles of the subsidiaries have 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 be eliminated when the consolidated annual accounts are prepared. The list of subsidiaries is given under note 20.

Business combinations and goodwill

When the Group takes control of an integrated combination of activities and assets corresponding to the definition of business according to IFRS 3 - *Business combinations,* assets, liabilities and any contingent liabilities of the business acquired are recognised separately at fair value on the acquisition date. The goodwill represents the positive change between the acquisition value and the Group share in the fair value of the acquired net assets. If the difference is negative ("negative goodwill"), it is immediately recognised in the results after confirmation of the values.

After initial recognition, the goodwill is not amortised but submitted to an impairment test carried out at least every year for cash-generating units to which the goodwill was allocated. If the carrying amount of a cash-generating unit exceeds its value in use, the resulting impairment is recognised in the results and first allocated in reduction of the possible goodwill and then to the other assets of the unit, proportional to their carrying amount. An impairment loss recognised on goodwill is not reversed during a subsequent year.

In accordance with IFRS 3, the goodwill can be determined on a provisional basis at acquisition date and adjusted within the 12 following months.

In the event of the disposal of a cash-generating unit, the amount of goodwill that is allocated to this unit is included in the determination of the result of the disposal.

Foreign currencies

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

Property result

Income is valued at the fair value of the compensation received or to which title has been obtained. Income will only be recognised 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 recognised 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 lease contract to the next possibility of terminating a contract.

The compensation paid by tenants for premature termination of lease contracts is apportioned by time, over the number of months of 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 termination of the lease contract 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.

The compensation paid and the costs for refurbishment are recorded on accrued charges and deferred income of the liabilities until the refurbishment of the let building is completed or if its cost cannot be determined with sufficient certainty.

Property charges and general charges

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

Result on disposal and change 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 carrying amount (i.e. the latest fair value determined by the property expert) less the selling expenses.
The changes in fair value of investment properties are equal to the difference between the actual carrying amount and the previous fair value (as estimated by the independent property expert). A comparison is made at least four times a year for the entire portfolio of investment properties. Movements in fair value of the real estate properties are recognised in the income statement in the period in which they arise.

Financial result

The financial result consists of interest charges 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 recognised in the income statement unless it relates to elements that are immediately recognised in equity. In the latter case, taxes are recognised as a charge against equity.

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

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

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

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

Deferred tax receivables and liabilities are recognised on the basis of the debt method (‘liability method’) for all provisional differences between the taxable basis and the carrying amount for financial reporting purposes with respect to both assets and liabilities. Deferred tax receivables are only recognised if it is probable that there will be taxable profit against which the deferred tax claim can be offset.

Ordinary and diluted profit (loss) per share

The ordinary profit (loss) 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 (loss) 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 recognised at cost, less any accumulated amortisation and exceptional impairment losses, if it is likely that the expected economic benefits attributable to the asset will flow to the entity, and if the cost of the asset can be measured reliably. Intangible assets are amortised linearly over their expected useful life. The amortisation periods are reviewed at least at the end of every financial year.

Investment properties

a. Definition

Investment properties comprise all lands or buildings that are lettable and generate (wholly or in part) 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 real estate company, the deed costs, audit and consultancy costs, reinvestment fees and costs of lifting distraint on the financing of the absorbed company and other costs of the merger are also capitalised.

c. Subsequent costs

Expenses for works on investment 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 expenses that do not increase the expected future economic benefits of the building and are consequently charged in full against the 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 costs 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 recorded in the accrued costs and deferred income of the liabilities on the balance sheet until the refurbishment works are completed or until the moment there is sufficient certainty about the cost price. At that moment, both the income of the indemnity and the costs of the refurbishment are incorporated into the result.

3. Renovations: these are expenses 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 contract up to the date of the first break of the lease 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 valuated quarterly on the basis of the cash value of market rents and/or effective rental income, after reduction 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.

In accordance with IAS 40, investment properties are recognised on the balance sheet at fair value. This value is equal to the amount for which a building might be exchanged between knowledgeable, willing parties in normal competitive conditions. From the perspective of the seller, it should be understood as being subject to the deduction of registration taxes.

The Belgian Association of Asset Managers (BEAMA) published a press release on 8 February 2006 with respect to the amounts of these registration fees (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 involving buildings in Belgium with an overall value of less than € 2,5 million, registration taxes of between 10,0 % and 12,5% should apply, 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 took place in the market from 2002 to 2005 and representing a grand total of € 6,0 billion - valued the weighted average of the taxes comes to 2,5 %.

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).

The difference between the fair value of the property and in the investment value of the property as determined by the independent property experts is recognised at the end of the period in the item "impact on the fair value of the estimated transaction rights and costs resulting from the hypothetical disposal of investment properties" in the shareholders' equity.

Profits or losses deriving from the change of fair value of an investment property are recognised in the income statement in the period where they emerge and are allocated to the reserves in the profit allocation.

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 included with "other tangible assets".

e. Disposal of investment properties

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

The profits or losses made on the sale of an investment property are recorded in the income statement of the reporting period in 'result on disposals of investment properties' and are allocated to the reserves.

f. Assets held for sale

Assets held for sale refer to real estate properties whose carrying amount will be realised during a sales transaction and not through continuing use. The buildings held for sale are valued in accordance with IAS 40 at fair value.

Other tangible assets

a. Definition

The 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 recognised at cost and thereafter valued according to the cost model.

Additional costs are only capitalised if the future economic benefits related 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 ready for use 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 %

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

d. Disposal and retirement

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

Impairment losses

The carrying amount of the assets of the company is reviewed periodically to determine whether there is an indication of impairment. Special impairment losses are recognised in the income statement if the carrying amount of the asset exceeds the realisable value.

Financial instruments

a. Trade receivables
Trade receivables are recorded at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for impairment losses are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

b. Investments
Investments are recognised and derecognised on a trade date basis when the purchase or sale of an investment is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

Debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are valued at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is the objective evidence that an asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Special impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

c. Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in fair value.

d. Financial liabilities and equity
Financial liabilities and equity instruments issued by the Group are classified according to the economic reality of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The principles of financial reporting related to specific financial liabilities and equity instruments are set out below.

e. Interest-bearing bank loans
Interest-bearing bank loans and credit overdrafts are initially valued at fair value and are subsequently valued at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with principles of financial reporting related to financing (borrowing) costs, applied by the Group.

f. Trade debts
Trade debts are initially valued at fair value and are subsequently valued at amortised cost using the effective interest rate method.

g. Equity instruments
Equity instruments issued by the company are recognised in the proceeds received (net of direct issue costs).

h. Derivates
The Group uses derivatives to hedge its exposure to interest rate risks arising from operational, financing and investment activities. The Group does not engage in speculative transactions nor does it issue or hold derivatives for trading purposes.

Derivatives are initially valued at cost price and are valued after initial recognition at fair value.

- **Derivatives that do not qualify for hedge accounting**
  Certain derivatives do not qualify for hedge accounting. Changes in the fair value of each derivative that does not qualify for hedge accounting are recognised immediately in the income statement.

- **Hedge accounting**
  The Group designates certain hedging instruments as fair value hedges and cash flow hedges.

  - *Fair value hedges*
    Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the income statement, along with any change in the fair value of the hedged asset or hedged liability that is attributable to the hedged risk.

    Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedged instrument is sold or terminated, or exercised, or no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the profit or loss from that date.

- *Cash flow hedges*
  The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income. The ineffective portion is recognised in the income statement on the line "Changes in fair of financial asset and liabilities (ineffective hedges - IAS 39)".

  Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the income statement when the hedged item is recognised in the income statement, in the same line as the recognised hedged item. When the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains (profits) or losses on the financial derivative previously accumulated in equity are recognised in the initial valuation of the asset or liability.

  Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument is sold or terminated, or exercised, or no longer qualifies for hedge accounting. Any profit or loss accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the income statement.

i. Own shares
When own shares are purchased, the amount paid, including attributable direct costs, is accounted for as a deduction of shareholders' equity.

Provisions

A provision is an obligation of uncertain size or with an uncertain time element. The amount that is recognised is the best estimate at balance sheet date of the expenditure required to settle the existing liability.

Provisions are only recognised when there is a present obligation (legal or constructive) as a result of a past event that probably will bring an outflow of resources whereby a reliable estimate of the amount of the obligation can be made.

Post-employment benefits

Contributions to defined-contribution retirement benefit plans are recognised as an expense against the reporting period when employees have rendered services entitling them to the contributions.

Dividend distribution

Dividend distribution is recognised as transferred result until the annual shareholders' meeting approves the dividends. The dividends are therefore recorded as a liability in the annual accounts for the period in which the dividend distribution is approved by the annual general shareholders' meeting.

Events after the balance sheet date

Events after the balance sheet date are events, both favourable and unfavourable, that take place between the balance sheet date and the date the financial statements are authorised for issue. Events providing information of the actual situation on balance sheet date is recognised in the result of the income statement.

NOTE 3. SEGMENTED INFORMATION

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 SEGMENT	Offices		Semi-industrial properties		Corporate		TOTAL	
in thousands €	2009	2008	2009	2008	2009	2008	2009	2008
Rental income	30.280	31.084	12.192	11.954			42.472	43.038
Rental-related expenses	-89	-60	-71	-58			-160	-118
Net rental result	**30.191**	**31.024**	**12.121**	**11.896**			**42.312**	**42.920**
Rental related costs and income	364	585	-50	-159			314	426
Property result	**30.555**	**31.609**	**12.071**	**11.737**			**42.626**	**43.346**
Operating result before result on portfolio	**29.086**	**30.396**	**11.673**	**11.218**	**-3.032**	**-3.391**	**37.727**	**38.223**
Changes in fair value of investment properties	-22.857	-7.510	-9.413	-5.216			-32.270	-12.726
Operating result of the segment	**6.229**	**22.886**	**2.260**	**6.002**	**-3.032**	**-3.391**	**5.457**	**25.497**
Financial result					-8.002	-10.204	-8.002	-10.204
Taxes					-52	-44	-52	-44
NET RESULT	**6.229**	**22.886**	**2.260**	**6.002**	**-11.086**	**-13.639**	**-2.597**	**15.249**

Key figures by segment

BUSINESS SEGMENT	Offices		Semi-industrial properties		TOTAL	
in thousands €	2009	2008	2009	2008	2009	2008
Fair value of real estate properties	378.683	400.768	162.134	171.287	540.817	572.055
Of which investments during the financial year (fair value)	0	0	0	16.146	0	16.146
Investment value of real estate properties	388.150	410.787	166.273	175.705	554.423	586.492
Accounting yield of the segment (%)	8,0 %	7,8 %	7,5 %	7,0 %	7,9 %	7,5 %
Total leasable space (m^2)	236.459	236.459	304.311	302.914	540.770	539.373
Occupancy rate (%)	90 %	92 %	83 %	98 %	88 %	94 %

NOTE 4. PROPERTY RESULT

Rental income

in thousands €	**2009**	**2008**
Rental income	41.570	43.351
Guaranteed income	1.490	862
Rental discounts	-1.424	-1.310
Rental benefits ('incentives')	-127	-136
Compensation for early termination of lease contracts	963	271
Total rental income	**42.472**	**43.038**

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 lease contracts minus any rental discounts and rental benefits (incentives) granted. The rental discounts and incentives are spread over the period running from the start of the lease contract to the next possibility of terminating a lease contract by the tenant.

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 51 % (2008: 48 %) of the rental income, and are, with the exception of the European Commission, often prominent companies in their sector and often part of international groups. The most important tenant represents 10 % of the rental income (2008: 10 %). In 2009, there were 5 tenants whose lease payments on an individual basis represent more than 5 % of the total rental income of Intervest Offices (2008: 4 tenants).

Overview of future minimum rental income

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

in thousands €	**2009**	**2008**
Receivables with a remaining duration of:		
Less than one year	32.804	37.806
Between one and five years	66.204	78.180
More than five years	13.036	19.695
Total of future minimum rental income	**112.044**	**135.681**

Rent-related expenses

in thousands €	2009	2008
Rent for leased assets	-37	-36
Write-downs of trade receivables	-150	-124
Reversal of write-downs on trade receivables	27	42
Total rent-related expenses	**-160**	**-118**

The rental related expenses comprise mainly write-downs and reversals of write-downs on trade receivables and are recognised in the income statement when the carrying amount is higher than the estimated realisation value. This item also comprises the costs to the property investment fund for the rental of land parcels and buildings for letting to its tenants in the future.

Recovery of property charges

in thousands €	2009	2008
Management fee received from tenants	644	690
Total recovery of property charges	**644**	**690**

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 shown in the following tables.

Rebilling of rental charges and taxes

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

in thousands €	2009	2008
Rebilling of rental charges borne by the landlord	4.159	2.880
Rebilling of advance levies and taxes on let properties	1.030	3.010
Total recovery of rental charges and taxes normally payable by tenants on let properties	**5.189**	**5.890**

Rental charges and taxes normally payable by tenants on let properties

in thousands €	2009	2008
Rental charges borne by the landlord	-4.142	-2.877
Advance levies and taxes on let properties	-1.030	-3.011
Total rental charges and taxes normally payable by tenants on let properties	**-5.172**	**-5.888**

TOTAL NET AMOUNT OF RECOVERED RENTAL CHARGES AND TAXES	**17**	**2**

Rental charges and taxes on let buildings and the recovery of these charges refer to costs that are, by law or custom, the responsibility of the tenant or lessee.
These costs primarily comprise real estate withholding-tax electricity, water, cleaning, window-cleaning, technical maintenance, garden maintenance (gardening work), etc. The owner is responsible for the management of the buildings (office buildings) or has it contracted out to external property managers (semi-industrial buildings and Mechelen Campus).

Depending on the contractual agreements with the tenants, the landlord may or may not charge the tenants for these services. Any such rebilling is done on an annual basis (except for some office buildings for which the rebilling is done quarterly). During the financial year, advances are billed to the tenants.

NOTE 5. PROPERTY CHARGES

Technical costs

in thousands €	2009	2008
Recurrent technical costs	**-619**	**-783**
Maintenance	-588	-733
Insurance premiums	-31	-50
Non-recurrent technical costs	**-20**	**0**
Claims	-35	-44
Compensation of claims by the insurers	15	44
Total technical costs	**-639**	**-783**

Technical costs comprise, inter alia, maintenance costs and insurance premiums. Maintenance costs that can be seen as renovation of an existing building because they improve the yield or the rent, are not recognised as costs but are capitalised.

Commercial costs

in thousands €	2009	2008
Brokers' fee	-100	-246
Publicity	-147	-125
Lawyers' fees and legal costs	-102	-199
Total commercial costs	**-349**	**-570**

Commercial costs also include the brokers' fees. The brokers' fees paid to the brokers after a period of vacancy are capitalised as the property experts, after a period of vacancy, reduce the estimated fees from the estimated value of the real estate property. The brokers' fees paid after an immediate re-letting, without vacancy period, are not capitalised and are recognised in the result as the property experts do not take this fee into account at the time of the valuation.

Charges and taxes on unlet properties

in thousands €	**2009**	**2008**
Vacancy charges	-544	-421
Real estate withholding tax on vacant properties	-252	-218
Recuperation of real estate withholding tax on vacant properties	15	283
Total charges and taxes on unlet properties	**-781**	**-356**

Intervest Offices largely recovers the real estate withholding tax that is charged by advanced levy on the vacant parts of buildings through objections submitted to the Flanders tax and customs administration. This increase by € 0,4 million mainly results from an increase of the vacancy in the buildings and the one-time lower than foreseen refund from the Flemish government of real estate withholding taxes on vacant buildings for financial years 2005 and 2006.

Property management costs

in thousands €	**2009**	**2008**
External property management fees	-79	-78
Internal property management fees	-1.697	-1.579
Total property management costs	**-1.776**	**-1.657**

Property management costs are costs that are related to the management of the buildings. These include the personnel costs and the indirect costs with respect to the management committee and the staff (such as office costs, operating costs etc.) who manage the portfolio and the lettings, and also amortisations and impairments on tangible assets used for such management and other business expenses related to the management of the real estate properties.

Other property charges

in thousands €	**2009**	**2008**
Charges borne by the landlord	-153	-100
Other property charges	-22	-38
Total other property charges	**-175**	**-138**

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 AND OTHER OPERATING INCOME AND COSTS

General costs

in thousands €	2009	2008
ICB tax	-264	-273
Custodian bank	-11	-12
Auditor’s fee	-85	-93
Directors’ remunerations	-32	-29
Liquidity provider	-14	-11
Financial services	-57	-80
Employee benefits	-465	-482
Other costs	-256	-273
Total general costs	**-1.184**	**-1.253**

General costs are all costs related to the management of the property investment fund and costs that cannot be allocated to property management. These operating costs include general administration costs, cost of personnel engaged in the management of the company as such, depreciations and write-downs of tangible assets used for this management and other operating costs.

Other operating income and costs

in thousands €	2009	2008
VAT regularisation	0	-368
Other income and costs	5	2
Total other operating income and costs	**5**	**-366**

Other operating income and costs comprise the income and costs that cannot be directly allocated to buildings and to the management of the fund. During financial year 2008, these costs included the non-recurrent regularisation of deductible VAT paid in 2008 for the years 2002 through 2008.

NOTE 7. EMPLOYEE BENEFITS

in thousands €	2009			2008		
	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	**935**	**276**	**1.211**	**814**	**264**	**1.078**
Salary and other benefits paid within 12 months	666	188	854	587	145	732
Pensions and post-employment benefits	21	7	28	23	12	35
Severance pay	8	0	8	0	34	34
Social security	148	50	198	151	47	198
Variable remunerations	48	16	64	0	0	0
Other charges	44	15	59	53	26	79
Remuneration of the management committee	**85**	**189**	**274**	**118**	**218**	**336**
Salary and other benefits paid within 12 months	85	189	274	118	218	336
TOTAL EMPLOYEES BENEFITS	**1.020**	**465**	**1.485**	**932**	**482**	**1.414**

The number of employees and self-employed personnel at year-end 2009, expressed in FTE is 11 staff members for the internal management of the patrimony (2008: 12) and 4 staff members for the management of the fund (2008: 4). The management team comprises 3 persons, 1 of whom receives no remuneration.

Remuneration, supplementary benefits, compensation upon termination, redundancy and resignation compensation for personnel in permanent employment are regulated by the Act on the Labour Agreements of 4 July 1978, the Annual Holiday Act of 28 June 1971, the joint committee for the sector that the company falls under and the collective bargaining agreements that have been recognised 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.
For permanent employees, Intervest Offices has taken out a group insurance policy - a "defined contribution plan" - with an external insurance company. The company pays contributions to this company, which is independent of the company. A pension plan with a defined-contribution scheme is a plan involving fixed premiums paid by the company and without the company having legally enforce-able or actual obligations to pay further contributions if the fund were to have insufficient assets.
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 recognised in the income statement for the period that they relate to.

NOTE 8. CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

in thousands €	2009	2008
Positive change of investment properties	7.321	5.429
Negative change of investment properties	-39.107	-15.350
Subtotal change of investment properties	**-31.786**	**-9.921**
Spread of rental discounts and rent incentives	-573	-880
Taking into result of the price difference on the acquisition of Edicorp sa	0	-1.479
Other changes related to fair value	89	-446
Subtotal other changes related to fair value of investment properties	**-484**	**-2.805**
Total changes in fair value of investment properties	**-32.270**	**-12.726**

The changes in fair value of the investment properties comprise mainly the decrease in fair value of the real estate portfolio of the property investment fund of € 32 million. This decrease in fair value amounts to € 10 million for the semi-industrial buildings and to € 22 million for the office buildings, mainly as a result of the increase of the vacancy in the real estate portfolio and the rise of the capitalisation rates applied in 2009 following the recession in the professional real estate investment market.

NOTE 9. FINANCIAL RESULT

in thousands €	2009	2008
Financial income	101	124
Interest charges with fixed interest rate	-5.979	-5.972
Interest charges with variable interest rate	-1.743	-4.171
Other financial costs	-141	-185
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-240	0
Total financial result	**-8.002**	**-10.204**

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

Interest charges classified by the expiry date of the credit facility

in thousands €	2009	2008
Interest charges on non-current financial debts	-7.038	-8.562
Interest charges on current financial debts	-684	-1.581
Total interest charges	**-7.722**	**-10.143**

The average interest rate for the non-current financial debts for 2009 was 3,2 % (2008: 4,3 %). The average interest rate for the current financial debts for 2009 was 3,3 % (2008: 5,3 %). The total average interest rate was 3,2 % in 2009, compared to 4,5 % in 2008.

The (hypothetical) future cash outflow of the interest charges from the loans drawn on 31 December 2009 at the variable interest rate of 31 December 2009 amounted to € 6,9 million (2008: € 9,5 million).

NOTE 10. TAXES

in thousands €	2009	2008
Corporate income tax	-52	-40
Non-recoverable withholding tax	0	-4
Total taxes	**-52**	**-44**

With the Royal Decree of 15 April 1995, the legislator gave a favourable tax status to property investment funds. If a company converts its status into that of a property investment fund, or if an (ordinary) company merges with a property investment fund, it must pay a one-off tax (exit tax). Thereafter, the property investment fund is only subject to taxes on very specific items, e.g. “disallowed expenditure”. No corporate tax is therefore 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 RESULT PER SHARE

Movement of the number of shares

	2009	2008
Number of shares at the beginning of the financial year	13.900.902	13.900.902
Number of shares issued	6.365	0
Number of shares at the end of the financial year	13.907.267	13.900.902
Number of shares entitled to dividend	13.907.267	13.900.902
Adjustments for the diluted result per share	0	0
Weighted average number of shares for the diluted result per share	13.907.267	13.900.902

Determination of the amount of mandatory dividend distribution

in thousands €	2009	2008
Net result according to the statutory annual accounts	-2.574	22.309
Adjustment for non-cash flow transactions included in the net result		
Depreciations and withdrawals of depreciations	313	285
Changes in fair value of the financial assets and liabilities (ineffective hedges - IAS 39)	240	0
Changes in fair value of investment properties	32.285	5.727
Corrected result for mandatory distribution	**30.264**	**28.321**
Mandatory distribution: 80 %	**24.211**	**22.657**
Operating distributable result (statutory annual accounts)	29.951	28.036
Operating distributable result (consolidated annual accounts)	29.913	27.975

No further adjustments must be made on the corrected result for any non-exempted capital gain on disposals of investment properties or debt reductions. Consequently, the corrected result is equal to the amount eligible for mandatory distribution of 80 %.
Intervest Offices chooses to distribute 100 % of the consolidated operating distributable result to its shareholders.

Calculation of the result per share

in €	2009	2008
Ordinary net result per share	-0,19	1,10
Diluted net result per share	-0,19	1,10
Operating distibutable result per share	2,15	2,01

Proposed dividend per share

After the financial year was closed, the dividend distribution shown below was proposed by the board of directors. This will be presented to the general meeting of shareholders on 7 April 2010. In accordance with IAS 10, the dividend distribution is not recognised as a liability and has no effect on the tax on profit.

	2009	2008
Dividend per share (€)	2,15	2,01
Remuneration of the share capital (€ 000)	29.901	27.941
Dividend distribution as a percentage of the consolidated operating distributable result (%)	100 %	100 %

NOTE 12. NON-CURRENT ASSETS: INVESTMENT PROPERTIES

Investment and revaluation table

in thousands €	2009	2008
Amount at the end of the preceding financial year	**572.055**	**565.043**
Acquisitions	548	787
Properties acquired through acquisition of real estate companies	0	16.146
Changes in fair value of investment properties	-31.786	-9.921
Amount at the end of the financial year	**540.817**	**572.055**
OTHER INFORMATION		
Investment value of investment properties	554.423	586.092

For the explanation of the negative changes in fair value of investment properties, please see note 8.

NOTE 13. CURRENT ASSETS

Trade receivables

in thousands €	2009	2008
Trade receivables	845	534
Invoices to issue	530	828
Doubtful debtors	356	395
Provision doubtful debtors	-356	-395
Other trade receivables	29	20
Total trade receivables	**1.404**	**1.382**

As a result of strict credit control, the number of days of outstanding customers' credit at 31 December 2009 was only 7 days.

Aging analysis of trade accounts receivables

in thousands €	2009	2008
Receivables < 30 days	409	164
Receivables 30-90 days	155	0
Receivables > 90 days	281	370
Total outstanding trade receivables	**845**	**534**

Tax receivables and other current assets

in thousands €	2009	2008
Recoverable corporate tax	217	217
Recoverable exit tax	217	217
Recoverable withholding tax on the liquidation boni from mergers	1.348	1.269
Other receivables	212	209
Total tax receivables and other current assets	**1.994**	**1.912**

For the description of the Group's tax situation, please see note 23.

Deferred charges and accrued income

in thousands €	2009	2008
Recoverable real estate withholding tax	234	569
Other deferred charges	295	311
Charges related to loans	*184*	*239*
Other charges to defer	*111*	*72*
Accrued income	14	137
Total deferred charges and accrued income	**543**	**1.017**

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

NOTE 14. SHAREHOLDERS' EQUITY

Capital

Date	Transaction	Share capital movement *in thousands €*	Total outstanding share capital after transaction *in thousands €*	Number of share issued *in units*	Total number of shares *in units*
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 liability 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
01.04.2009	Merger by absorption of the limited liability company Edicorp	4	**126.729**	6.365	**13.907.267**

On 31 December 2009, the share capital amounted to € 126.728.871 and is divided among 13.907.267 fully paid-up shares with no statement of nominal value.

Authorised capital

The board of directors is expressly authorised to increase the nominal share 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 Companies Code, these articles of association and article 11 of the Royal Decree of 10 April 1995 concerning property investment funds.

This authorisation is 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 authorisation is valid until 18 May 2012. The authorisation to use authorised capital as possible means of defence in the event of a takeover bid is, in accordance with article 607, second paragraph, of the Belgian Companies Code, only valid for three years and expires on 4 April 2010. This authorisation is renewable.

Whenever there is a capital increase, 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 authorisation 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 2009, the board of directors did not make use of the authorisation granted to use amounts from the permitted capital.

Purchase of own shares

Pursuant to 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, if the purchase is necessary to protect the company from 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 capital increase will be in accordance with articles 581 to 607 of the Belgian Companies Code, subject to the fact that, in the event of registration for cash under article 11 § 1 of the Royal Decree 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 Belgian Companies Code. The company must furthermore conform to the stipulations regarding the public issue of shares in article 75 of the ICB Act of 20 July 2004 and to articles 28 ff. of the Royal Decree of 10 April 1995.

The capital increases through contributions in kind are subject to the provisions of articles 601 and 602 of the Belgian Companies Code. Furthermore, and in accordance with article 11 § 2 of the Royal Decree 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 Belgian Companies 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 *in thousands €*		Capital increase	Contribution in cash	Contribution value	Share premium
Date	***Transaction***				
05.02.99	Capital increase by contribution in cash	1.039	0	20.501	19.462
21.12.01	Settlement of the accounting losses 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 fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties

in thousands €	**2009**	**2008**
Amount at the end of the preceding financial year	-14.437	-14.432
Change in investment value of investment properties	831	399
Increase from business combinations	0	-404
Total impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	**-13.606**	**-14.437**

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 recognised in this item.

NOTE 15. PROVISIONS

in thousands €	**2009**	**2008**
Non-current provisions	**1.031**	**1.082**
Provisions for income tax dispute	920	920
Provision for rental guarantees from the sale of investment properties	111	162
Current provisions	**386**	**334**
Provision for rental guarantees from the sale of investment properties	386	334
Total provisions	**1.417**	**1.416**

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

For the description of the Group's fiscal situation, please see note 23.

NOTE 16. CURRENT LIABILITIES

Trade debts and other current debts

in thousands €	**2009**	**2008**
Trade debts	105	205
Advances received from tenants	623	606
Invoices to be received	966	1.320
Provision for exit tax	1	192
VAT	0	-13
Other current debts	251	266
Total trade debts and other current debts	**1.946**	**2.576**

Other current liabilities

in thousands €	**2009**	**2008**
Dividends payable	656	417
Liabilities related to the delivery of investment properties	0	773
Total other current liabilities	**656**	**1.190**

The liability related to the delivery of investment properties was related to an outstanding debt in 2008 to the building contractor of Herentals Logistics 2 and was paid in 2009.

Accrued charges and deferred income

in thousands €	**2009**	**2008**
Received indemnities	1.221	560
Deferred revenues (rental invoicing)	1.162	504
Other accrued charges	477	-19
Total accrued charges and deferred income	**2.860**	**1.045**

Indemnities received for refurbishment of a building are recognised in the accrued charges and deferred income of the liabilities of the balance sheet until the refurbishment works have been completed or until there is sufficient certainty about the cost price. At that moment, both the amount of the indemnity and the costs of the refurbishment are transferred to the result.

NOTE 17. NON-CURRENT AND CURRENT FINANCIAL DEBTS

Classification by expiry date of the credit facility

in thousands €	2009				2008			
	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		
Credit institutions (withdrawn credits)	36.579	199.250	**235.829**	**90 %**	34.488	203.553	**238.041**	**94 %**
Credit facilities not withdrawn	21.500	0	**21.500**	**8 %**	12.225	0	**12.225**	**5 %**
Financial lease	6	18	**24**	**0 %**	6	11	**17**	**0 %**
Market value financial derivatives	0	4.986	**4.986**	**2 %**	0	2.448	**2.448**	**1 %**
TOTAL	**58.085**	**204.254**	**262.339**	**100 %**	**46.719**	**206.012**	**252.731**	**100 %**
Percentage	**23 %**	**77 %**	**100 %**		**18 %**	**82 %**	**100 %**	

For the description of the financial structure of the property investment fund, please see the report of the management committee.

Classification by variable or fixed interest rate of the loans withdrawn

in thousands €	2009				2008			
	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	36.585	39.268	**75.853**	**32 %**	20.854	66.200	**87.054**	**37 %**
Fixed	0	160.000	**160.000**	**68 %**	13.640	137.364	**151.004**	**63 %**
TOTAL	**36.585**	**199.268**	**235.853**	**100 %**	**34.494**	**203.564**	**238.058**	**100 %**

Classification by type of credit facilities

in thousands €	2009		2008	
	Total	Percentage	Total	Percentage
Roll-over advances	137.179	58 %	144.407	61 %
Fixed advances	98.650	42 %	93.634	39 %
Financial lease	24	0 %	17	0 %
Total	**235.853**	**100 %**	**238.058**	**100 %**

NOTE 18. FINANCIAL DERIVATIVES

Intervest Offices uses interest rate swaps to cover part of the financial debts with a variable interest rate. On 31 December 2009, the interest rate swaps cover financial liabilities to an amount of € 160 million.

Intervest Offices classifies the interest rate swaps as cash flow hedges, whereby it is shown whether these hedges were effective or not.

- The effective part of the changes in fair value of derivatives classified as cash flow hedge is recognised in the state of comprehensive income in the line "Changes in fair value of financial assets and liabilities (effective hedges - IAS 39)". Fair value hedge accounting is therefore applied to these swaps, on which basis, changes in value of these swaps are recognised directly in the shareholders' equity and not in the income statement.
- The ineffective part is recognised in the income statement in the line "Changes in the fair value of financial assets and liabilities (ineffective hedges - IAS 39)" in the financial result.

Fair value and carrying amount of financial derivatives at year-end

On 31 December 2009, the company had following financial derivatives:

in thousands €		Start date	Expiry date	Interest rate	Nominal Value	Effective hedge	Fair value	
						Yes/No	2009	2008
1	IRS	27.12.2006	30.12.2011	3,4725 %	60.000	Yes	-2.202	-1.191
2	IRS	18.12.2006	18.12.2011	3,4700 %	60.000	Yes	-2.252	-1.257
3	IRS	11.09.2009	11.09.2014	2,8150 %	10.000	Yes	-146	0
4	IRS	11.09.2009	11.09.2014	2,8150 %	10.000	Yes	-146	0
5	IRS	30.04.2009	30.04.2014	2,6300 %	10.000	No	-120	0
6	IRS	30.04.2009	30.04.2014	2,6300 %	10.000	No	-120	0
Fair value financial derivatives					**160.000**		**-4.986**	**-2.448**

On 31 December 2009, these interest rate swaps had a negative market value of - € 5 million (nominal value € 160 million), which is determined on quarterly basis by the issuing financial institute. The negative market value of these financial derivatives is due to the strong decline in interest rates in 2009.

On 31 December 2009, Intervest Offices classifies the interest rate swaps 1 and 4 as cash flow hedges, which shows that the interest rate swaps are effective. Fair value hedge accounting is therefore applied to these interest rate swaps, on which basis, changes in value of these interest rate swaps are recognised directly in shareholders' equity and are not recognised in the income statement. The fluctuations in value of the interest rate swaps 5 and 6 are recognised directly in the income statement.

The method used to determine the effectiveness of the hedge is as follows:

- Prospective test: at the end of each quarter, an analysis is done to determine whether there is still a match in the future between the interest rate swap and the underlying financial liabilities
- Retrospective test: on the basis of a ratio analysis, the interest paid on the underlying financial liabilities is compared to the variable interest cash flow of the interest rate swap, whereby the ratio must be between 80 and 125.

For the description of financial risks related to financial derivatives, please see chapter "Major risk factors and internal control and risk management systems" in the Corporate governance statement in the report of the board of directors.

Fair value and carrying amount of bank obligations at year-end

in thousands €	2009		2008	
	Nominal value	Fair value	Nominal value	Fair value
Financial debts	235.829	235.829	238.041	238.212

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 19. RELATED PARTIES

The company's related parties are its shareholders VastNed Offices/Industrial (and affiliated companies), its subsidiaries (see note 20), and its directors and members of the management committee.

Relation with VastNed Offices/Industrial

in thousands €	2009	2008
Interests paid on current account	12	0

Directors and members of the management committee

The remuneration for the directors and the members of the management committee are recognised in the items "Property management costs" and "General costs" (see notes 5 and 6).

in thousands €	2009	2008
Directors	63	58
Members of the management committee	274	336
Total	**337**	**394**

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

NOTE 20. 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 *in thousands €*	
				2009	2008
ABC SA	Uitbreidingstraat 18, 2600 Berchem	BE 0466.516.748	99,00 %	2	2
MBC SA	Uitbreidingstraat 18, 2600 Berchem	BE 0467.009.765	99,00 %	41	39
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 % (*)	0	120
Total minority interests				**45**	**163**

(*) Till the date of the merger by absorption by Intervest Offices sa on 1 April 2009.

NOTE 21. MERGERS

Acquired company name	Company number	Type	Date	Bookkeeping retroactivity	Percentage of acquired shares	Number of new shares	Fair value of issued shares
							in thousands €
Edicorp	BE 0429.238.856	Merger	1 April 2009	No	100 %	6.365	118

On 1 April 2009, the extraordinary general meeting of shareholders of Intervest Offices approved the merger by absorption of the limited liability company Edicorp, owner of Herentals Logistics 2.

NOTE 22. FEES OF THE STATUTORY AUDITOR AND ENTITIES AFFILIATED WITH THE STATUTORY AUDITOR

in thousands €	2009	2008
Including non-deductible VAT		
Fee statutory auditor for audit mandate	80	85
Fee for exceptional activities or special assignments within:		
- Other control assignments	5	8
- Tax consulting assignments	0	5
Total fee of the statutory auditor and entities afflied with the statutory auditor	**85**	**98**

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

NOTE 23. 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 agreed at the market conditions. 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

With the Royal Decree of 15 April 1995, the legislator gave property investment funds an favourable tax 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 must 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 therefore paid on the majority of the profit derived from rental revenue and capital gains realised on the sale of real estate. Since 1 January 2005, this exit tax has been set at 16,995% (16,5% + 3% crisis tax).

Tax legislation stipulates that this basis for taxation is to be calculated as the difference between the actual value of the equity and the (tax-related) carrying amount. The Minister of Finance has decided by circular (dated 23 December 2004) that the transfer costs related to the transaction must not be taken into account when determining the fair value, but specifies that the securisation premium remains subject to company tax. Tax assessments based on the securisation premium should therefore be owed. Intervest Offices contests this interpretation and has still open appeals for an amount of +/- € 4 million. In 2008, the tax administration raised a legal mortgage on a semi-industrial property located in Aartselaar, Dijkstraat, in order to secure the outstanding tax debt. 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 mentions the existence of tax disputes with respect to an amount of € 919.975,96 concerning the non-deductibility of provisions, the retroactivity of mergers and the treatment of building and planting rights, related to 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 now Intervest Offices) is the legal successor under a universal title.

An appeal has was filed 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 submitted by Siref (fiscal year 1999 - assessment for an amount of € 137.718,51) was declared unfounded by the Regional Direction. That decision was contested by an appeal filed with the Court of First Instance. On 4 January 2006 the Court ruled against Intervest Offices. An appeal was filed against that decision. On 22 May 2007, the Court of Appeal rules against Intervest Offices; Intervest Offices then initiated a procedure at the Court of Cassation.

Guarantees with regard to financing

On 31 december 2009 for the financing of the property investment fund, no registrations of mortgages have been taken, and no mortgage authorisations permitted. Most financial institutions demand, however, that the investment fund continue to comply with the financial ratios as laid down by the Royal Decrees 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 was submitted to OVAM on 13.06.2005, OVAM issued a certificate of conformity on 09.09.2005. The company has committed to OVAM that it will proceed with the soil remediation works and financial securities have been established. That undertaking and the financial securities are guaranteed by the seller in the context of the transfer of shares of Herentals Logistic Center on November 2007.

Intervest Offices has no additional soil remediation obligations.

Extension works Mechelen Ragheno

In the context of the extension of its semi-industrial property Mechelen Ragheno in Malines, Intervest Offices has concluded building contracts for structural works (the shell of the building), external joinery and the environmental works for the extension. For these works, an invoice of approximately € 0,3 million (excluding VAT) is expected in 2010.

NOTE 24. POST-BALANCE SHEET EVENTS

There are no significant events to be mentioned that occurred after the closing of the accounts as at 31 December 2009.

STATUTORY AUDITOR'S REPORT

INTERVEST OFFICES SA
PUBLIC BELGIAN REAL ESTATE INVESTMENT FUND

STATUTORY AUDITOR'S REPORT
TO THE SHAREHOLDERS' MEETING
FOR THE YEAR ENDED DECEMBER 31, 2009
ON THE CONSOLIDATED FINANCIAL STATEMENTS

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 SA, PUBLIC PROPERTY INVESTMENT FUND UNDER BELGIAN LAW ("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 31 December 2009, the consolidated income statement and the statement of comprehensive income, 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 545.773 (000) EUR and the consolidated income statement shows a consolidated loss for the year then ended of 2.597 (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 van de 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 31 December 2009, 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, 23 February 2010

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 Royal Decree of 21 June 2006. The entire version of the statutory annual accounts of Intervest Offices, along 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

in thousands €	2009	2008
Rental income	42.182	42.785
Rental-related expenses	-160	-118
NET RENTAL INCOME	**42.022**	**42.667**
Recovery of property charges	644	690
Recovery of rental charges and taxes normally payable by tenants on let properties	5.176	5.890
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-445	-366
Rental charges and taxes normally payable by tenants on let properties	-5.159	-5.888
Other rent-related income and expenses	98	100
PROPERTY RESULT	**42.337**	**43.093**
Technical costs	-639	-783
Commercial costs	-349	-570
Charges and taxes on unlet properties	-781	-356
Property management costs	-1.776	-1.648
Other property charges	-175	-138
PROPERTY CHARGES	**-3.720**	**-3.495**
OPERATING PROPERTY RESULT	**38.617**	**39.598**
General costs	-1.179	-1.258
Other operating income and costs	5	-366
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**37.444**	**37.974**
Changes in fair value of investment properties	-32.285	-5.727
OPERATING RESULT	**5.159**	**32.247**
Financial income	398	412
Interest charges	-7.710	-10.122
Other financial charges	-140	-185
Changes in fair value of financial assets and liabilities (ineffective hedges – IAS 39)	-240	0
FINANCIAL RESULT	**-7.692**	**-9.895**
RESULT BEFORE TAXES	**-2.533**	**22.352**
TAXES	**-41**	**-43**
NET RESULT	**-2.574**	**22.309**
Operating distributable result	29.951	28.036
Result on portfolio	-32.285	-5.727
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-240	0

RESULT PER SHARE	2009	2008
Number of shares entitled to dividend	13.907.267	13.900.902
Net result (in €)	-0,19	1,60
Operating distributable result (in €)	2,15	2,01

Statement of comprehensive income

in thousands €	2009	2008
NET RESULT	**-2.574**	**22.309**
Changes in fair value of financial assets and liabilities (effective hedges - IAS 39)	-2.298	-6.555
COMPREHENSIVE INCOME	**-4.872**	**15.754**

Balance sheet

ASSETS *in thousands €*	31.12.2009	31.12.2008
Non-current assets	**541.325**	**570.312**
Intangible assets	68	87
Investment properties	531.890	546.982
Other tangible assets	200	222
Financial fixed assets	9.153	23.007
Trade receivables and other non-current assets	14	14
Current assets	**4.672**	**4.610**
Trade receivables	1.404	1.128
Tax receivables and other current assets	1.994	1.912
Cash and cash equivalents	731	553
Deferred charges and accrued income	543	1.017
TOTAL ASSETS	**545.997**	**574.922**

SHAREHOLDERS' EQUITY AND LIABILITIES *in thousands €*	31.12.2009	31.12.2008
Shareholders' equity	**297.778**	**330.488**
Share capital	126.729	126.725
Share premium	60.833	60.833
Reserves	128.345	159.188
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-13.383	-13.810
Changes in fair value of financial assets and liabilities	-4.746	-2.448
Liabilities	**248.219**	**244.434**
Non-current liabilities	**205.807**	**206.370**
Provisions	1.031	1.082
Non-current financial debts	204.254	204.812
Credit institutions	*204.236*	*204.801*
Financial lease	*18*	*11*
Other non-current liabilities	522	476
Current liabilities	**42.412**	**38.064**
Provisions	386	334
Current financial debts	36.585	33.894
Credit institutions	*36.579*	*33.888*
Financial lease	*6*	*6*
Trade debts and other current debts	1.946	2.399
Other current liabilities	635	396
Accrued charges and deferred income	2.860	1.041
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**545.997**	**574.922**

DEBT RATIO	31.12.2009	31.12.2008
Debt ratio as per Royal Decree of 21 June 2006 (max. 65%) (%)	44 %	42 %

NET ASSET VALUE PER SHARE (€)	31.12.2009	31.12.2008
Net asset value per share (fair value)	21,42	23,77
Net asset value per share (investment value)	22,38	24,75

06

General information

PUURS LOGISTIC CENTER
Veurtstraat 91
2870 Puurs
Offices space: 1.600 m^2
Storage hall space: 41.890 m^2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IDENTIFICATION

Name

Intervest Offices sa, Public 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 (RPR Antwerp)

The company is registered at the Central Enterprise Database 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 Clerk 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 to 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 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 was founded on 8 August 1996 as a limited liability company under the name of "Immo-Airway", by deed executed before the civil-law notary Carl Ockerman, in Brussels as published in the appendices to the Belgian Official Gazette of 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 of 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 "sicafi" under Belgian law for short, which is registered with the Banking, Finance and Insurance Commission.

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

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

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

The articles of association were last amended on 1 April 2009, as published in the Appendices to the Belgian Official Gazette of 17 April 2009 under number 2009-04-17/0056279.

Aim of the company

Article 4 of the articles of association

The sole aim 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 ff. 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 Act of 20 July 2004 concerning certain forms of collective management of investment portfolios;
5. property certificates as described in article 44 of the Royal Decree 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 Royal Decrees to implement the Act of 20 July 2004 that apply to collective investment institutions that invest in real estate immovable property.

Within the constraints 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 Royal Decree of 10 April 1995 concerning property investment funds;
- taking immovable property under a leasing arrangement, with or without an option to purchase, in accordance with article 46 of the Royal Decree 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 Royal Decree 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 Royal Decree 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 Royal Decree of 10 April 1995 concerning 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 Royal Decree of 10 April 1995 concerning 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 Royal 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 aim is identical to its own or is of such a nature as to promote the pursuit of its aim.

EXTRACT FROM THE ARTICLES OF ASSOCIATION[8]

Capital - Shares

Article 8 - Nature of the shares

The shares are bearer or registered shares or, in the event of the prior designation of an account holder by the board of directors, take the form of dematerialised securities insofar as the law and the applicable implementing regulations allow.

The bearer shares are signed by two directors, whose signatures may be replaced by name stamps.

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

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

Each bearer security can be exchanged into registered securities or securities in dematerialised form and vice versa at the shareholder's expense.

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, regardless of whether 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.

[8] These articles are not the complete or the literal reproduction of the articles of association. The complete articles of association can be consulted at the company's registered 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 committee, that legal entity shall designate from among its 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 Royal Decree 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 Companies Code, the board of directors can put together an management committee, whose members are selected from inside or outside the Board. The powers to be transferred to the management 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 Companies Code. If a management 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 management committee, their dismissal, their remuneration, any severance pay, the term of their assignment and way of working.

If a management 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 management 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 management 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 areas of competence.

The board can determine the remuneration of each mandate-holder to whom special powers are assigned, all in accordance with the Act of 20 July 2004 concerning the collective management of investment portfolios, and its implementating 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 Royal Decree of 10 April 1995 relating to property investment funds, by the Belgian Companies Code as 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 certifies (certify) 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 Act 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.

An extraordinary general meeting can be convened at any time to deliberate and decide on any matter that falls within its competence and that does not relate to changes to the articles of association.

An extraordinary general meeting can be convened before a notary at any time to deliberate and decide, on changes to the articles of association.

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

Artikel 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 working days before the indented meeting, of a certificate from an authorised institution or a clearing institution, attesting to the unavailability of the dematerialised shares until the date of general meeting.

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

Artikel 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 appointed in writing to do so by all the persons holding rights. Until such a person has been appointed, all of the rights associated with those shares remain suspended.

If a share is encumbered with a usufruct, the voting rights associated with the share are exercised by the usufructuary, subject to an objection from the bare owner.

Social documents - Distribution of profit

Artikel 29 - Appropriation of profit

The company will distribute as dividend 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 realised on fixed assets, insofar 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 realisation 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 realised.

The portion of the realised 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 under the form of a SCRL, which is represented by Mr Rik Neckebroeck, Berkenlaan 8b - 1831 Diegem, was 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 € 68.850 (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 ff. of the Royal Decree 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 was concluded with ING Bank, avenue Marnix 24, 1000 Brussels, to promote the liquidity of the shares.

In practice, this is done 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

On 31 December 2009, the property experts of the investment fund are:

- 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 Royal Decree of 10 April 1995, they valuate the portfolio four times a year.

The fee of the property experts is calculated on the basis of an annual fixed amount per building.

PROPERTY MANAGEMENT

In 2009, the semi-industrial buildings and Mechelen Campus were 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 terms of their lease contracts.

PROPERTY INVESTMENT FUND - LEGAL FRAMEWORK

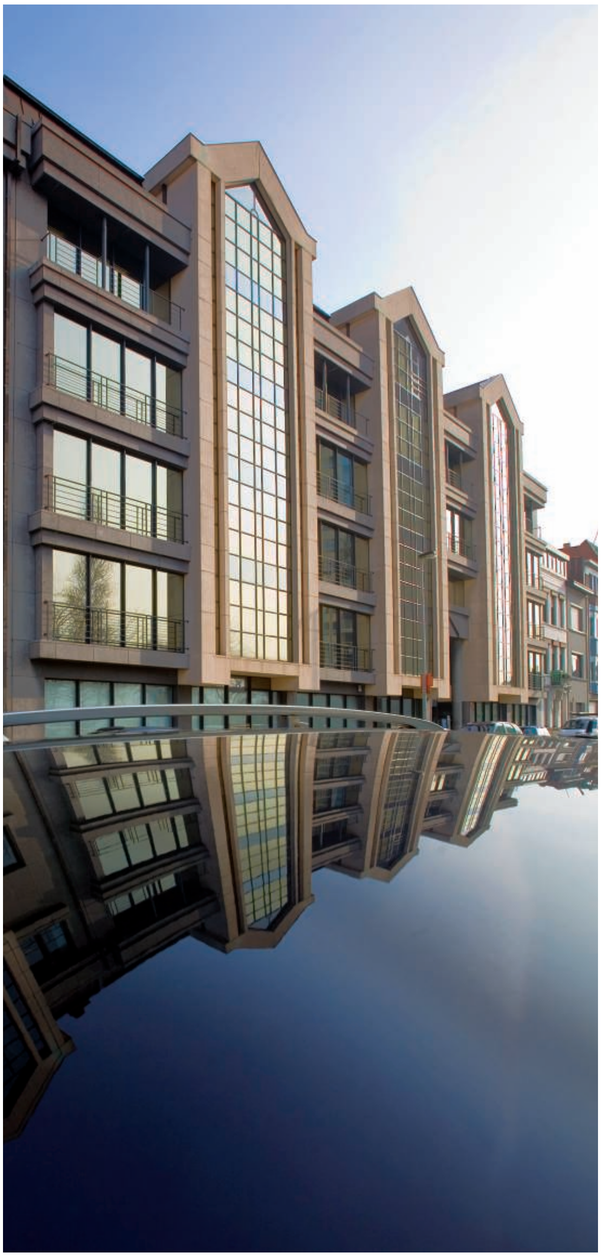
The investment fund system was formalised in the Royal Decree of 10 April 1995, 10 June 2001 and 21 June 2006 to stimulate joint investments in property. The concept is very similar to that of the Real Estate Investment Trusts (REIT-USA) and the Fiscal Investment Institutions (FBI-Netherlands).

It is the legislator's intention that property investment funds guarantee optimum transparency with regard to the property investment and ensure the pay-out of maximum cash flow, while the investor enjoys a wide 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 % (Royal Decree of 21 June 2006) of total assets
- strict rules relating to conflicts of interests
- recording 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 or dividend 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.



Gateway House - Antwerp

STATEMENT TO THE ANNUAL REPORT

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

a. the annual accounts, prepared in accordance with the "International Financial Reporting Standards" (IFRS) as accepted by the European Union and in accordance with the Royal Decree 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 that Intervest Offices is confronted with.

TERMINOLOGY

Acquisition value of an investment property
This term is used at the acquisition for the value 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 lease contracts already signed with respect to spaces that were contractually vacant on 31 December 2009.

Corporate governance
Corporate governance is an important instrument for constantly improving 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 point in time.

Debt ratio
The debt ratio is calculated as the liabilities (excluding provisions and accrued charges and deferred income) less the negative change in the fair value of the financial coverage instruments, compared to the total assets. The provisions of the Royal Decree of 21 June 2006 raised the maximum debt ratio for the property investment funds from 50% to 65%.

Diluted earnings (loss)
The diluted earnings (loss) per share is the net result as published in the income statement, divided by the weighted average number of ordinary shares adapted to the effect of potential ordinary shares leading to dilution.

Operating distributable result
The operating distributable result is the operating result before the result on portfolio less the financial result and taxes, and exclusive the change in fair value of financial derivatives (which are not considered as effective hedge in accordance with IAS 39) and other non-distributable elements.

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 knowledgeable, willing parties in normal competitive conditions. 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.

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

Investment value of a real estate 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 shares traded daily and the number of capital shares.

Net asset value (investment value)
Total shareholders' equity increased with the reserve 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 asset value (fair value)
Total shareholders' equity divided by the number of shares.

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

Net dividend yield
he net dividend yield is equal to the net dividend divided by the share price on closing date.

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

Ordinary earnings (loss) per share
The ordinary earnings per share is the net result as published in the income statement, divided by the weighted average number of ordinary shares (i.e. the total amount of issued shares less the own shares) during the financial year.

Yield
The yield is calculated as the relation between the rental income (increased or not by the estimated rental value of vacant locations for rent) and the investment value of investment properties.

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