

Feel Real Estate



INTERVEST
OFFICES &
WAREHOUSES

2012
ANNUAL REPORT

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KEY FIGURES

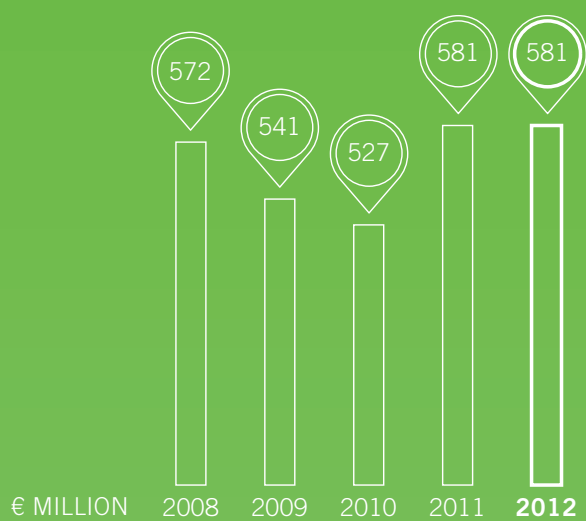
INTERVEST OFFICES & WAREHOUSES:

- ✓ is a public property investment fund under Belgian law, the shares are listed on NYSE Euronext Brussels
- ✓ specialises in investments in high-quality office buildings and logistic properties, strategically situated on good locations outside municipal centres
- ✓ focuses its investment policy on high-quality professional real estate respecting the principles of risk diversification based on building type as well as geographic spread
- ✓ enjoys a high dividend yield
- ✓ has a thorough financial structure

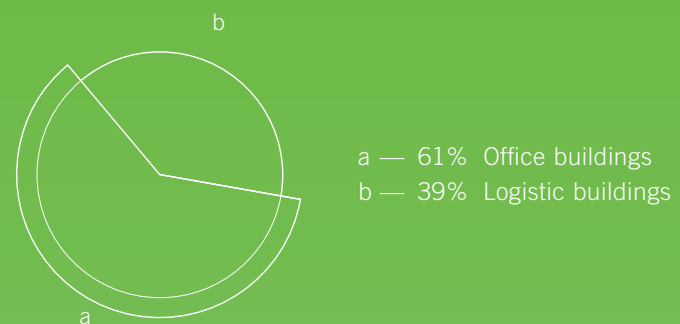
Risk spread of the real estate portfolio

Real estate portfolio	31.12.2012	31.12.2011
Fair value of investment properties (€ 000)	581.280	581.305
Occupancy rate (%)	86 %	86 %
Total leasable space (m ²)	614.308	627.096

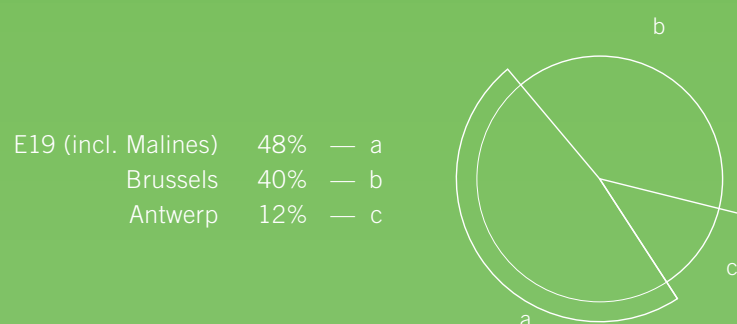
Evolution of fair value of investment properties



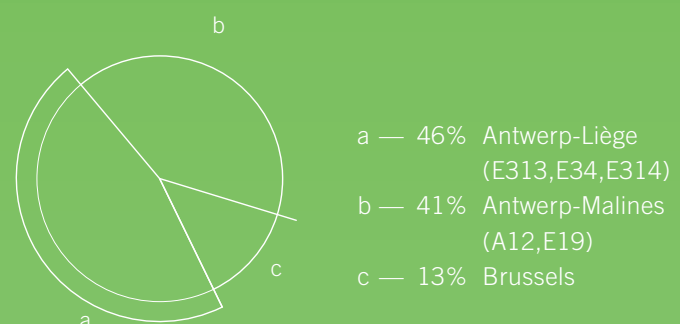
Nature of the portfolio



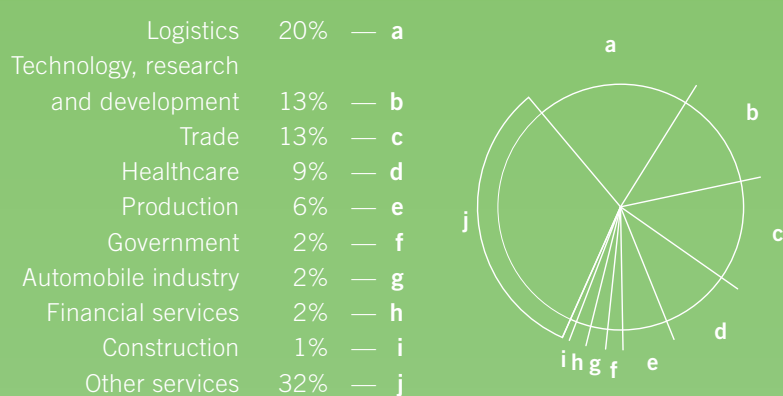
Geographic spread of offices



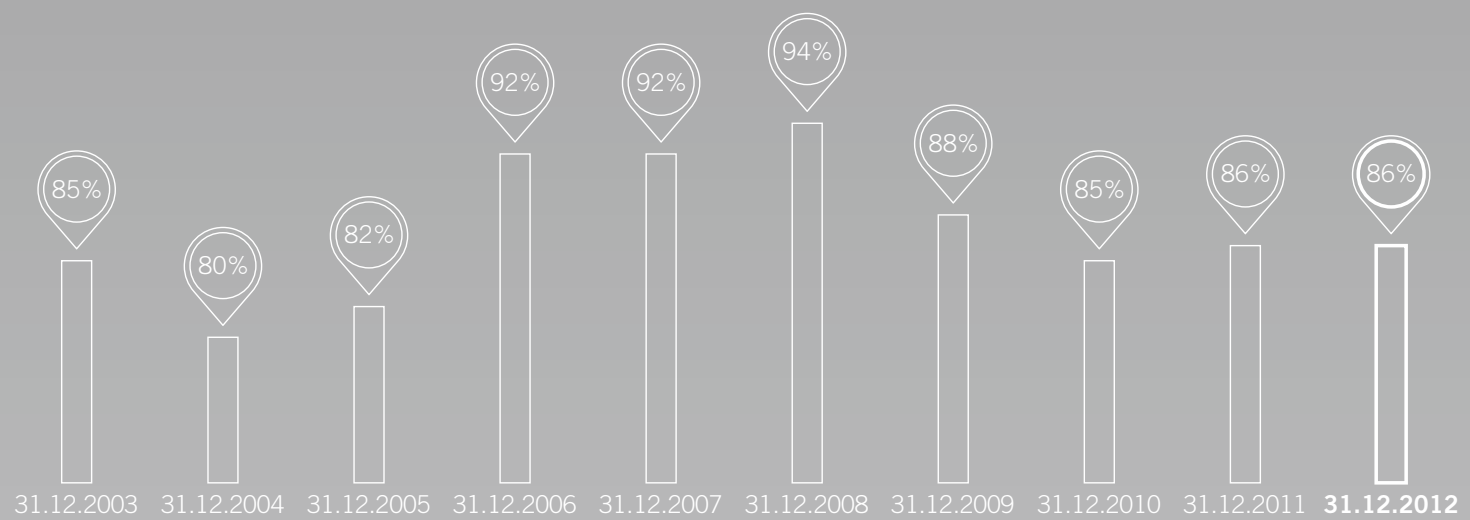
Geographic spread of logistic properties



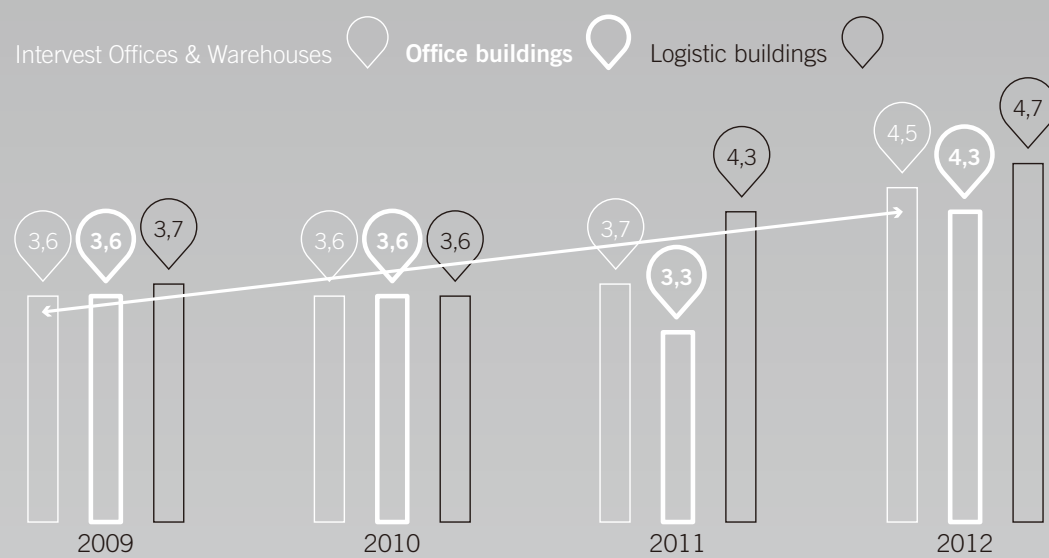
Diversification by tenants



Occupancy rate: 86 %



Average remaining duration of lease contracts: 4,5 years



Puurs Logistic Center
43.490 m²

Results

in thousands €	2012	2011
Rental income	41.207	38.587
Rental-related expenses	49	-76
Property management costs and income	1.097	2.435
Property result	42.353	40.946
Property charges	-4.759	-5.145
General costs and other operating income and costs	-1.577	-1.244
Operating property result before result on portfolio	36.017	34.557
Result on disposals of investment properties	140	64
Changes in fair value of investment properties	-13.953	2.294
Other result on portfolio	-730	-2.478
Operating result	21.474	34.437
Financial result (excl. changes in fair value - IAS 39)	-11.156	-12.018
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-3.128	-4.175
Taxes	-35	-227
Net result	7.155	18.017
Note:		
Operating distributable result	24.826	21.707
Result on portfolio	-14.543	-120
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-3.128	-4.175
Other non-distributable elements (subsidiaries)	0	605
Operating distributable result per share (€)	1,75	1,56
Gross dividend per share (€)	1,76	1,73
Net dividend¹ per share (€)	1,32	1,37

¹ Pursuant to the Finance Act of 27 December 2012 (Belgian Official Gazette 31 December 2012) withholding tax on dividends of public property investments funds increases as from taxation year 2013 from 21% to 25% (subject to certain exemptions).



Mechelen Business Tower
12.917 m²



Woluwe Garden - 25.074 m²
Sint-Stevens-Woluwe





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Letter to the shareholders



Dear shareholder,

Property investment fund Intervest Offices & Warehouses once again expanded its position in logistics real estate in 2012. By now, 39 % of the real estate portfolio consists of high-quality logistics real estate in prime locations, which means that Intervest Offices & Warehouses has become the 2nd largest investor in logistics real estate in Belgium².

The market for logistics real estate has withstood the difficult economic conditions relatively well. Despite the crisis and decreased transaction volume, the level of interest in available spaces has remained satisfactory. Despite the overall market demand being lower than in 2011, we have still succeeded in concluding some excellent transactions.

In addition to the expansion of our site in Oevel with an area of approximately 5.000 m², the lease agreements with both Estée Lauder and UTi Belgium have been renewed at favourable terms, for 4,5 and 6 years respectively, till the end of 2023.

A lease agreement for a term of 15 years has been signed with the PSA Group for converting the front part of the Neerland 1 building in Wilrijk, located in the immediate vicinity of Ikea, into the new Antwerp showroom and garage for Peugeot, which will be relocated from its current location on the Karel Oomsstraat in Antwerp.

While both transactions are important because of the long-term cash flow, they also prove that Intervest Offices & Warehouses is recognised in the logistics real estate market as a real estate partner that can provide solutions in more complex tailor-made dossiers.

During the past year, the primary focus of the office portfolio has been on ensuring the continuity of the lease agreements. In difficult market conditions and a full-scale economic crisis, where demand for offices is decreasing, we have managed to increase the occupancy rate of our office portfolio by 1 %, taking this to 85 %.

The most important transaction of 2012 was the extension of the lease agreement with our largest tenant, PwC, in the Woluwe Garden building. From 1 January 2013, a new lease agreement has come into effect for the same area (21.272 m², including 23.712 m² of archives) for a fixed period of nine years. In view of the difficult office market, this will result in a decrease of approximately € 1,4 million in annual rental incomes but, on the other hand, our cash flow is guaranteed for 9 years.

These rentals and extensions in both the logistics and office portfolio have resulted in an increase in the average remaining duration of the property investment fund's lease contracts from 3,7 years to 4,5 years in 2012.

In 2012, there was a lot of media attention for the unfavourable office market and structural oversupply of offices. For a long time, the office market has been largely a replacement market, where relatively recent offices are often vacated for new offices which are frequently customised to the needs of large corporates. For example, one of our tenants, Deloitte, decided to vacate its buildings in Diegem over time and move to a newly developed building, a few kilometres away, at the airport. The agreements with Deloitte continue until early 2016 and longer, so that there is sufficient time to re-commercialise these buildings. Given the location of this site near Diegem station and the quality of the buildings (BREEAM-Very Good), our buildings offer an excellent opportunity for meeting a possible demand for a large office space.

Because of the general oversupply of office space in Brussels and environs, the downward pressure on rents will persist for several years to come. This pressure on prices, combined with the changing sustainability demands of office users as well as changes in the office environment, will present us with major challenges in the next few years when it comes to dealing with the office market appropriately and effectively managing our office buildings. In terms of sustainability, our primary focus has been on the energy performance of technical systems.

THE GROSS DIVIDEND OF INTERVEST OFFICES & WAREHOUSES INCREASES TO € 1,76 PER SHARE IN 2012 (€ 1,73 IN 2011).

THE AVERAGE REMAINING DURATION OF THE LEASE CONTRACTS OF THE PROPERTY INVESTMENT FUND HAS INCREASED IN 2012 FROM 3,7 YEARS TO 4,5 YEARS THROUGH THE PROLONGATION OF LEASE CONTRACTS WITH, AMONG OTHERS, PWC, ESTÉE LAUDER AND UTI BELGIUM.

THE TOTAL OCCUPANCY RATE OF INTERVEST OFFICES & WAREHOUSES REMAINS STABLE IN 2012 AND AMOUNTS TO 86 %. THE OCCUPANCY RATE OF THE OFFICE PORTFOLIO HAS INCREASED BY 1 %, TAKING THIS TO 85 % IN 2012.

INTERVEST OFFICES & WAREHOUSES HAS EXPANDED IN 2012 ITS REAL ESTATE PORTFOLIO BY € 15 MILLION OR 2,6 %, MAINLY IN THE LOGISTIC SEGMENT.

IN 2012, THE FAIR VALUE OF THE REAL ESTATE PORTFOLIO HAS DECREASED BY € 14 MILLION³ OR 2,4 %, MAINLY IN THE OFFICE SEGMENT.

A program has also been established that will improve the cost-effectiveness of the HVAC systems in our buildings - despite the fact that they are relatively recent - over the next few years.

Last year, Intervest Offices & Warehouses opened “RE:flex” in Malines, a high-tech business hub designed to leverage the New Way of Working concept and the innovative office ideas that are associated with it to the greatest extent possible. RE:flex is a response to the growing need for flexibility and collaboration in a professional setting. A membership card gives one access to a “(third) workplace”.

In addition to furthering the development of the already successful concept of “turnkey solutions”, these efforts are intended to ensure the continued competitiveness of the fund.

In spite of the protracted economic crisis, we are pleased to announce that we have closed out the year with a better operating distributable result than prior year. In addition to an increase in rental income through acquisitions and lower real estate costs, the lowering of the fund’s interest rates - a result of new interest rate swaps taking effect at lower rates - has contributed in large part to the improvement in the result compared to 2011. We are therefore able to offer you a gross dividend per share of € 1,76 for the 2012 financial year (€ 1,73 for the 2011 financial year), or an increase of 2 %.

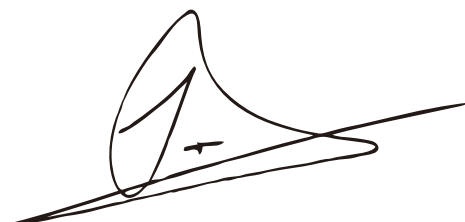
For 2013, the fund will be focusing on strategic divestments as well as a more broad-based strengthening of its position in logistics real estate, this in addition to the expansion of the UTi Belgium/Estée Lauder site in Oevel and the PSA project in Wilrijk.

We thank you for your confidence in our policy and we thank our employees for their loyalty and daily commitment over the past year.

The board of directors

Johan Buijs
Director

Paul Christiaens
President of the board of directors



² Source: Expertise Top 100 - Investors Directory 2013

³ Based on an unchanged composition of the real estate portfolio compared to 31 December 2011.



1

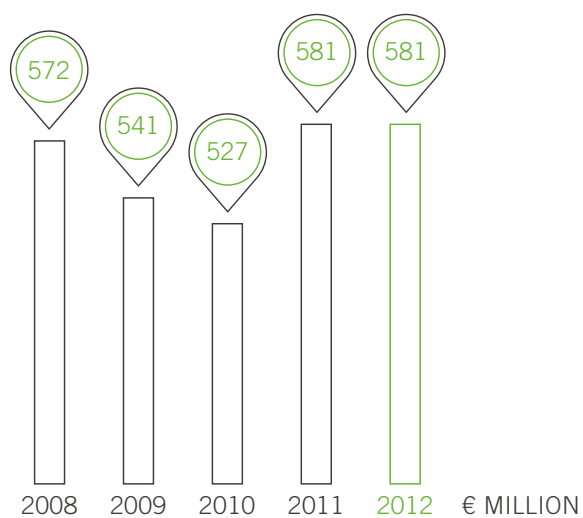
REPORT OF THE BOARD OF DIRECTORS

Profile

Intervest Offices & Warehouses invests in high-quality Belgian office buildings and logistic properties that are leased to first-class tenants. The properties, in which the company invests, consist

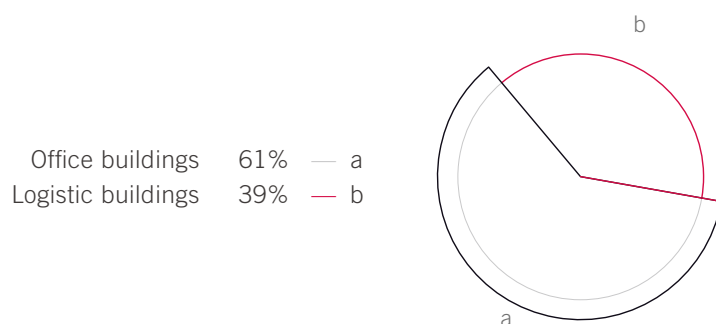
primarily of up-to-date buildings that are strategically located outside municipal centres. To optimize the risk profile, it would also be possible to consider investments in properties in municipal centres.

Evolution of fair value of investment properties



ON 31 DECEMBER 2012, THE PORTFOLIO COMPRISES 61 % OFFICE BUILDINGS AND 39 % LOGISTIC BUILDINGS. THE TOTAL FAIR VALUE OF THE INVESTMENT PROPERTIES AT 31 DECEMBER 2012 AMOUNTS TO € 581 MILLION

Type of real estate



Intervest Offices & Warehouses has been registered as a property investment fund on the list of Belgian investment institutions since 15 March 1999. The shares of the company are listed on the regulated market on NYSE Euronext Brussels.

Investment policy

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

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 logistic buildings, warehouses and high-tech buildings. In principle, the company does not invest in residential or retail properties.

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

Liquidity of the share

ON 31 DECEMBER 2012, THE FREE FLOAT OF THE SHARE OF INTERVEST OFFICES & WAREHOUSES IS 45,2 %

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 capital, contributions of property or mergers), which is also very important for growth.

To improve its liquidity, Intervest Offices & Warehouses 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.

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) prevention of dilution of the dividend yield
3. prevention of dilution of the dividend yield

Improvement of risk spread

Intervest Offices & Warehouses tries to spread its risk in a variety of ways. For example, tenants often operate in widely divergent sectors of the economy, such as logistics, health, trade, technology, research and development. 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.



Sky Building - 5.700 m²
Berchem

Corporate governance statement

General

This corporate governance statement is in line with the provisions of the Belgian Corporate Governance Code 2009 (“2009 Code”) and the Law of 6 April 2010 amending the Belgian Companies Code. The Royal Decree of 6 June 2010 provided that the 2009 Code is the only code applicable. This Code can be found on the Belgian Official Gazette website and on www.corporategovernancecommittee.be.

Intervest Offices & Warehouses treats the Belgian Corporate Governance Code 2009 as a reference code. The Intervest Offices & Warehouses’ board of directors have laid down corporate governance principles in a number of guidelines:

- ✓ the Corporate Governance Charter
- ✓ the code of conduct
- ✓ the 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 & Warehouses, as well as the other directives, are available 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. The board of directors of the property investment fund has judged that it is sometimes justified for the company not to follow certain terms of the Corporate Governance Code 2009. According to the “comply or explain” principle it is indeed permitted to take into account the relatively small size and own characteristics of the company, particularly regarding the already rigid legislation relating to property investment funds.

Management entities

Board of directors

Daniel van Dongen

Director

- Address:
Tulpweg 23 - 2241 VM Wassenaar
The Netherlands
- Term:
April 2015
- Function:
Chief financial officer NSI
- Attendance: 8/8

Johan Buijs

Director and effective leader (pursuant to art. 39 of the Law of 3 August 2012)

- Address:
IJsseldijk 438 - 2921 BD Krimpen a/d IJssel
The Netherlands
- Term:
April 2015
- Function:
Chief executive officer NSI
- Attendance: 8/8

Thomas Dijkstra

Director

- Address:
Wagnerlaan 23 - 3723 JT Bilthoven
The Netherlands
- Term:
April 2015
- Function:
Chairman of the investment
committee NSI
- Attendance: 4/6



Paul Christiaens

Chairman - Independent director

- Address:
Vijverstraat 53 - 3040 Huldenberg
Belgium
- Term:
April 2013
- Function:
Director of companies
- Attendance: 8/8

Nick van Ommen

Independent director

- Address:
Beethovenweg 50 -
2202 AH Noordwijk aan Zee
The Netherlands
- Term:
April 2013
- Function:
Director of companies
- Attendance: 7/8

Jean-Pierre Blumberg

Independent director

- Address:
Plataandreef 7 - 2900 Schoten
Belgium
- Term:
April 2013
- Function:
Managing partner Linklaters LLP
- Attendance: 8/8

Board of directors

At 31 December 2012, the board of directors comprises six members, three of whom are independent directors, all three fulfilling the conditions of article 526ter of the Belgian Companies Code.

The directors are appointed for a period of three years, but their appointment can be revoked at any time by the general meeting.

In 2012, the board of directors met eight times. The most important agenda items of the meetings of the board of directors and with respect to which the board has taken decisions in 2012 have been:

- ✓ approval of the quarterly, half-yearly and annual figures
- ✓ approval of the annual accounts and the statutory reports
- ✓ approval of the budgets 2012 and the business plan 2013
- ✓ discussion on the real estate portfolio (investments and disinvestments, tenancy issues, valuations, etc.)
- ✓ issue of an optional dividend in the framework of the authorised capital

Audit committee

In 2012, the audit committee comprises three independent directors:

- ✓ Nick van Ommen (chairman)
- ✓ Jean-Pierre Blumberg
- ✓ Paul Christiaens

In 2012, these independent directors fulfil all nine criteria of independence pursuant to article 526ter of the Belgian Companies Code. The term of their mandate in the audit committee is not specified.

The members of the audit committee are experts. The independent member of the committee is qualified in the area of accountancy and/or auditing. Besides, the audit committee as a whole is qualified. This on two levels: in the area of the activities of Intervest Offices & Warehouses and in the area of accountancy and auditing.

In 2012, the audit committee met four times. The most important items on the agenda of the audit committee in 2012 have been:

- ✓ 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

The members of the audit committee attended all meetings.

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

Management committee

In 2012, the management committee comprises:

- ✓ Sprl Jean-Paul Sols, permanently represented by Jean-Paul Sols, chief executive officer, chairman of the management committee
- ✓ Inge Tas, chief financial officer
- ✓ Sprl Luc Feyaerts, permanently represented by Luc Feyaerts, chief operating officer, as from 1 July 2012
- ✓ Johan Buijs, director

Jean-Paul Sols sprl, permanently represented by Jean-Paul Sols, and Inge Tas, also hold a management committee's mandate at Intervest Retail sa, public property investment fund governed by Belgian law.

Pursuant to article 524bis of the Belgian Companies 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 on the website (www.intervestoffices.be). The members of the management committee are also the effective leaders of the company pursuant to article 39 of the Act of 3 August 2012 on certain forms of collective management of investment portfolios.

Evaluation of 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 evaluation 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.



The management committee
Johan Buijs, Inge Tas, Jean-Paul Sols and Luc Feyaerts

Conflicts of interest

As far as the prevention of conflicts of interest is concerned, the property investment fund is subject to legal rules (articles 523 and 524 of the Belgian Companies Code, the Act of 3 August 2012 and articles 17 to 19 of the Royal Decree of 7 December 2010) and to the rules defined in its articles of association and its Corporate Governance Charter.

In this regard, article 17 of the articles of association of the property investment fund states the following: *“Directors, persons charged with the day-to-day management and authorised agents of the company shall respect the rules relating to conflicts of interest provided for in the Royal Decree of 7 December 2010 relating to property investment funds and in the Belgian Companies Code, as these may be amended, where appropriate.”*

✓ **Conflicting interests of a proprietary nature of directors and members of the management committee**

The board of directors, management committee and every member strictly undertake to exclude any possible conflict of interest, whether of a proprietary, professional or of any other nature, and intend to carefully comply with the legal rule defined in article 523 of the Belgian Companies Code regarding conflicts of interest between the property investment fund and a director.

If, for example, a director of the property investment fund, due to other director mandates held by him or for any other reason, has a proprietary interest that is in conflict with a decision or transaction falling under the authority of the board of directors, article 523 of the Belgian Companies Code shall be applicable and the concerned director shall be requested not to participate in the deliberations on decisions or transactions or in the voting (article 523, § 1 in fine).

If a director or member of the management committee, directly or indirectly, has a proprietary interest that is in conflict with a transaction or decision falling under the authority of the board of directors or the management committee, the concerned member must inform the chairman and the members of this in advance. In this case, the concerned member may not participate in the deliberations and voting on the transaction in question.

The statement as well as the justification for the conflict of interest shall be recorded in the minutes. With a view to its publication in the annual report, the secretary shall describe the nature of the decision or transaction in the minutes and justifies the decision taken. The minutes also outline the property-related consequences for the company resulting from this decision. The report of the statutory auditor, to be drawn up pursuant to article 143 of the Belgian Companies Code, contains a separate description of the financial implications for the company.

✓ **Conflict of interest of a major shareholder**

In case of a potential conflict of interest with a major shareholder of the property investment fund, the procedure defined in article 524 of the Belgian Companies Code shall be applicable. Article 524 of the Belgian Companies Code requires that operations with related companies - with certain exceptions - must be submitted for advice to a committee of independent directors, assisted by an independent expert.

✓ **Conflict of interest of certain persons mentioned in article 18 of the Royal Decree of 7 December 2010**

Similarly, article 18 of the Royal Decree of 7 December 2010 states that the public property investment fund must inform the Financial Services and Markets Authority (FSMA) in advance of any planned transactions to be carried out by the public property investment fund or by one of its subsidiaries if one or more of the following persons serve, directly or indirectly, as counterparty in these transactions or derive any pecuniary advantage from it: persons who exercise control over the public property investment fund or own a share of it; the promoter of the public property investment fund; other shareholders of all subsidiaries of the public property investment fund; and the directors, business managers, members of the management committee, persons responsible for the day-to-day management, actual managers or authorised agents; and persons associated with all these parties.

These planned transactions must represent an interest for the public property investment fund, be in line with its investment policy and must be executed under normal market conditions. These transactions must be promptly disclosed.

Pursuant to article 31, §2 of the Royal Decree of 7 December 2010, when a real estate transaction takes place with the above-mentioned persons, the company is bound by the valuation made by the property expert.

The procedure for avoiding conflicts of interest has not been invoked during the financial year 2012.



Exiten - 3.943 m²
Zellik

Remuneration report

Appointment and remuneration committee

Intervest Offices & Warehouses does not have an appointment and remuneration committee. The board of directors of the property investment fund is of the opinion that the relevant tasks of the appointment committee and remuneration committee should be regarded as tasks of the entire board of directors. Herewith, Intervest Offices & Warehouses derogates from the recommendations of the Belgian Corporate Governance Code 2009 (also see paragraph on “Comply or Explain” principle), since the limited size of the board makes it possible to deliberate efficiently on these topics. On the other hand, the issue of appointments or remuneration in the property investment fund requires too little additional attention to justify a separate committee and its related additional expenses.

Remuneration policy of the board of directors

The board of directors is responsible for the remuneration policy for its members and for the members of the management committee. The remuneration of the directors has to be proposed for approval to the general meeting.

This policy is based on the following principles:

- ✓ the remuneration policy for directors and members of the management committee is in accordance with all the applicable regulations and in particular with those contained in the Royal Decree of 7 December 2010 relating to property investment funds
- ✓ the total remuneration level and structure should be such that qualified and competent persons can be recruited and retained
- ✓ the remuneration structure, in terms of fixed income and variable income, if any, is such that the interests of the company are promoted in the medium and long term
- ✓ the remuneration policy takes into account the responsibilities and time spent by directors and members of the management committee

Other things being equal, the remuneration policy shall remain applicable for the next two financial years.



Inter Access Park - 6.869 m² - Dilbeek

Basic remuneration 2012

✓ **directors**

In 2012, the annual fixed fee of independent directors amounts to € 14.000 per year for a member of the board of directors (€ 15.000 per year for the chairman of the board of directors). No additional fees are paid for serving as a member or as a chairman of a committee. The directors representing the majority shareholder perform their duties without remuneration.

No employment contract has been concluded with any of the directors and no termination compensation is applicable. Pursuant to article 16 §2 of the Royal Decree of 7 December 2010 relating to property investment funds, the directors' fees are not related, either directly or indirectly, to the transactions carried out by the property investment fund. The directors do not own shares of the property investment fund and nor have any options been granted to the directors on shares of the property investment fund.

✓ **members of the management committee**

The amount of the fixed fee granted as remuneration in 2012 to the members of the management committee, except the director, amounts to € 400.841, of which € 178.320 is for the chairman of the management committee and € 222.521 for the other two remunerated members of the management committee (including car costs, reimbursement of expenses and pension plan for the cfo; coo Luc Feyaerts sprl, permanently represented by Luc Feyaerts is appointed since 1 July 2012). The director, representing the majority shareholder, performs his tasks without remuneration. No options have been granted to the management committee on shares of the property investment fund.

Bonus for 2011, paid in 2012

The two members of the management committee, except the director, may be eligible for an annual combined bonus of maximum € 24.000. The amount of bonus to be granted is determined on the basis of measurable criteria linked to pre-agreed performance levels.

In 2011, these criteria were in the area of rental activity, acquisitions of real estate, marketing and refinancing of credit facilities. Based on targets achieved in 2011, a total bonus of € 24.000 was awarded in 2012. No reclamation rights are foreseen for the variable remuneration.

Besides this regular bonus, a member of the management committee may be eligible for an additional annual bonus, which may be granted for exceptional performance. No additional bonus has been paid for 2011.

Basic remuneration for 2013 and bonus for 2012

The annual fixed fee of the directors remains unchanged with respect to the above-mentioned fees for 2012.

On 1 January each year, the annual fixed fee of the members of the management committee, except the director, is (i) indexed according to the normal index of consumer prices, where the basic index is that of the month preceding the month in which the agreement came into effect, and the new index of the month preceding the month in which the indexation takes place (ii) increased by 1 percent. This represents an increase of 2,23 % as on 1 January 2013. For Luc Feyaerts sprl, permanently represented by Luc Feyaerts, appointed as member of the management committee as from 1 July 2012, the first indexation of the fixed remuneration will take place on 1 January 2014.

The three members of the management committee, except the director, may be eligible for an annual combined bonus of maximum € 49.500. In 2012, these criteria were in the area of the operating distributable result, lettings and the occupancy rate. Based on targets achieved in 2012, a total bonus of € 39.556 is awarded. No additional bonus is paid for 2012. No reclamation rights are foreseen for the variable remuneration.

Duration and termination conditions

Members of the board of directors are appointed for a period of three years, but their appointment may be revoked at any time by the general shareholders meeting. No termination compensation is applicable.

The members of the management committee are appointed for an indefinite period and the termination compensation is equivalent to twelve (for the cfo and coo) to eighteen (for the ceo) months' fixed fee (except for gross negligence or deliberate error, in which case no compensation will be payable).

Major risk factors and internal control and risk management systems

In 2012, the board of directors of Intervest Offices & Warehouses once again focuses attention on the risk factors with which Intervest Offices & Warehouses must contend.

THE CONSTANT EVOLUTIONS IN THE REAL ESTATE AND FINANCIAL MARKETS REQUIRE A CONTINUOUS MONITORING OF THE STRATEGIC, OPERATIONAL AND FINANCIAL RISKS, AS WELL AS OF THE FINANCIAL REPORTING AND COMPLIANCE RISKS IN ORDER TO SAFEGUARD THE RESULTS AND THE FINANCIAL SITUATION OF INTERVEST OFFICES & WAREHOUSES

Strategic risks and management

These risks are largely determined by the strategic choices made by Intervest Offices & Warehouses to limit its vulnerability to external factors. The size of these risks is determined by the strategic choices with respect to the investment policy, such as the choice of:

✓ **Type of real estate**

Choosing the type of real estate in which to invest entails the risk of future negative fluctuations in the fair value of the investment properties. Should the demand for the chosen type of real estate decline due to phenomena such as deteriorating economic conditions, an oversupply in certain real estate segments, changes in the way sustainability criteria are applied to buildings (such as energy performance) or changes in business practices (such as e-commerce, e-working, etc.), it can have a negative effect on the valuation of the real estate.

Intervest Offices & Warehouses has chosen for investments in the office sector and the logistic sector where, when making investment decisions, it aims for an adequate spread and limitation of risk by ensuring that there is a sufficient percentage of office investments in liquid real estate markets, by limiting the exposure of investments in a particular place/region and by limiting the risk in relation to the yield.

The real estate patrimony of Intervest Offices & Warehouses is valued on a quarterly basis by independent property experts. These property experts have the necessary qualifications and

significant market experience. The fair value of the buildings, as estimated by them, is entered under the section "Investment properties" in the assets side of the statutory and consolidated balance sheet. Fluctuations in fair values are entered under the section "Changes in fair value of investment properties" in the consolidated and statutory income statements and these can have either a positive or negative effect on the net income. The values established by the experts represent the market value of the buildings. Consequently, fluctuations in the market value of the property are reflected in the net assets of Intervest Offices & Warehouses, as published on a quarterly basis. Intervest Offices & Warehouses is exposed to the fluctuation of the fair value of its portfolio, as estimated by the independent assessments.

On 31 December 2012, a 1 % hypothetical negative adjustment of the yield used by property experts for the valuation of the real estate portfolio of the property investment fund (yield or capitalisation rate) (from 7,6 % to 8,6 % on average) would reduce the fair value of the real estate by € 67 million or 12 %. As a result, the debt ratio of the property investment fund would increase by 7 % to 58 % (in this regard, also see the "Sensitivity analysis" in the Property report).

✓ **time of investment and divestment**

Making a transaction (investing/divesting in real estate) entails the inherent risk that, if the transaction takes place at the wrong juncture within the business cycle, a property could be purchased for a price that is higher than it is worth, or conversely, that it could be sold for a price that is lower than it is worth. Bad transaction timing such as this risks placing downward pressure on the actual yield on (future) rental income as well as a possible substantial devaluation of the real estate portfolio, which in turn has a negative impact on the debt level.

Based on the knowledge of economic and real estate cycles, one tries to anticipate as accurately as possible the downward and upward movements of the markets. The normally expected course of the economic cycles can be assessed to the best of one's ability based on

economic indicators. The investment market and particularly, the rental market for commercial real estate respond with a certain amount of delay to the volatility of the economic climate. Clear periods of economic boom lead to higher market prices which may, at a later date, be subject to sharp negative adjustments. During this period of economic boom, Intervest Offices & Warehouses will pursue a fairly moderate policy on investments so as to reduce the risk of making ill-timed investments. In periods of economic recession, the value and occupancy rate of buildings usually decline. However, once the economy picks up again, a more active investment policy is followed in anticipation of the increasing value of buildings and a more active rental market. In this regard, due care is taken to prevent the debt ratio of the property investment fund from rising above the permitted level.

Operational risks and management

These risks arise out of daily transactions and (external) events executed within the strategic framework, such as:

✓ **Investment risks**

The main risks inherent in investing in real estate are related to future negative changes in fair value of investment properties caused primarily by increasing vacancy, unpaid rents, decline in rents when concluding new lease contracts or extending existing lease contracts and technical real estate aspects such as soil contamination and energy performance.

At Intervest Offices & Warehouses, internal control measures are taken to reduce the risk of making incorrect investment decisions. For example, the risk profile is always carefully assessed based on market research, an estimate of future yields, a screening of existing tenants, a study of environmental and permit requirements, an analysis of tax risks, etc.

Pursuant to article 31 of the Royal Decree of 7 December 2010 relating to property investment funds, an independent property expert values each acquisition or disposal of property. For each disposal, the assessment value determined by the independent property expert is an important guiding principle for the transaction

value. Intervest Offices & Warehouses also carefully ensures that the guarantees offered during the transaction remain limited, in terms of both duration and value.

For each acquisition, Intervest Offices & Warehouses also carries out a technical, administrative, legal, accounting and tax "due diligence" based on continuous analysis procedures and usually with the assistance of external, specialised consultants.

✓ Rental risks

The rental risk is the risk that a building will not be able to be rented for the previously calculated rent (which may or may not result in vacancy). When this happens, the property investment fund is faced with a decrease in rental income as well as an increase in the real estate costs that must be assumed by the owner, such as the costs for maintaining a vacant property that cannot be passed on to a tenant. Generally speaking, this results in a drop in the fair value of the property as well as a lower-than-expected operating distributable result and portfolio result.

These risks are related to the nature and location of the property, the extent to which it must compete with nearby buildings, the intended target audience and users, the quality of the property, the quality of the tenant and the lease contract.

Interinvest Offices & Warehouses continuously records the development of these factors. Based on the above criteria, a risk profile is allocated to each property, which is regularly evaluated (based on the own local knowledge and data from external parties and/or valuers). Depending on the risk profile, a certain yield must be realised over a certain period, which is compared to the expected yield according to the internal yield model. On the basis of this, an analysis is drawn up of the objects in which additional investments should be made, where the tenant mix must be adapted and which premises are eligible for sale. Vacancy and the vacancy risk are also analysed each month, for which the expiry dates of the lease contracts are taken into account. The fund strives to maintain a balanced distribution of the duration of the lease contracts in compliance with rules defined in the applicable leasing legislation. This allows future lease terminations and contract revisions to be anticipated in good time. The lease contracts of the property investment fund further comprise a clause for an automatic annual indexation of the rents in accordance with the health index.

The activities and results of Interinvest Offices & Warehouses depend, in part, on the evolution of the general economic climate. This is measured based on the level of growth or decline in the gross domestic product of Belgium and has an indirect impact on the occupation of commercial buildings by the private sector.

The occupancy rate of Interinvest Offices & Warehouses on 31 December 2012 is 86 %, which is stable compared to 31 December 2011. For the office portfolio, which represents 61 % of the fair value of the real estate portfolio, the occupancy rate on 31 December 2012 is 85 % (84 % at the end of 2011) and for the logistic portfolio, which represents 39 % of the fair value of the real estate portfolio, the occupancy rate on 31 December 2012 is 89 % (91 % at the end of 2011).

The impact of the economic climate on the results of Interinvest Offices & Warehouses is, however, mitigated by the following factors:

1. Duration of the lease contracts

The expiry dates of contracts in the entire real estate portfolio are well-spread out over the coming years. It should be noted that, specifically for the offices, the average rental period (starting from 1 January 2013) until the next expiry date is 4,5 years (3,7 year as at 1 January 2012). The split for offices and logistic properties is respectively 4,3 and 4,7 years till the next expiry date.

For large office tenants (above 2.000 m²), which comprise 67 % of the office portfolio and thus have a major influence on the overall recurring rental income flow, the next expiry date (as on 1 January 2013) is, on average, only after 5,0 years. Contracts expiring in the period 2013 - 2015 are therefore mostly for smaller areas, which signify a more limited risk for the total rental income of the property investment fund. In the offices market where the property investment fund is active, most of the lease contracts are of the type 3/6/9, meaning that for such type of lease contracts the average rental period till next expiry date can be 3 years at the most.

For logistic premises, there is a similar trend as for offices; for large tenants (above 10.000 m² storage), representing 81 % of the logistic portfolio, the next expiry date as on 1 January 2013 is, on average, only after 4,9 years.

2. Risk spread over tenants and quality of tenants

The rental income of the property investment fund is spread over almost 180 different tenants, which reduces the risk of bad debts and promotes income stability. The ten biggest tenants contribute 48 % of the rental income and these are always leading companies within their sector, belonging to international groups.

The losses on lease receivables (with recovery) for the period 2003 - 2012 represent only 0,24 % of the total turnover. A sharp deterioration in the general economic climate can result in an increase in the losses on lease receivables. The property investment fund limits this risk by means of rental guarantees or bank guarantees from the tenants. The possible bankruptcy of a major tenant can represent a significant loss for the property investment fund, as can an unexpected vacancy and even a re-rental of the vacant space at a price lower than the price stated in the non-respected contract.

3. Sectoral spread of the portfolio

Tenants of Intervest Offices & Warehouses are well-spread over a large number of different economic sectors, which reduces the risk of significant vacancy in case of economic recession which could hit some sectors more severely than others.

4. Location and quality of buildings⁴

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

The Brussels periphery suffers from a structural oversupply of offices and the market is very competitive. Vacancy in the Brussels periphery is traditionally higher than in the city centre of Brussels, but the yields there are also higher. The vacancy rate in offices of the property investment fund in Brussels on 31 December 2012 is 11,4 %, which is in line with the overall Brussels office market with its vacancy rate of 10,6 %. For the Brussels periphery office market, the vacancy rate amounts even to 20 % at the end of 2012.

In Malines, where 48 % of the office portfolio of the property investment is located, the highest take-up of office space has occurred since 2001

(33.000 m²). The vacancy for the offices of the property investment fund in Malines amounts to 23 % on 31 December 2012, mainly because of vacancy in Mechelen Campus Toren. In this tower the “RE:flex, flexible business hub” opened on the ground floor in June 2012. This hub (a flexible “(third) work place” is a high-technical innovative office concept and has entirely been designed and created by the property investment fund.

In the Antwerp office market the take-up of office space has reached 105.000 m² in 2012, which is higher than the average 10-year average. The vacancy on the global Antwerp office market is estimated at 12 % on 31 December 2012, compared to a 1 % vacancy in the Antwerp offices of the property investment fund on 31 December 2012.

87 % of the logistic portfolio is located on the Antwerp-Malines (i.e. E19 and A12) and Antwerp-Liège (i.e. E313, E34 and E314) axes, which are the most important logistic axes in Belgium. 13 % of the properties are located in the centre of the country, in the vicinity of Brussels.

✓ Cost control risks

There is a risk of the net yield on real estate being negatively influenced by high operating costs or investments.

Within Intervest Offices & Warehouses, several internal control measures are implemented that reduce this risk, including regular comparison of maintenance budgets with the actual reality and approval procedures at the time of entering into maintenance and investment commitments.

Furthermore, the cost control risk is monitored through the timely formulation of, and strict compliance with, long-term investment budgets for substantial renovations and upgrades to the real estate properties.

⁴ Source for market data: Cushman & Wakefield, round table discussion of 10 January 2013.

These approval procedures entail, depending on the amount, one or more offers being requested from various contractors. During this process, the technical department of Intervest Offices & Warehouses makes a comparison of price, quality and timing of the works. Depending on the size of the amount quoted for the works to be carried out, there are various levels of approval within the property investment fund.

✓ **Risks relating to a deteriorating condition of buildings and the risk of major works**

The risk associated with the deteriorated condition of the buildings and of major works is the risk of a building becoming unlettable for the rent which was estimated beforehand (which may or may not result in a vacancy), or that substantial costs and investments will be needed in order to fetch this rent. When this happens, the fund is faced with a decrease in rental income, an increase in maintenance and renovation costs, an increase in the costs for maintaining a vacant property that cannot be passed on to a tenant, a decrease in the fair value of the property as a result of being vacant, and a lower-than-expected operating distributable result and portfolio result.

The state of the buildings deteriorates due to wear and tear of various components as a result of normal ageing processes as well as engineering and technical ageing. By pursuing a proactive policy with respect to the maintenance of buildings, the property investment fund seeks to limit the technical costs for the coming years.

At the time of the termination of the lease contract, the tenant (in accordance with the contractual agreements made in the lease contract) must compensate the property investment fund for rental damage. Rental damage is determined by an independent expert, who compares the entering inventory of fixtures with the outgoing inventory of fixtures. These compensation payments are used by Intervest Offices & Warehouses for refurbishing the vacant space for occupation by the next tenant.

A negative change in fair value of investment properties may also result from the deterioration of the surrounding buildings or a degeneration of the entire neighbourhood in which the property owned by the property investment fund is located.

✓ **Debtor's risks**

The risk of default is the risk that the property investment fund decides it does not want to rent the building to a specific tenant for the rent which was estimated beforehand (resulting in a higher vacancy rate) or that the rent cannot (or can no longer) be collected. When this happens, the fund is faced with a decrease in rental income, the write-off of uncollected trade receivables, an increase in the costs for maintaining a vacant property that cannot be passed on to a tenant, a decrease in the fair value of the property as a result of being vacant, and a lower-than-expected operating distributable result and portfolio result.

Intervest Offices & Warehouses follows clear procedures for screening tenants when new lease contracts are concluded. Deposits or bank guarantees are also always obtained when entering into lease contracts. A rental deposit or bank guarantee of 6 months' rent is provided for in the standard lease contract used by Intervest Offices & Warehouses for the rental of its offices and of 3 months' rent for logistic properties. On 31 December 2012, the actual weighted average duration of the rental deposits and bank guarantees for offices is approximately 5,4 months (or about € 12,7 million). For the logistic portfolio, the actual weighted average duration of the rental deposits and bank guarantees on 31 December 2012 is 3,4 months (or approximately € 4,5 million).

In addition, there are internal control procedures in place to ensure timely recovery of lease receivables and adequate follow-up of rent arrears. Rents are payable in advance on a monthly or quarterly basis. For rental charges and taxes paid by Intervest Offices & Warehouses but which may be contractually passed on to the tenants, a quarterly fee is requested. The losses on lease receivables (with recovery) for the period 2003 - 2012 represent only 0,24 % of total turnover.

The financial and real estate portfolio administration pays close attention to limiting rent arrears. On 31 December 2012 the number of days of outstanding customers' credit is only 8 days.

✓ Legal and tax risks

- **Contracts and corporate reorganisations**

Before concluding contracts with third parties and depending on their complexity, these contracts are reviewed by external consultants to reduce the risk of financial loss and damage being caused to the fund's reputation due to inadequate contracts. Intervest Offices & Warehouses is insured against liability arising from its activities or its investments under a third party liability insurance policy covering bodily injury up to an amount of € 12,4 million and material damage (other than that caused by fire and explosion) of up to € 0,6 million. Furthermore, the directors and members of the management committee are insured for directors' liability, covering losses up to an amount of € 15 million.

Corporate reorganisations, in which Intervest Offices & Warehouses is involved (merger, demerger, partial demerger, contribution in kind, etc.), are always subject to "due diligence" activities, guided by external consultants to minimise the risk of legal and financial errors.

- **Insurance**

The risk of buildings being destroyed by fire or other disasters is insured by Intervest Offices & Warehouses for a total reconstruction value of € 499 million, as compared to a fair value of investment properties of € 581 million on 31 December 2012 (note: land included). The insured value of the offices is € 356 million and that of the logistic portfolio is € 143 million. Cover is also provided for vacancy in the buildings due to such events, the conditions of which are determined on a case-by-case basis. The insurance policies also include additional guarantees for the real estate becoming unfit for use (including loss of rental income), costs for maintenance and cleaning up the property, claims of tenants and users and third party claims. With these additional guarantees, the insured value amounts to € 880 million. This insured value is split into € 701 million for offices and € 179 million for the logistic portfolio.

- **Taxation**

Taxation plays an important role in the area of property investments (VAT, registration fees, exit tax, split acquisitions, property tax, etc.). These tax risks are continuously assessed and where necessary, the assistance of external consultants is used.

- **Risk relating to regulatory and administrative procedures**

The changes in regulations on urban planning and environmental protection can have an adverse effect on the long-term operation of a building by Intervest Offices & Warehouses. The strict enforcement and observance of urban planning regulations by municipal governments can negatively influence the attractiveness of the building. For example, a reduction in the dimensions of a building imposed as part of thorough renovation can also affect its fair value.

The exit tax, which is due by companies acquired by the property investment fund via merger, is calculated while taking Circular Letter Ci.RH.423/567.729 of 23 December 2004 into account. The way in which this circular letter is interpreted or applied in practice can always vary. This 'actual tax value', as the circular letter refers to it, is calculated by deducting registration fees or VAT, and differs from the fair value of the property as recorded on the fund's balance sheet (in accordance with IAS 40).

Finally, the introduction of new or more stringent standards for soil contamination or energy consumption can have a major impact on the costs required to continue operating the property.

Financial risks and management

The main financial risks are financing risk, liquidity risk, interest rate risk, the risk associated with banking counterparties and the risk associated with capital markets.

✓ **Financial risks and management**

The real estate portfolio can be financed partly with shareholders' equity and partly with borrowed capital. A relative increase in borrowed capital with respect to shareholders' equity can result in a higher yield (known as "leverage"), but can also imply an increased risk. In case of disappointing yields from real estate and a decrease in fair value of investment properties, a high degree of leverage can give rise to the risk of no longer being able to meet interest rate and repayment obligations of borrowed capital and other payment obligations. In such a case, it is not possible to obtain financing with new borrowed capital or this can only be obtained under very unfavourable terms. To continue meeting payment obligations, real estate must then be sold, which entails the risk that this sale cannot be carried out under the most favourable conditions. The value development of the office portfolio is largely determined by developments in the real estate market. For financing real estate, Intervest Offices & Warehouses always strives for a balance between shareholders' equity and borrowed capital. In addition, Intervest Offices & Warehouses aims to safeguard its access to the capital market through the transparent disclosure of information, by maintaining regular contacts with financiers and (potential) shareholders and by increasing the liquidity of the share. Finally, with respect to long-term financing, it aims for a balanced spread of refinancing dates and a weighted average duration between 3,5 and 5 years. This may be temporarily derogated from if specific market conditions require this. The average remaining duration of the long-term credit facility agreements as on 31 December 2012 is 2,8 years.

The bank credit agreements of Intervest Offices & Warehouses are subject to compliance with financial ratios, which are primarily related to the consolidated financial debt level of Intervest Offices & Warehouses or its financial interest charges. These ratios limit the amount that could still be borrowed by Intervest Offices & Warehouses. These ratios are respected as

on 31 December 2012. If Intervest Offices & Warehouses were no longer to respect these ratios, the financial institutions could require the financing agreements of Intervest Offices & Warehouses to be cancelled, renegotiated, terminated or prematurely repaid.

Intervest Offices & Warehouses is limited in its borrowing capacity by the maximum debt ratio permitted by the regulations relating to property investment funds. Within the legally defined limits of the 65 % ratio, the theoretical additional debt capacity of Intervest Offices & Warehouses amounts to approximately € 235 million in case of an unchanged valuation of the existing real estate portfolio.

✓ **Liquidity risk**

Intervest Offices & Warehouses must generate sufficient cash flow to meet its day-to-day payment obligations. On the one hand, this risk is limited by the measures mentioned under operational risks, which reduces the risk of loss of cash flow due to e.g. vacancy or bankruptcies of tenants. In addition, Intervest Offices & Warehouses has provided for a sufficient credit margin with its bankers to absorb fluctuations in liquidity requirements. In order to avail itself of this credit margin, the covenants of the credit facilities must be complied with on a continuous basis.

On 31 December 2012, Intervest Offices & Warehouses has non-withdrawn credit lines of € 24 million available for its operations and dividend payments.

✓ **Interest rate risk**

As a result of financing with borrowed capital, the yield is also dependent on interest rate developments. In order to reduce this risk, when composing the loan portfolio, the fund aims for a ratio of one-third borrowed capital with a variable interest rate and two-thirds borrowed capital with a fixed interest rate. Depending on the developments in interest rates, derogation from this may occur.

Furthermore, for long-term borrowed capital, a balanced spread of interest rate review dates and a minimum duration of 3 years are targeted. On 31 December 2012, the interest rates on the credit facilities of the property investment fund remain fixed for a remaining average duration of 3,0 years.

✓ **Risk associated with banking counterparties**

The conclusion of a financing contract or investment in a hedging instrument with a financial institution gives rise to a counterparty risk if this institution remains in default. In order to limit this counterparty risk, Intervest Offices & Warehouses takes the assistance of various reference banks in the market to ensure a certain diversification of its sources of financing and its interest rate hedges, with particular attention for the price-quality ratio of the services provided.

Intervest Offices & Warehouses maintains business relations with 5 banks:

- banks providing financing are: ING Belgium sa, BNP Paribas Fortis, KBC Bank nv, Belfius Bank and Insurances sa and Banque LBLux sa.
- banks which are counterparties for the interest rate hedges are: ING Belgium sa, KBC Bank nv and Belfius Bank and Insurances sa.

Intervest Offices & Warehouses regularly reviews the list of its banking relationships and the extent of its exposure to each of these. In the current context of the crisis in the banking sector, it is possible that one or more of the banking counterparties of Intervest Offices & Warehouses can remain in default. The financial model of Intervest Offices & Warehouses is based on a structural debt burden, which implies that its cash position at a financial institution is usually quite limited. On 31 December 2012, this cash position amounts to € 0,8 million.

✓ **Risk associated with the capital markets**

The risk associated with the capital markets involves a risk which the fund is exposed to on the debt capital market, namely the refinancing of the bond loan that was issued in June 2010 with an expiry date of 29 June 2015. As a result, this bond loan might need to be refinanced in 2015 at an interest rate higher than the current rate, which would lead to rising financing costs and a lower operating distributable result.

The property investment fund moreover runs the risk of being shut out of the international debt capital market in 2015 should investors fear that the company's credit standing is too low to comply with the annual interest payment obligation and the repayment obligation on the expiry date of the financial instrument. There is also the risk that the debt capital market will be too volatile at that point to convince investors to purchase the property investment fund's bonds.

The property investment fund is seeking to minimise this risk by proactively maintaining good relationships with its current and potential bondholders and shareholders (including reference shareholder NSI sa) as well as with its current and potential bankers. Even though the property investment fund's legal statute allows for a debt level of 65 %, the fund's policy is to maintain a debt level between 50 % and 55 %.

Financial reporting risks and management

The financial reporting risk is the risk that the fund's financial reports contain material inaccuracies, in which case stakeholders would receive incorrect information regarding the operational and financial results of the fund, as well as the risk that the deadline imposed by the regulations for financial reporting is not honoured. This can result in damage to the fund's reputation, and stakeholders could make investment decisions which are not based on the right information, which in turn could result in claims being filed against the property investment fund.

Each quarter, a complete closing and consolidation of the accounts is prepared and published. To optimise the financial reporting process, the finance department always draws up a schedule with deadlines for all the tasks to be completed. Subsequently, the financial team prepares the quarterly figures and balance sheets. These quarterly figures are always analysed in detail and checked internally.

To reduce the risk of errors in the financial reporting, these figures are discussed within the management committee and their accuracy and completeness checked via analyses of rental incomes, operational costs, vacancy, rental activities, the evolution of the value of the buildings, outstanding debtors, etc. Comparisons with forecasts and budgets are discussed. After this, the management committee presents the financial statements to the audit committee each quarter, along with a comparison of annual figures, budget, and explanations for derogations. In addition, the half-yearly and annual figures are always checked by the statutory auditor.

Compliance risks and management

This includes the risk of an inadequate level of compliance with relevant laws and regulations and the risk of employees not acting with integrity. Intervest Offices & Warehouses limits this risk by screening its employees at the time of recruitment, by creating awareness among them regarding this risk and by ensuring that they have sufficient knowledge of the changes in the relevant laws and regulations, assisted

in this regard by external legal advisers. To ensure a corporate culture of integrity, Intervest Offices & Warehouses has in the past defined an internal code of conduct and whistleblowing rules. The fund has moreover instituted adequate internal control mechanisms based on the four-eyes principle. These mechanisms are designed to limit the risk of dishonest transactions.

Other parties involved

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 Kathleen De Brabander and Frank Verhaegen, auditors.

Property experts

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

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”-principe

In 2012, the company deviated from the following stipulations of the Belgian Corporate Governance Code 2009 (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 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.



3T Estate - 8.757 m² - Vilvorde

Sustainable responsible business and corporate social responsibility

Intervest Offices & Warehouses wants to organise and execute its activities in a sustainable manner. It is aware of the global impact of climate change, waste production and finite natural resources. This is why Intervest Offices & Warehouses wants to further stimulate the awareness-building process, both within the organisation as well as among its tenants, in order to ensure that its activities have a sustainable effect on the environment and society. In doing so, the current economic reality must obviously be taken into account, both internally and externally.

Intervest Offices & Warehouses follows a policy of limiting the negative impact of its activities on the environment as much as possible. This is why we are employing a sustainable method, in an economically responsible manner and in ever more progressive phases, with our starting point remaining the satisfaction and the performance of the tenant. An example of this phased approach is the replacement of traditional heating systems with heat recovery systems when renovations are made, something which we have already implemented in several office buildings and logistics buildings.

Analysis of the sustainability performance of the buildings

Since 2009, Intervest Offices & Warehouses has been gradually and systematically certifying the buildings in its portfolio based on their environmental performance. This certification takes place on the basis of the BREEAM-In-Use (“Building Research Establishment Environmental Assessment Methodology”-In-Use or in short “BIU”) methodology. The BREEAM-In-Use methodology assesses the sustainability of existing buildings, with respect to building physics, operational management and control as well as the use of the building.

The certification process of the individual buildings of Intervest Offices & Warehouses was reinitiated in 2012, and the audits of the West-Logistics building in Oevel and the Mechelen Campus Tower

were resumed. The fund has already certified a total of 18 % of its portfolio using the BREEAM-In-Use methodology. This certification process will proceed further in 2013, with several buildings being re-evaluated on the basis of this methodology.

The results of these various building audits are in line with initial expectations given that it is the better quality buildings in particular, with their highly responsible tenants, that score high marks. Indeed, the sustainable performance of a building is to a large extent determined by the user, and this has resulted in above average scores for buildings rented by companies such as Deloitte, PwC and Fiege.

Sustainability in operational management

In the operational management of its portfolio, Intervest Offices & Warehouses concentrates on four areas related to sustainability: energy efficiency, renewable energy, waste disposal and the welfare of its users.

1. In the area of **energy efficiency**, the primary aim of Intervest Offices & Warehouses is to raise awareness among users, who are the ones that largely determine the level of consumption. This is why a thorough system was introduced in 2011, by which the actual individual energy consumption, for HVAC (Heating Ventilation Air Conditioning) as well as for lighting, computers and other appliances, can be charged to individual tenants. If the installations allow this, the energy consumption for HVAC is monitored individually on a continuous basis. This further

encourages individual tenants/consumers to use their sources of energy in the most efficient manner possible.

These energy-efficiency requirements were also tightened when the technical maintenance contracts for the majority of the office portfolio were retendered in 2012. For example, the various maintenance firms must now continuously monitor consumption rates, and a deviation of more than 10 % from the standard consumption rate can even result in a severance of the contract.

2. In the area of **renewable energy**, Intervest Offices & Warehouses has resolutely opted to make maximum use of this form of energy, and is doing so by both consuming it and generating it. This is why, since 2009, Intervest Offices & Warehouses only uses electric energy generated by hydroelectric power stations in the Alps or renewable energy from Belgium. As of 2009 (and effective up to at least 2015), all common installations and various private installations have been operated exclusively on electricity generated from renewable sources.

In addition, several rooftops of the logistics buildings of Intervest Offices & Warehouses have been equipped with solar electric generating systems. Photovoltaic equipment having a total installed capacity of 9,1 megawatts peak (MWp) has been installed on a total roof surface area of 144.000 m² spread over five different sites. This yields a total CO₂ reduction of roughly 2.300 tonnes per year, and at the same time results in a lower energy bill for the tenants.

3. In the daily management of the portfolio, a system of source-separated **waste collection** is being applied in almost all buildings. The minimalist version of this is the separation of paper and cardboard waste from other waste. Moreover, in three buildings, an even more intensive waste collection method is applied, by which waste is separated into eight different types (paper, cardboard, PMD [Dutch abbreviation for plastic bottles, metal packaging and drink cartons], residual waste, glass, batteries, fluorescent bulbs and ink cartridges).

4. Finally, with respect to the **welfare** of its tenants, Intervest Offices & Warehouses manages its buildings so as to continually ensure maximum safety and tenant satisfaction. In addition to the legal inspections of all multi-tenant buildings, evacuation procedures are also being instituted to guarantee the safety and welfare of users. These include joint evacuation exercises which are organised annually as well as regular attempts to gauge tenant satisfaction.

Shift to environmentally-friendly use of materials

Even though most of the buildings in the office portfolio of Intervest Offices & Warehouses were constructed after 2000, some of these buildings still make use of non-environmentally friendly refrigerants in their air conditioning installations. Many buildings still utilise the once prevalent refrigerant R22. Beginning in 2015, the use of this refrigerant will be severely restricted.

In anticipation of this change, Intervest Offices & Warehouses began replacing R22 back in 2011, something which also served to optimise the energy performance of these installations. Conversions were carried out in 2011 in several buildings in Vilvorde and Malines, for example, and this process will continue in 2012 with other buildings. For instance, in the 3T Estate office building in Vilvorde, both the interior and exterior air conditioning installations were replaced, at which time a new heat recovery ventilation system was installed. In addition, the rooftop condensing units on top of the fund's largest

office building in Antwerp were replaced with a frequency-driven system, which yields a substantial reduction in energy consumption.

When extensive fitting-out work is carried out inside existing offices, use is made of as many environmentally-friendly materials and technologies as possible. The fitting-out of the RE:Flex centre in Malines is one example of this: cradle-to-cradle carpet was used, sustainable wall systems were installed, and exclusive use was made of "Full Life-Cycle Engineered" furniture from Steelcase. For the fitting-out of DLA Piper's new offices in Antwerp, cradle-to-cradle carpet was also used, and walls with a life-cycle guarantee were installed.



2



REPORT OF THE MANAGEMENT COMMITTEE



The market for offices and logistics real estate

Round table discussion with property experts of Interinvest Offices & Warehouses on evolutions in the investment and rental market for offices and logistics real estate in 2012

On 10 January 2013, Interinvest Offices & Warehouses brought its two property experts together around the table to discuss the current investment and rental market.

Discussion partners:

- ✓ Frank Weyers, Arnaud van de Werve, Pierre-Paul Verelst (Jones Lang Lasalle)
- ✓ Kris Peetermans, Matthias Gerits, Jef Van Doorslaer (Cushman & Wakefield)
- ✓ Jean-Paul Sols, Luc Feytaerts, Marco Hengst (Interinvest Offices & Warehouses)

The auditor for Interinvest Offices & Warehouses, Deloitte Bedrijfsrevisoren, has also followed the discussions.




SUMMARY

Opinion of Interinvest Offices & Warehouses' property experts on evolutions in the investment and rental market for offices and logistics real estate in 2012:

“The office market as a whole is clearly still a renters market, especially in the Brussels periphery.

In the rental market for logistics real estate, take-up of space remained well under the five-year average in 2012. Rents in this market are stable.

In the investment market, interest in offices is limited to pure core products. The investment volume of logistics real estate also declined sharply in 2012.”



Rental market for offices

General trend in 2012

Following a very weak first quarter, the office market performed fairly well in 2012, with a take-up of 430.000 m² in the Brussels market. But this figure is still markedly lower than the 10-year average take-up, which in the Brussels office market comes to around 500.000 m². One positive sign, however, is that this take-up increased by 19 % compared to 2011, when the take-up only managed to reach 360.000 m². As a result, Brussels is performing in its “natural” position: it ranks between 5th and 10th place among the largest European office cities. In 2012, all office markets in Belgium combined for a total take-up of 655.000 m² of office space.

The reason for this modest take-up is that there have been no major transactions in the public sector (except two with the European Commission) and only one large corporate transaction of 34.000 m². Since such larger transactions are necessary to achieve a normal take-up level, the total take-up of office space has remained very low. However, the number of transactions has remained at a more or less normal level.

Considering the fact that hardly any new office spaces have been added to the existing stock, this has not had any negative effect on the average vacancy rate in the Brussels office market. Moreover, since a number of obsolete office buildings have been withdrawn from the stock of office space (either through demolition or conversion into residential homes), the vacancy rate in the decentralised districts has fallen, and there is even a (limited) shortage of large office spaces in the CBD. The office market as a whole however is clearly still a renters market, especially in the Brussels periphery.

Major transactions in 2012 in the CBD market, the Brussels periphery and regional markets

Though rentals are still limited, there were however a few large office spaces rented in the Brussels office market in 2012. The largest transaction was the rental of the entire “Gateway” building at Brussels Airport to Deloitte, which has a surface area of approximately 34.000 m². This project is expected to be completed in 2016. The other large rentals involved the public

sector: 24.500 m² in the “New Orban” building to the European Commission, 19.200 m² to the European Union in “Covent Garden”, and a 12.000 m² expansion of the “Bel Air” building in the Leopold District by the Federal Police. All other rentals involved surface areas of less than 10.000 m², the largest of which were the rental of 6.700 m² to Marsh in Veridis, and the rentals of 5.800 m² to Levi Strauss and 5.400 m² to ING Bank, both in Airport Plaza.

Compared to previous years, noticeable shifts were observed within the Brussels market as a whole in 2012. Thanks to several major rentals in the periphery surrounding the airport (Gateway, Airport Plaza and Corporate Village), a significant share of the total take-up is located in the periphery. In fact, with a take-up of 125,000 m², it has actually become the largest submarket after the Leopold District. In addition, the Airport Plaza and Gateway buildings were rented under favourable terms due to the extremely limited supply of existing and new modern office buildings in the periphery, and “Gateway” is virtually the only new project at the airport.

It is interesting to note that the regional markets performed very well in 2012. The major private rental transactions in these markets were the rental of 12.000 m² to Sanoma in Malines, 11.000 m² to Suez on the Kievitplein in Antwerp, 10.000 m² to Hobeco in Jambes and 8.000 m² to BNP Paribas Fortis in Charleroi.

In the regional markets in which Intervest Offices & Warehouses is active, Antwerp held steady with 105.000 m² and 167 transactions, slightly above the 10-year average. In addition to the aforementioned transactions, the most important transactions in Antwerp were the renewal of 5.000 m² rented to Kuwait Petroleum in Gateway House and 3.700 m² rented to KPMG on the Prins Boudewijnlaan. The major rentals in Malines were the new rentals to Eneco on the Battelsesteenweg, Viabuild in Mechelen Campus and Biocartis in Intercity Business Park, for 3.500 m², 2.700 m² and 2.600 m² respectively.

Evolution of rents

Rents for offices in Brussels remained steady in 2012, with those in the different regional markets rising between 2 and 12 % compared to the previous year. The only exception to this is the regional market of Malines, where the average rent has declined and is now at the same level as that of Antwerp.

Due to a very limited supply of large, modern buildings in both the CBD as well as the periphery, rents for new class A buildings are expected to rise slightly in 2013, while rents for class B buildings are expected to remain under pressure during the same period.

Evolution of the rate of availability of the office market in 2012

The availability of space within the Brussels office market as a whole in 2012 amounts to approximately 10 %. This varies per market segment from a low availability of 5 to 6 % at the Gare du Midi, the Gare Centrale and the Gare du Nord, to an average availability rate of 8 to 10 % in the CBD and Quartier Louise and a high availability rate of 14 % in the decentralised area. It is in this decentralised area in particular that the rate of availability has declined relative to previous years as a result of several buildings being converted to a different use. Examples of this include 26.000 m² on the avenue Marcel Thiryiaan converted to residential apartments, and 14.000 m² in the Pléiades in Sint-Lambrechts-Woluwe repurposed for accommodation for the elderly.

The rate of availability in the northern periphery of Brussels remains very high at 20 %, even though the micromarket surrounding the airport is performing well. This can be attributed to a very limited supply of modern class A buildings in the periphery. This is due to a lack of new developments in the area, and also because buildings are becoming outdated so quickly: they are already considered class B buildings 10 years after being commissioned, and are considered class C buildings 15 years after being commissioned.

Round table discussion with property experts



Effect on new developments

Due to the high rate of availability of 10 % of the Brussels market as a whole and the negative effect of this on rents, new speculative developments have almost completely dried up. In 2012, this amounted to only 20.000 m², with only 10.000 m² of speculative office development planned for 2013, while an average of approximately 300.000 m² of new offices are being completed and added to the market each year.

Sustainable offices

For large international corporate office users, a good sustainability rating for office buildings has now become a condition sine qua non for renting, despite the fact that this factor is still not sufficiently reflected in rents. As a result, buildings which fail to comply with these sustainability requirements are rarely even taken into consideration by these parties. This is why both new developments and major renovations are always certified (in accordance with the BREEAM or HQE methodologies) in order to demonstrate the sustainable nature of the buildings.

For the majority of smaller and medium-sized companies, however, costs are the deciding factor; sustainability certification is a lesser priority. As such, it is fair to expect that the energy performance certification of the buildings is expected to have a greater influence on the building chosen by the user in this regard, although this remains somewhat unclear given the current economic climate. Such certification is already mandatory in Brussels-Capital Region and it will be implemented in Flanders as well.

And finally, a number of sustainability-related aspects of the existing building stock could be improved with relative ease. It is indeed often possible to realise a few quick wins, as a result of which the energy performance of a building can be greatly improved. This may include the replacement of the original lighting by modern efficient lighting, the installation of a building management system or the replacement of existing air conditioning installations for cooling and heating with modern energy-efficient solutions.

Rental market for semi-industrial and logistics buildings

General trend in 2012

During 2012, the market segment of semi-industrial and logistics buildings performed at two different rates of speed. The occupancy of semi-industrial buildings performed at historic record levels, with more than 1.000.000 m² of take-up, and investments in this sub-segment have also remained popular. The rate of take-up for logistics space, however, was rather weak, and well under the 10-year average (compared to the boom years of 2007 and 2008).

The sub-segment of semi-industrial buildings performed at historic record levels in 2012, with a total take-up of more than 1.000.000 m². Once again, more than 50 % of this take-up consists of purchases for own use in the Golden Triangle (Antwerp-Brussels-Ghent), with a minority of them reserved for rentals as a result. This overall rate of commissioning is far higher than the 5-year average take-up of 720.000 m².

Due to the lack of relocations of large logistics buildings or consolidations, the logistics market has only achieved a take-up of 550.000 m², which is far lower than the 5-year average of 730.000 m². This modest level of take-up can be attributed to the economic conditions in 2012 as well as limited economic growth, which is highly correlated to the take-up of logistics space. The majority (50 %) of the take-up in logistics buildings is situated along the Antwerp-Brussels logistics axis, the Antwerp-Limburg-Liège axes and the Walloon axis (both around 20 %). It is striking that not a single logistics transaction can be noted on the Antwerp-Ghent axis. One bright spot in this market is that there are practically no modern logistics spaces available which measure more than 20.000 m².

Major market transactions

The volume of transactions in the sub-segment for semi-industrial buildings reached record levels in 2012, the majority of which were purchases for own use. The most notable transactions are the purchase of 19.000 m² by Lutex in Liège and the purchase of a building of 16.600 m² by Fasalt in Marcinelle. For the rentals of semi-industrial buildings in regions where

Interinvest Offices & Warehouses is active, the main transaction was the rental of 12.000 m² by Alltech Belgium in Houthulst.

The main transactions in the logistics buildings sub-segment in 2012 (without taking into account the port-related transactions) were the transaction of 53.000 m² to Weerts in Herstal (Liège) as owner-user, a sale and lease-back of 30.000 m² to 2XL in Bruges, and a transaction of 18.600 m² to Vandeputte Safety in Puurs as owner-user. For rentals of logistics spaces, the main transactions are 23.000 m² at Brucargo rented to DHL Global Forwarding, 13.500 m² in Neder-Over-Heembeek rented to MSF Supply, and 13.000 m² in Opglabbeek rented to Scania Spare Parts. The main transactions in the portfolio of Interinvest Offices & Warehouses consist of the extension of the lease contract of Fiege in Puurs for a section of a 16.500 m² space and a 6.200 m² expansion of Yusen Logistics in Herentals.

Evolution of the rental market

The rents of logistics spaces have remained stable in 2012 compared to previous years. Along the most important axis of Antwerp-Brussels, rents amount to approximately 42 to 43 €/m²/year and for both the axes of Antwerp-Limburg-Liège and Antwerp-Ghent, this is approximately 40 to 42 €/m²/year.

Given the uncertainty regarding the economic situation, no speculative developments have been started in 2012. Developments have been only initiated in the case of direct occupancies (e.g. in Sint-Niklaas for Lidl and in Grobbendonk for Sumitomo). In other words, no additional vacancy was added, and the market once again regulated itself in 2012.

The evolution of the market in 2013 is still very unclear due to economic conditions. But in view of the fact there is hardly any availability in the existing supply of buildings, and because no speculative developments of logistics buildings will take place in the market in 2013, both the vacancy rate as well as rents are expected to remain stable along the major logistics axes in 2013.

The rents for semi-industrial space have also remained stable in 2012 at approximately € 50/m²/year in the Brussels and Walloon-Brabant regions, approximately 45 €/m²/year in the Antwerp and Malines regions and approximately 40 €/m²/year in the Ghent and E313 regions. Since there is a less

direct correlation between the semi-industrial market and the economic situation, it is expected that rents for semi-industrial real estate will also continue to remain stable in 2013.



Herentals Logistics 1 - 17.320 m²

Investment market

Overall figures for the investment market in 2012

The investment market in 2012 once again grew slightly compared to previous years. The total investment volume amounts to € 2,1 billion (as compared with € 1,8 billion in 2011 and € 1,5 billion in 2010 and 2009), which is actually higher than the 5-year average. But compared to previous years, distribution of the total investment volume has changed drastically, with the share of office investments declining. Current investments are distributed among the different sectors as follows: 40 % retail, 30 % offices, 20 % residential and 10 % logistics and semi-industrial real estate. These major shifts have also given way to totally disparate trends within these sectors themselves.

The volume of investments in the office segment has dropped more than 20 % compared to 2011. As a result, the relative share of this segment in the real estate investment total declined accordingly.

The largest office investment transactions in 2012 were the sale of the Zuiderpoort building in Ghent for € 110 million to the Sovereign Wealth Fund of Abu Dhabi, the sale of the Courthouse in Hasselt for € 80 million to Belfius Insurance, and the sale of the South Express building at the Brussels South Station for € 36 million to Euler Hermes. It is worth noting that the average rental period is relatively short for both Zuiderpoort and South Express, with an average of 8 to 5 years until the next option to terminate the contract, though the Courthouse in Hasselt was rented for a long period of 36 years. Yields vary widely for the buildings, at roughly 11 %, 6,1 %, and 5,5 % respectively.

Apart from these, practically the only transactions noted in 2012 were for the absolute core products (long-term office rentals in central locations) with strong initial yields of around 5 %. There were hardly any observable investment transactions in 2012 within the sub-markets of the office segment in which Interinvest Offices & Warehouses is active (for the most part class B buildings). However, we do anticipate transactions in 2013 for core+ buildings, given the now huge disparity in the initial yields of core and non-core buildings.

Investments in the retail segment more than doubled in 2012 compared to the previous year, due mainly to large shopping centre transactions. The most important transactions within this segment were the transfer of the Esplanade Extension in Louvain-La-Neuve to Klépierre for € 130 million, the acquisition of the Westland Shopping Centre by AG Real Estate for € 81 million, and the sale of the Grands Prés Shopping Centre in Bergen to Union Invest for € 70 million.

As a result of the 30 % decline in the investment volume of the logistics and semi-industrial real estate segment, this segment's share of total real estate investments declined accordingly. The largest transactions with investors are the sale of the Brucargo West project to Montea for € 27 million and the sale of the Trading Places II portfolio (Ghent, Sint-Niklaas and Grobbendonk) to BPA for € 26 million. For owner-users, the largest transactions were the sale of Pullaar II in Puurs to Vandeputte Safety and the sale of the buildings in Herstal (Liège) to Weerts.

In terms of the type of investors in the office segment, the share of foreign investors dropped sharply in 2012; though their share was more than 40 % in 2011, it has now shrunk to around 15 % of the total.

Investments in logistics real estate have also mainly been made by Belgian players and by hardly any foreign players. However, this trend has been observable for several years now. The initial yields for modern logistics complexes on the primary logistics axes have remained constant at about 7,0 to 7,25 %, while yields for semi-industrial real estate have remained constant at 8,0 to 8,5 %.



Intercity Business Park - 42.112 m² - Malines

Future evolution of the investment market in 2013-2014

Because of the lack of clarity that exists concerning possible transaction structures and transaction costs associated with Belgian anti-abuse provisions, it is expected that the number of transactions carried out during the first half of 2013 will be very limited. Although the trend in real estate investments is positive, total annual volume in the investment market is therefore expected to decline in 2013.

However, in order to meet Basel III standards for institutional investors and insurers, the share of real estate in the total investment mix that is held by these parties will have to increase further, and this will have a corresponding positive effect on the real estate investment market. In addition, private investors will also remain very active in the real estate market due to the lack of other investment opportunities.

Institutional investors, and especially players with a high level of shareholders' equity, such as insurance companies and pension funds, as well as German open-end funds, will continue to focus on core products. Due to limited supply, the initial yields for these core products will remain under pressure. Due to the increased disparity in initial yields between core and core+ products, it is however also expected that more transactions will again be carried out for the latter in all sub-segments.

Important developments in 2012

Rentals in 2012

Occupancy rate - overview of rentals

For offices as well as for logistic properties the number of new rentals has sharply decreased compared to 2011 and 2010. On the other hand the number of successfully negotiated m² by renewals at end of lease contracts, extensions and prolongation of lease contracts has considerably increased compared to 2011.

On 31 December 2012, the total occupancy rate of the real estate portfolio of Intervest Offices & Warehouses amounts to 86 % (86 % on 31 December 2011):

- ✓ compared to 31 December 2011, the occupancy rate of the office portfolio has slightly increased to 85 % (84 % on 31 December 2011). This is due to the letting to Viabuild and the extension of MC Square, both at Mechelen Campus, and the extension of Biocartis in Intercity Business Park in Malines.
- ✓ for the logistic portfolio the occupancy rate has decreased by 2 % compared to 31 December 2011, to 89 % on 31 December 2012. This decrease comes mainly from the departure from a tenant in a building in Duffel (Stocletlaan).

ON 31 DECEMBER 2012 THE ENTIRE PORTFOLIO HAS AN OCCUPANCY RATE OF 86 %

Rental activity of the office portfolio

New tenants

In the office portfolio of Intervest Offices & Warehouses new lease contracts have been signed in 2012 for a total space of 3.200 m², attracting 6 new tenants (on a total office portfolio of approximately 231.000 m²). This is less compared to the new rentals of 2011, when still 13 new tenants were attracted for a total space of 9.755 m².

In 2012, the most important transactions are:

- ✓ rental to Viabuild at Mechelen Campus for 2.149 m²
- ✓ rental to Tempo-Team Projects in Vilvorde 3TEstate for 636 m²

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

In the office portfolio of the property investment fund, current lease contracts have been renegotiated or prolonged in 2012 for a space of 45.761 m² in 30 transactions. In 2011 a total space of 26.306 m² was renegotiated in 36 transactions.

In 2012, the most important transactions are:

- ✓ prolongation of PricewaterhouseCoopers in Woluwe Garden for 23.712 m² offices and archives (as from 1 January 2013)
- ✓ prolongation of Kuwait Petroleum (Q8) in Antwerp Gateway House for 4.996 m²
- ✓ prolongation of Technicolor in Edegem De Arend for 3.578 m²
- ✓ extension of Biocartis at Intercity Business Park in Malines for 2.669 m²
- ✓ prolongation and extension of MC Square at Mechelen Campus for 1.583 m²
- ✓ prolongation of Sungard at Mechelen Campus for 1.050 m²
- ✓ prolongation of Amplifon at Inter Access Park in Dilbeek for 814 m² (as from 1 January 2013)
- ✓ prolongation and extension of Logins at Intercity Business Park in Malines for 756 m²
- ✓ temporary prolongation of Telenet at Mechelen Campus for 653 m²
- ✓ prolongation and extension of Info Support at Intercity Business Park in Malines for 541 m²



Intercity Acces Park - 6.869 m² - Dilbeek

BECAUSE WE WERE UNABLE TO EXPAND OUR OFFICE SPACE AND THE ACCOMPANYING WAREHOUSE AND TRAINING CENTRE IN OUR CURRENT LOCATION, INTERVEST OFFICES & WAREHOUSES SUGGESTED THAT WE RELOCATE WITHIN ITS REAL ESTATE PORTFOLIO TO THE INTER ACCESS PARK OFFICE BUILDING, THE PLACE WHERE EVERYTHING BEGAN FOR AMPLIFON QUITE SOME TIME AGO. ONE OF OUR MAIN CONDITIONS WAS THAT THE MOVE AND THE ENTIRE FITTING-OUT OF THE SPACES BE COMPLETED BEFORE THE CHRISTMAS HOLIDAY. INTERVEST OFFICES & WAREHOUSES SUCCEEDED IN FITTING OUT THE ENTIRE OFFICE SPACE TO AMPLIFON'S SPECIFICATIONS WITHIN A SPAN OF THREE WEEKS. AMPLIFON RELOCATED ON 9 DECEMBER OF LAST YEAR, AND THE RESULT IS A SIGHT TO BEHOLD!

GERT DE SAEGHER - IT & CONSTRUCTION MANAGER - AMPLIFON BELGIUM

Rental activity of the logistic portfolio

New tenants

In the logistic portfolio of the property investment fund, new lease contracts have been concluded in 2012 for a total space of 16.552 m² in 4 transactions. This is noticeably lower than in 2011, which was an exceptional year due to the transaction with Nike Europe in Herentals for almost 51.000 m².

In 2012, these transactions are:

- ✓ rental of 6.895 m² to ZEB in Merchtem (as from 1 February 2013)
- ✓ property lease with Peugeot in Wilrijk for 5.000 m² (as from 1 October 2013)
- ✓ letting of 3.175 m² to TNT Post Pakketservice in Wilrijk
- ✓ letting of 1.482 m² to Galy Sport in Berchem-Sainte-Agathe

GIVEN THE FAST INTERVENTION OF INTERVEST OFFICES & WAREHOUSES TO CHANGE THE INTENDED USE OF THE WAREHOUSE AND THE OFFICES, WE COULD SETTLE ON THE IDEAL LOCATION

YVES LABEEUW - BUSINESS MANAGER - GALY SPORT

BECAUSE OUR LOGISTICS COMPLEX IS LOCATED IN THE IMMEDIATE VICINITY OF OUR OWN OFFICES, AND BECAUSE OF ITS POTENTIAL FOR FUTURE EXPANSION, WE ARE ABLE TO CENTRALISE ALL OF OUR LOGISTICS OPERATIONS WITHIN A VERY SHORT TIMEFRAME. THIS INCREASE IN SCALE WILL PROVIDE US WITH SIGNIFICANT GAINS IN TERMS OF EFFICIENCY, SIMPLIFICATION AND TRANSPORT, NOT ONLY IN THE SHORT-TERM BUT ALSO WELL INTO THE FUTURE

TOM VERMEYLEN - PARTNER - ZEB GROUP

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

In the logistic portfolio, lease contracts for a space of 82.487 m² have been renewed, extended or prolonged in 2012 in 12 transactions. This is noticeably more than in 2011 when 6 transactions were concluded for a space of 26.385 m².

In 2012, these transactions are:

- ✓ prolongation and extension of UTi Belgium in Oevel for a total space of 30.341 m² (as from 1 July 2013)
- ✓ prolongation of Fiege in Puurs for 16.538 m²
- ✓ prolongation of Estée Lauder in Oevel for 9.780 m²
- ✓ prolongation of Party Rent/Expo Rent in Aartselaar Dijkstraat for 8.062 m²
- ✓ prolongation of Meiko in Schelle for 6.849 m²
- ✓ extension of Yusen Logistics Benelux in Herentals Logistics 1 for 6.200 m²
- ✓ extension of Pharma Logistics in Malines Oude Baan for 4.717 m²

THE FLEXIBLE OPTIONS FOR EXPANSION THAT INTERVEST OFFICES & WAREHOUSES OFFERED US IN HERENTALS MEANT THAT WE WERE ABLE TO EXPAND OUR OPERATIONS TO INCLUDE THE ENTIRE BUILDING

PIET BOOGAARD - MANAGING DIRECTOR
YUSEN LOGISTICS BENELUX

Prolongation of the lease contract with PwC till end 2021

Intervest Offices & Warehouses has prolonged in October 2012 the lease contract with its largest tenant PwC in the Woluwe Garden office building, located in Sint-Stevens-Woluwe. The lease contract, for a space of 21.272 m² offices (23.712 m² including archives), has been concluded for a fixed period of 9 years as from 1 January 2013 till 31 December 2021. This tenant currently represents on 31 December 2012 approximately 10 % of the rental income of the property investment fund.

This lease contract ensures a long term future rental income to the property investment fund in the very competitive Brussels office area Diegem-Zaventem where vacancy reaches summits of 20 % and more. The annual rental income of the property investment fund will decrease by approximately € 1,4 million or € 0,10 per share as from financial year 2013. As a result hereof and because of the general market circumstances in the Brussels periphery the fair value of this building has decreased in 2012 by € 14 million.



Biocartis - Intercity Business Park
42.112 m² - Malines

Further re-letting of ex Tibotec-Virco spaces in Malines to Biocartis and Viabuild

In March 2012, Intervest Offices & Warehouses has concluded two additional lease contracts with biotechnology company Biocartis for additional space of respectively 1.254 m² for offices and 1.415 m² for laboratories at Intercity Business Park in Malines. Both lease contracts have a fixed term of 15 years, with a termination option after 9 years. This further extension of Biocartis represents a gross rental income of approximately € 420.000 an annual basis⁵. With a total space of 6.639 m² of offices and laboratories, leased for a long term, Biocartis is now the largest tenant of Intervest Offices & Warehouses at Intercity Business Park. As a result of this re-letting transaction, the property investment fund has included in profit in the first quarter of 2012 a part of the compensation received in 2010 from Tibotec-Virco, for an amount of € 0,5 million.

Besides, a lease contract has also been concluded in the first quarter of 2012 with Viabuild (road construction) for a surface area of 2.149 m² of offices and warehouse space at Mechelen Campus (building F, formerly leased by Tibotec-Virco). The lease contract has a duration of 9 years, with an option to terminate after 6 years.

As a result of the above-mentioned transactions with Biocartis and Viabuild, 96 % of the space previously leased by Tibotec-Virco has already on 31 March 2012 been re-leased to tenants within or outside the existing portfolio of Intervest Offices & Warehouses (being 18.725 m² out of a total of 19.526 m²).

BECAUSE OF THE EXCELLENT COOPERATION WITH THE LANDLORD'S MANAGEMENT DIVISION DURING THE FITTING-OUT OF OUR PRODUCTION DEPARTMENT, AS WELL AS THE FAVOURABLE RENTAL TERMS AND THE ACCESSIBILITY OF THE LOCATION, WE DECIDED TO GO AHEAD WITH AN ADDITIONAL EXPANSION OF 1.254 M² OF OFFICES AND 1.415 M² OF LABS

MARNIK DE TROYER - FINANCE DIRECTOR - BIOCARTIS

⁵ For the period March 2012 to respectively November 2013 and October 2014, half of the net rental income from these lease contracts will be shared with Tibotec-Virco, in keeping with the 2010 agreement regarding retrocession of rental income (see press release dated 3 June 2010).

Intended departure of tenant Deloitte in Diegem

In December 2012, tenant Deloitte informed the property investment fund that they will vacate over time the buildings in Diegem (Deloitte Campus 1 and 2 and Hermes Hills, a total of approximately 20.000 m²) and move to a building to be developed, a few kilometres away. The agreements with Deloitte continue until early 2016 and longer, so that there is sufficient time to recommercialise these buildings. Given the location of this site near Diegem-station and the quality of the buildings (BREEAM-Very Good), these buildings offer an excellent opportunity to meet a potential demand for large office spaces. Some concrete scenarios for dealing with the departure of Deloitte are outlined here. The buildings could be redeveloped into a multi-tenant campus offering extensive services, based on the example of what was achieved at Malines with RE:Flex. In the other scenario of a single tenant, the 3 buildings could be connected to each other. A concrete design for this has already been drawn up.



RE:flex - Tower - Mechelen Campus

Operational optimisations in 2012

In 2012 Intervest Offices & Warehouses has taken important steps towards further optimisation of its operational activities.

Flexibel work: RE:flex

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

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

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

Officeplanner.be

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

Officeplanner.be brings candidate-tenant and lessor together in a unique way. By introducing online the location and the number of desired working space the candidate-tenant acquires immediately a view of the available buildings and spaces. As soon as

the candidate-tenant chooses a building, he sees instantly the future office in 3D and video, obtaining herewith a good image of the possible design of the office space. www.officeplanner.be

Turn-key solutions

Intervest Offices & Warehouses has further profiled itself as provider of turn-key housing solutions. Different projects have been achieved, the most successful being the design from A to Z of the 5th floor (1.630 m²) at the Antwerp Gateway House for the new Antwerp office of DLA Piper.



DLA Piper - Gateway House - 11.318 m² - Antwerp

THE INTEGRATED SOLUTION OFFERED BY INTERVEST OFFICES & WAREHOUSES ENABLES US TO HAVE AT VERY SHORT NOTICE A BRAND NEW, STATE-OF-THE-ART OFFICE SPACE ON THE EXACT LOCATION

BOB MARTENS - REGIONAL MANAGING PARTNER
DLA PIPER

Investments in 2012

As the logistic real estate market performed much better than the still difficult office market, Intervest Offices & Warehouses has focused on investments in the logistic segment.

INTERVEST OFFICES & WAREHOUSES HAS EXPANDED IN 2012 ITS REAL ESTATE PORTFOLIO BY € 15 MILLION OR 2,6 %, MAINLY IN THE LOGISTIC SEGMENT

Acquisition of a second distribution centre in Oevel and extension agreement

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

This site comprises several connecting warehouse spaces, forming together one entity and which have been renovated in 2004 for the purpose of the current activities. Besides, separate offices are located on the site. This site consists of a total of 8.814 m² warehouse space, 2.178 m² office space, 504 m² social areas and outside parking spaces. The building is connected by means of a conveyor to the adjacent buildings of West-Logistics, forming herewith one operational entity.

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

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

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

The long-lease rights still have a remaining term of 92 years.

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

An additional logistic building of 5.000 m² with parking spaces is built between the two existing buildings. This site will be leased by UTi Belgium as from the delivery (probably 1 July 2013) by means of a lease agreement, till 31 december 2023.

Simultaneously the existing lease contracts for warehouse spaces with Estée Lauder as well as UTi Belgium have been prolonged till 31 December 2023, being a prolongation of respectively 4,5 and 6 years of the existing lease contracts. This extension allows a more efficient organization of the supply of goods and guarantees the presence of this logistic hub in the long run. This prolongation has resulted in 2012 in an increase in fair value of this logistic site by € 3,5 million or approximately 12 %.

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

Oevel 2 - 11.621 m²



Oevel 3 - 5.036 m²

Renovation Herentals Logistics 1

The partial renovation of the logistic site Herentals Logistics 1 has been achieved in 2012. All renovated space, except for a limited office space, is meanwhile let to Kreate and Yusen Logistics.

Given the interest of some candidate-tenants for qualitative new logistic real estate on this location, the property investment fund currently prepares on the not yet renovated part of Herentals Logistics 1 the construction of a logistic warehouse with a space of approximately 19.000 m² that can be subdivided. This realisation will contribute to the further radiance of Herentals Logistics as logistic centre, along one of the most important logistic corridors of the country.

On 31 December 2012 a space of 32.100 m² is valued as spare land.



Herentals Logistics 1 - 17.320 m²

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

In 2012 the property investment fund has signed a property lease for 15 years with French car builder Peugeot (group PSA) for the renovation/conversion to a showroom and garage of the front part of the logistic building Neerland 1 in Wilrijk (located Boomsesteenweg next to Ikea), and this for the replacement of the current branch of Peugeot Antwerpen, located Karel Oomsstraat in Antwerp.

The transaction includes a built-up surface area of approximately 5.000 m² on a ground area of nearly 11.000 m² (including parking spaces). The other part of the building (the rear) and the building Neerland 2 maintain their logistic activities.

The property lease for 15 years offers Peugeot a purchase option at market value at the end of the contract.

The total estimated budget for the conversion / renovation amounts to approximately € 3,3 million. The transaction will generate for the property investment fund as from the fourth quarter of 2013 an annual rental income of approximately € 0,6 million. The financing of this investment will be funded from the existing credit lines of the property investment fund.

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

Disinvestments in 2012

THE LOCATION ON THE A12 IN WILRIJK IS IDEAL FOR A LARGE CONCESSION. THANKS TO THE CREATIVE APPROACH TAKEN BY INTERVEST OFFICES & WAREHOUSES, WE SUCCEEDED IN LOCATING OUR NEW LARGE PEUGEOT CONCESSION FOR THE ANTWERP REGION ON THIS AXIS IN THE BUILDINGS OF INTERVEST OFFICES & WAREHOUSES ON THE BOOMSESTEENWEG

JEAN-MARC VAN DROOGENBROECK - MANAGER
PEUGEOT ANTWERPEN-DEURNE

Intervest Offices & Warehouses has signed in 2012 a private deed for the sale of a non-strategic logistic building, constructed in 1997 and located in Antwerp, Kaaïen 218-220. The total space of the building comprises 5.500 m² warehouses and represents only 0,9 % of the total leasable space of the property investment fund.

The sales price amounts to € 1,2 million and the buyer is the owner-user. The sales price is approximately 10 % higher than the carrying amount which amounted to € 1,1 million on 31 December 2011 (fair value as determined by the independent property expert of the property investment fund).



Wilrijk Neerland 1 and 2 - 29.168 m²

Financial results⁶

Income statement

THE RENTAL INCOME OF THE PROPERTY INVESTMENT FUND HAS INCREASED BY APPROXIMATELY 7 % IN 2012

in thousands €	2012	2011
Rental income	41.207	38.587
Rental-related expenses	49	-76
Property management costs and income	1.097	2.435
Property result	42.353	40.946
Property charges	-4.759	-5.145
General costs and other operating income and costs	-1.577	-1.244
Operating result before result on portfolio	36.017	34.557
Result on disposals of investment properties	140	64
Changes in fair value of investment properties	-13.953	2.294
Other result on portfolio	-730	-2.478
Operating result	21.474	34.437
Financial result (excl. changes in fair value - IAS 39)	-11.156	-12.018
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-3.128	-4.175
Taxes	-35	-227
NET RESULT	7.155	18.017
Note:		
Operating distributable result ⁷	24.826	21.707
Result on portfolio	-14.543	-120
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-3.128	-4.175
Other non-distributable elements (subsidiaries)	0	605

⁶ Between brackets the comparable figures of financial year 2011.

⁷ For the calculation of the operating distributable result: please see note 13 of the financial report.

Analysis of results

For financial year 2012, **rental income** of Intervest Offices & Warehouses amounts to € 41,2 million. The increase of € 2,6 million or approximately 7 % compared to financial year 2011 (€ 38,6 million) is mainly the combined effect of:

- ✓ investments in logistic sites in Huizingen, Houthalen and Oevel realised in 2011, generating in 2012 an increase in rental income of € 1,4 million
- ✓ the construction of Herentals Logistics 2 during 2011 and 2012, leased to Nike Europe with a positive effect on rental income in 2012 of € 1,6 million
- ✓ the investment in May 2012 in the leasehold rights of the second distribution centre in Oevel, generating € 0,4 million rental income in 2012
- ✓ the decrease in rental income of the existing logistic portfolio of € 0,6 million, mainly through the departure of a tenant in a logistic building in Duffel
- ✓ stable rental income of the office portfolio
- ✓ the sale of a non-strategic building in Sint-Niklaas in January 2012, leading to € 0,2 million less rental income

In 2012, **property management costs and income** show an income of € 1,1 million (€ 2,4 million). This lower income compared to previous financial year results from higher refurbishment costs for offices to be let and a lower profit taking for compensations for rental charges (received from Tibotec-Virco) after the additional letting to Biocartis at Intercity Business Park in Malines.

For the financial year 2012, the **property charges** of the property investment fund decrease by approximately € 0,4 million to € 4,8 million (€ 5,1 million) mainly from lower vacancy costs as a result of reduced vacancy in Herentals Logistics 1 and Mechelen Campus Tower.

General costs and other operating income and costs amount to € 1,6 million and have increased by € 0,4 million compared to previous year (€ 1,2 million) mainly through increased costs for personnel and advice.

The increase in rental income and the decrease of property charges partly compensated by a decrease of property management income and the increase of general costs ensure that the **operating result before result on portfolio** increases by approximately 4 % or € 1,4 million, to € 36,0 million (€ 34,6 million).

The **changes in fair value of investment properties** are negative in 2012 and amount to - € 14,0 million compared to the positive changes of € 2,3 million in 2011. These negative changes in 2012 are the combined effect of:

- ✓ the decrease in fair value of the office portfolio of € 21,9 million or 5,9 % compared to the fair value on 31 December 2011, mainly through the lease contract concluded in October 2012 with PwC in Woluwe Garden (till end 2021), the announced departure of tenant Deloitte in Diegem in 2016 and the general adjustment of the estimated rental value for offices in the Brussels periphery
- ✓ the increase in fair value of the logistic portfolio of € 7,9 million or 3,8 % compared to the fair value on 31 December 2011, mainly through the prolongation of the lease contracts with Estée Lauder as well as UTi Belgium on the site in Oevel till 31 December 2023, a contract for solar panels on the building Duffel Stocletlaan and the partial gain on the on-going renovation, redevelopment and expansion projects in Herentals Logistics 1 and Neerland 1 and Oevel.

IN 2012, THE FAIR VALUE OF THE INVESTMENT PROPERTIES HAS DECREASED BY € 14 MILLION OR 2,4 %, MAINLY IN THE OFFICE SEGMENT

The **other result on portfolio** comprised in 2011 mainly the immediate write off of the price difference of - € 2,0 million on the acquisition of the shares of the companies MGMF Limburg sa (owner of the logistic site in Houthalen) and West-Logistics sa (owner of the logistic site in Oevel).

The **financial result (excl. changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39))** amounts in 2012 to - € 11,2 million (- € 12,0 million). The average credit facility withdrawal of the property investment fund has increased on an annual basis by approximately € 36 million in 2012 compared to 2011, due to the financing of acquisitions of investment properties in 2011 and 2012. Despite this higher credit facility withdrawal, the financing cost of the property investment has decreased in 2012 by € 0,8 million due to the use of new interest rate swaps at lower interest rates, as well as the further decrease of interest rates on the financial markets.

✓ FOR FINANCIAL YEAR 2012, THE AVERAGE INTEREST RATE OF THE CURRENT CREDIT FACILITIES OF THE PROPERTY INVESTMENT FUND AMOUNTS TO 3,7 % (4,6 %) INCLUDING BANK MARGINS ✓

The **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** include the changes in market value of interest rate swaps that, in line with IAS 39, cannot be classified as cash flow hedging instruments, for an amount of - € 3,1 million (- € 4,2 million).

The **net result** of Intervest Offices & Warehouses for financial year 2012 amounts to € 7,2 million (€ 18,0 million) and may be divided into:

- ✓ the **operating distributable result** of € 24,8 million (€ 21,7 million). This improved result comes mainly from the increase in rental income, the decrease of property charges and the decrease of financing costs of the property investment fund
- ✓ the **result on portfolio** of - € 14,5 million (- € 0,1 million) resulting from the negative changes in fair value of investment properties
- ✓ **changes in fair value of the financial assets and liabilities (ineffective hedges - IAS 39)** for an amount of - € 3,1 million (- € 4,2 million)
- ✓ **other non-distributable elements** for € 0 million (€ 0,6 million) related in 2011 to the operating result of the subsidiaries MGMF Limburg sa and West-Logistics sa for the period as from 1 July 2011 to 27 October 2011. Through the merger by absorption with the property investment fund, which took place on 27 October 2011, the operating results can be distributed from this date.

RESULT PER SHARE	2012	2011
Number of shares entitled to dividend	14.199.858	13.907.267
Net result (€)	0,51	1,30
Operating distributable result (€)	1,75	1,56
Adjustment of dividend to changed valuation rule (€)	0,01	0,17
Gross dividend (€)	1,76	1,73
Net dividend⁸ (€)	1,32	1,37

⁸ Pursuant to the Finance Act of 27 December 2012 (Belgian Official Gazette 31 December 2012) withholding tax on dividends of public property investments funds increases as from taxation year 2013 from 21 % to 25 % (subject to certain exemptions).

For financial year 2012, the **operating distributable result** of Intervest Offices & Warehouses amounts to € 24,8 million (€ 21,7 million). Given the 14.199.858 shares this represents € 1,75 per share compared to € 1,56 previous year.

In 2011 however, the operating distributable result was increased by € 0,17 per share as a result of a change of the valuation rule for early terminated lease contracts. For financial year 2012 this change of valuation rule has still a positive effect of € 0,01 per share.

After revision of the operating distributable result as appears from the statutory annual accounts of the property investment fund, this means for 2012 a **gross dividend** per share of € 1,76 compared to € 1,73 for 2011. This represents an increase of 2 % per share. This gross dividend offers the shareholders of the property investment fund a gross dividend yield of 8,7 % based on the closing price of the share on 31 December 2012.

Balance sheet

in thousands €	31.12.2012	31.12.2011
ASSETS		
Non-current assets	581.588	581.672
Current assets	12.489	12.462
TOTAL ASSETS	594.077	594.134
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	272.356	284.018
Share capital	129.395	126.729
Share premium	63.378	60.833
Reserves	72.389	78.398
Net result of financial year	7.156	18.018
Minority interest	38	40
Non-current liabilities	260.659	264.426
Current liabilities	61.062	45.690
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	594.077	594.134
BALANCE SHEET DATA PER SHARE		
Number of shares entitled to dividend	14.199.858	13.907.267
Net asset value (fair value) (€)	19,18	20,42
Net asset value (investment value) (€)	20,21	21,37
Net asset value EPRA (€)	19,73	20,76
Share price on closing date (€)	20,12	18,15
Premium (+) / discount (-) to net asset value (fair value) (%)	5 %	-11 %
Debt ratio (max. 65 %) (%)	51,2 %	49,9 %

Assets

THE FAIR VALUE OF THE REAL ESTATE PORTFOLIO AMOUNTS TO € 581 MILLION ON 31 DECEMBER 2012

Non-current assets consist mainly of the investment properties of Interinvest Offices & Warehouses.

In 2012, the **fair value of the real estate portfolio** remains stable and amounts to € 581 million on 31 December 2012 (€ 581 million on 31 December 2011). Underlying, the fair value of the investment properties has known following evolutions in 2012:

- ✓ on the one hand, the increase in fair value of the **logistic portfolio** by € 18 million or 9 % compared to the fair value on 31 December 2011, mainly for:
 - € 8,0 million from the acquisition of leasehold rights of a second distribution centre in Oevel
 - € 3,5 million from the prolongation of lease contracts with Estée Lauder and UTi Belgium on the site in Oevel till 31 December 2023
 - € 1,8 million from the delivery to Nike Europe of a second office bloc and annex in Herentals Logistics 2
 - € 5,5 million from the partial gain on the on-going renovation, redevelopment and expansion projects in Herentals Logistics 1, Neerland 1 and Oevel
 - € 0,9 million from the contract for solar panels on the building Duffel Stocletlaan
 - - € 1,1 million from the sale of a non-strategic logistic building located Kaaïen 218-220 in Anwerp
- ✓ on the other hand, the decrease in fair value of the **office portfolio** of € 18 million or 5 % compared to the fair value on 31 December 2011, mainly as a result of the lease contract concluded with PwC in Woluwe Garden in October 2012 (till end 2021), the announced departure of tenant Deloitte in Diegem in 2016 and the general adjustment of the estimated rental values for the offices in the Brussels periphery.

Current assets amount to € 12 million and consist mainly of € 1 million in assets held for sale (being the logistic building located Kaaïen 218-220 in Antwerp), of € 5 million in trade receivables (of which € 3 million for advance billing of rents for financial year 2013 for the logistic portfolio), of € 3 million in tax receivables and other current assets and of € 2 million in deferred charges and accrued income.

THANKS TO A STRICT CREDIT CONTROL, THE NUMBER OF DAYS OF OUTSTANDING CUSTOMERS CREDIT IS ONLY 8 DAYS

Liabilities

Shareholders' equity of the property investment fund amounts on 31 December 2012 to € 272 million (€ 284 million).

The shareholders of property investment fund Intervest Offices & Warehouses chose for 27,35 % of their shares for a contribution of their dividend rights in return for new shares instead of payment of the dividend in cash for financial year 2011. This led on 24 May 2012 to a strengthening of € 5,2 million (capital increase and share premium) of shareholders' equity of Intervest Offices & Warehouses by means of the creation of 292.591 new shares, as a result of which the total number of shares of Intervest Offices & Warehouses as from 25 May 2012, amounts to 14.199.858. The newly created shares are entitled to the results of the property investment fund as from 1 January 2012. Total number of shares entitled to dividend amounts to 14.199.858 units on 31 December 2012 (13.907.267 units).

The **share capital** of the property investment fund has increased in 2012 through this capital increase by € 2,7 million to € 129 million (€ 127 million) and the **share premium** by € 2,5 million to € 63 million (€ 61 million).

The **reserves** of the company amount to € 72 million (€ 78 million) and consist mainly of:

- ✓ the reserve for the balance of changes in fair value of investment properties for € 72 million (€ 73 million) composed of the reserve for the balance of changes in the investment value of investment properties for € 87 million (€ 86 million), and the reserve for the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties. Indeed, 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 valued at fair value. The difference with the investment value is shown separately in shareholders' equity. On 31 December 2012, this difference amounts to - € 15 million (- € 13 million)
- ✓ a reserve for the balance of changes in fair value of authorised hedging instruments that are subject to hedge accounting for an amount of - € 1 million (- € 1 million)
- ✓ a reserve for the balance of changes in fair value of authorised hedging instruments that are not subject to hedge accounting for an amount of - € 4 million (- € 0 million)
- ✓ results carried forward from previous financial years for € 5 million (€ 6 million) subject to distribution (see note 13 of the financial report). The decrease comes mainly from the additional dividend distribution in May 2012 for financial year 2011 for the change in valuation rules.

Non-current liabilities amount to € 261 million (€ 264 million) and comprise on the one hand non-current financial debts for an amount of € 252 million (€ 259 million), consisting of € 178 million long-term bank financings of which the expiry date falls after 31 December 2013 and of the bond loan issued in June 2010 for an amount of € 75 million. On the other hand, non-current liabilities also comprise the other non-current financial liabilities representing the negative market value of € 8 million of the cash flow hedges which the property investment fund has concluded to hedge the variable interest rates of the noncurrent financial debts.

Current liabilities amount to € 61 million (€ 46 million) and consist mainly of € 48 million current financial debts, of € 3 million trade debts and of € 10 million accrued charges and deferred income.

Financial structure

Characteristics financial structure

On 31 December 2012, Intervest Offices & Warehouses has a thorough financial structure allowing it to continue to carry out its activities in 2013 and to meet its commitments.

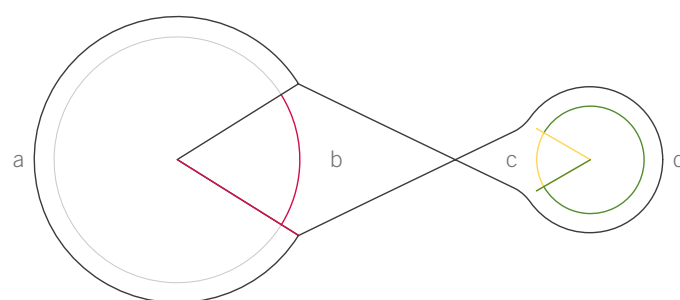
The most important characteristics of the financial structure at the end of 2012 are:

- ✓ amount of financial debts: € 300 million
- ✓ 82 % long-term financings with an average remaining duration of 2,8 years
- ✓ spread of expiry dates of credit facilities between 2013 and 2022
- ✓ spread of credit facilities over 5 European financial institutions and bondholders
- ✓ € 24 million available non-withdrawn credit lines
- ✓ 60 % of the credit lines have a fixed interest rate, 40 % have a variable interest rate. 65 % of the withdrawn credit facilities have a fixed interest rate and 35 % a variable interest rate
- ✓ interest rates are fixed for a remaining average period of 3,0 years
- ✓ market value of financial derivatives: € 8 million negative
- ✓ average interest rate for 2012: 3,7 % including bank margins (4,6 % in 2011)
- ✓ debt ratio of 51,2 % (legal maximum: 65 %) (49,9 % on 31 December 2011)

Balance between long-term and short-term financing

On 31 December 2012, 82 % of the available credit lines of Intervest Offices & Warehouses are long-term financings. 18 % of the credit lines are short-term financings, with 15 % consisting of financings with an unlimited duration progressing each time for 364 or 30 days (€ 47 million) and 3 % being a credit facility which expires in December 2013 (€ 10 million). Besides, there is also an instalment of € 0,5 million on an investment credit facility.

Balance between long-term and short-term financing



- a — 82% Long-term credit facilities
- b — 18% Short-term credit facilities
- c — 3% Credit facility to be refinanced by December 2013
- d — 15% Credit facilities with indefinite duration, progressing each time for 30 or 364 days

82 % OF THE CREDIT LINES ARE LONG-TERM FINANCINGS

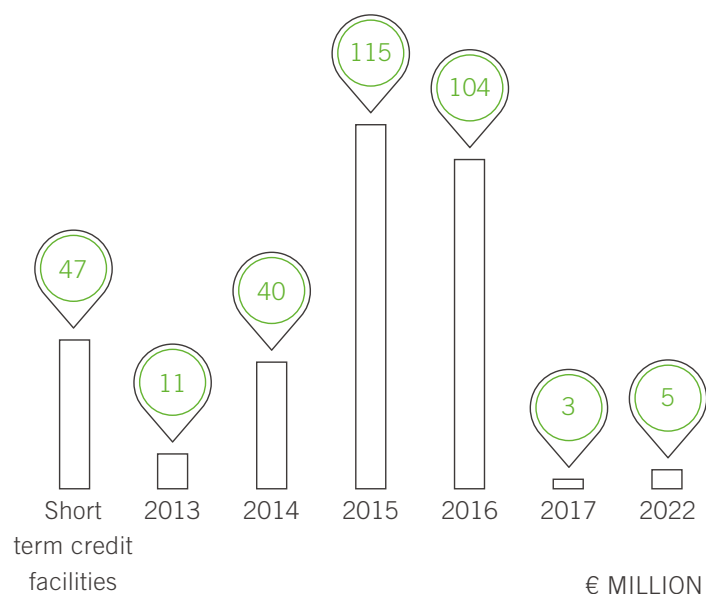
Duration and spread of expiry dates of long-term credit facilities

The strategy of Intervest Offices & Warehouses is to maintain the average duration of the long-term credit facilities between 3,5 and 5 years, but it is possible to deviate from that principle when specific market circumstances require it.

On 31 December 2012, the expiry calendar of the credit facilities, including the bond loan of € 75 million expiring on 29 June 2015, gives the below image. The first expiring credit facility of the property investment fund is only in December 2013 (€ 10 million) as a result of which Intervest Offices & Warehouses does not need to carry out any major refinancing of its credit facilities' portfolio in 2013. The weighted average remaining duration of the long-term credit facilities is herewith 2,8 years on 31 December 2012.

The credit facility portfolio of Intervest Offices & Warehouses is spread over 5 European financial institutions and bondholders.

Expiry calendar of available credit lines



THE WEIGHTED AVERAGE REMAINING DURATION OF THE LONG-TERM CREDIT FACILITIES AMOUNTS TO 2,8 YEARS ON 31 DECEMBER 2012

Available credit lines

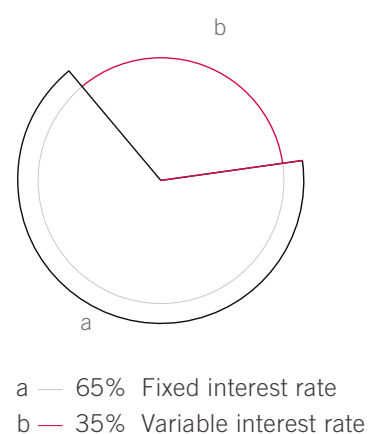
On 31 December 2012, the property investment fund still has € 24 million of non-withdrawn credit facilities at its financial institutions to meet fluctuations of liquidity needs, for financing future investments and for payment of the dividend of financial year 2012.

Percentage credit facilities with fixed and variable interest rate

When composing the loan portfolio, the strategy of Intervest Offices & Warehouses 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 2012, 60 % of the credit lines of the property investment fund consist of financing with a fixed interest rate or fixed by interest rate swaps, 40 % have a variable interest rate. 65 % of the withdrawn financing has a fixed interest rate or is fixed by interest rate swaps and 35 % has a variable interest rate.

Percentage credit facilities with fixed and variable interest rate



65 % OF THE WITHDRAWN CREDIT FACILITIES HAVE A FIXED INTEREST RATE OR ARE HEDGED BY FINANCIAL DERIVATIVES

Duration of fixed interest rates

The interest rate policy of Intervest Offices & Warehouses consists in concluding always one-third of its credit facilities with a variable interest rate.

On 31 December 2012 the bond loan of € 75 million (expiring in June 2015) has a fixed interest rate and the property investment fund has concluded interest rate swaps for a notional amount of € 120 million.

The interest rates on the credit facilities of the property investment fund are fixed for an average remaining duration of 3,0 years.

Average interest rates

The total average interest rate of the financial debts of the property investment fund decreases in 2012 to 3,7 % including bank margins (2011: 4,6 %).

For 2012, the average interest rate for the non-current financial debts amounts to 4,0 % (2011: 4,8 %). For 2012, the average interest rate for the current financial debts amounts to 2,0 % (2011: 2,5 %).

Interest rate sensitivity

For financial year 2012, the effect on the operating distributable result of a (hypothetical) increase in interest rate by 1 % gives a negative result of approximately € 0,8 million (2011: € 1 million).

Interest cover ratio

The interest cover ratio is the ratio between the operating result before result on portfolio and the financial result (excluding the change in fair value of financial derivatives in accordance with IAS 39). For Intervest Offices & Warehouses, this ratio amounts to 3,23 for financial year 2012 (2,88 for the financial year 2011), which is significantly better than the required 2 to 2,5, which is agreed as a covenant in the financing agreements of the property investment fund.

Debt ratio

On 31 December 2012, the debt ratio of the property, investment fund amounts to 51,2 % (49,9 % on 31 December 2011).

Details on the evolution of the debt ratio

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

The policy of Intervest Offices & Warehouses consists in maintaining the debt ratio below 55 %.

On 31 December 2012 the consolidated debt ratio of Intervest Offices & Warehouses amounts to 51,2 %, exceeding herewith the threshold of 50 %. Such exceeding occurred the first time on 30 June 2012 with a debt ratio of 52,1 %. During its history the debt ratio of Intervest Offices & Warehouses has never transcended the threshold of 65 %.

The increase of the debt ratio from 49,9 % on 31 December 2011 to 51,2 % on 31 December 2012 comes from the value decrease of the office portfolio in the fourth quarter of 2012, the acquisition of the long-lease rights of the second distribution center in Oevel in May 2012 and the payment of the dividend of financial year 2011, also in May 2012. The shareholders' equity of the property investment fund has at that moment been strengthened with approximately € 5,2 million as 27,35 % of the shareholders reinvested in new shares by means of the optional dividend.

The decrease of the debt ratio from 52,1 % on 30 June 2012 to 51,2 % on 31 December 2012 results from the operational results of the second semester of 2012, partly compensated by the value decrease of the office portfolio in the fourth quarter of 2012.

On the basis of the current debt ratio of 51,2 % on 31 December 2012, Intervest Offices & Warehouses still has an additional investment capacity of approximately € 235 million⁹, without exceeding herewith the maximum debt ratio of 65 %. The capacity for further investments amounts to approximately € 130 million before exceeding the debt ratio of 60 %.

⁹ For this calculation the potentially realised investments are taken into account in the denominator of the fraction (debts for the calculation debt ratio/total assets).

Valuations of the real estate portfolio also have an impact on the debt ratio. Taking into account the current capital structure, the maximum debt ratio of 65 % would only be transcended in case of a possible decrease in value of the investment properties by approximately € 126 million or 22 % compared to the real estate portfolio of € 581 million on 31 December 2012. In case of unchanged current rents, it means an increase of the yield, used for the valuation of the properties, of 2,1 % on average (from 7,6 % on average to 9,7 % on average). In case of unchanged yield used for the valuation of investment properties, it means a decrease of current rents of € 9,9 million or 22 %.

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

On the basis of the current financial plan it is supposed that the debt ratio of Interinvest Offices & Warehouses will fluctuate in the course of 2013 between 50 % and 52 %, compared to 51,2 % on 31 December 2012.

This assessment takes into account the following elements:

- ✓ the achievement of the current investment program of approximately € 9 million (extension in Oevel and redevelopment of Neerland 1 in Wilrijk and investments in the existing real estate portfolio)
- ✓ planned disinvestments for an amount of approximately € 15 million
- ✓ profit allocation which takes into account the profit for financial year 2012 and the dividend payment for financial year 2012
- ✓ an optional dividend in May 2013 for financial year 2012 whereby the investment capacity herewith liberated can be used for the realisation of new projects
- ✓ a stable value of the real estate portfolio of the investment property fund.

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

The board of directors of Interinvest Offices & Warehouses is of the opinion that the debt ratio will not exceed 65 % and that presently, given the cur-

rent economic and real estate trend, the planned investments and the expected evolution of the shareholders’ equity of the property investment fund, no additional measures have to be taken.

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



Woluwe Garden - 25.074 m²
Sint-Stevens-Woluwe

Profit distribution 2012

The board of directors proposes to distribute the result for financial year 2012 of Intervest Offices & Warehouses as follows:

in thousands €	
Net result for financial year 2012¹⁰	7.155
ALLOCATION TO/TRANSFER FROM RESERVES	
✓ Allocation to/transfer from the reserves for the balance of changes in fair value ¹¹ of real estate:	
• Financial year	14.656
• Value realised from disposals of investment properties	-31
✓ Transfer to the reserve of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-82
✓ Transfer from the reserve for the balance of changes in fair value of authorised hedging instruments that are not subject to hedge accounting	3.128
✓ Transfer from results carried forward from previous years	166
REMUNERATION OF CAPITAL	24.992

**AT THE GENERAL MEETING OF SHAREHOLDERS
ON 24 APRIL 2013, IT SHALL BE PROPOSED THAT A GROSS DIVIDEND
OF € 1,76 PER SHARE BE DISTRIBUTED**

Due to the change in valuations rules of the property investment fund during financial year 2011 and because of the economic climate Intervest Offices & Warehouses has decided in 2012 to adapt its distribution policy so that the distribution percentage can lie between 80 % and 100 % of the operation distributable result, in function of the received indemnity for early terminated lease contracts and other compensations for rental damage.

Intervest Offices & Warehouses will distribute 100 % of the operating distributable result in financial year 2012 so that the dividend is higher than the required minimum of 80 % of the operating distributable result pursuant to the Royal Decree of 7 December 2010.

Furthermore, Intervest Offices & Warehouses will also distribute an additional operating result of 1 eurocent per share (for indemnities received for early terminated lease contracts) which has to be allocated to the dividend pay-out of the financial year 2012 due to the change in the valuation rule during financial year 2011.

Pursuant to the Finance Act of 27 December 2012 (Belgian Official Gazette 31 December 2012) withholding tax on dividends of public property investments funds increases as from taxation year 2013 from 21 % to 25 % (subject to certain exemptions).

The remuneration of capital equals to a gross dividend of € 1,76 and a net dividend of € 1,32 after deduction of 25 % withholding tax. Taking into account the 14.199.858 shares that will participate in the full result of the financial year, this means that a dividend of € 24.991.750 is available for distribution.

The dividend is payable from 24 May 2013. As far as bearer shares are concerned, payments may be collected by presenting dividend coupon no. 14.

¹⁰ As legally speaking only the operating distributable profit of the statutory annual accounts can be distributed and not of the consolidated annual accounts, the present profit distribution is based on the statutory figures (see note 13 of the financial report).

¹¹ Based on the changes in the investment value of investment properties.

Forecast for 2013

Focus on occupancy rate

Given the difficult economic situation right now, the future demand for office space and logistical real estate is uncertain. In the present market conditions, it will be a challenge to keep the 2013 occupancy rate stable at the current level of 86 %.

As for the current lease contracts in the logistic portfolio, only a limited volume is expiring in 2013, which puts Intervest Offices & Warehouses in a relatively comfortable starting position. Expectations are that the demand for larger spaces will remain limited, just like in 2012. The full list of available logistic buildings in the property investment funds' portfolio are primarily located along the Antwerp-Brussels axis, which is in itself a much demanded rental market. It concerns, among other things, the building on the Stocletlaan in Duffel, of approximately 19.000 m² (leasable from approximately 4.000 m²), and the building on the Notmeir in Duffel of approximately 8.800 m². There is relatively little warehouse space over 10.000 m² available in the vicinity, which increases the rental chances for Intervest Offices & Warehouses.

Intervest Offices & Warehouses expects the occupancy rate in the offices segment to drop in 2013, partly due to the ending of lease contracts with some larger tenants, including BDO in the Sky Building and Elegis in Gateway House.

Logistical developments in the existing portfolio

In 2013, Intervest Offices & Warehouses will continue to focus on increasing the share of logistic real estate in its portfolio. The existing Estée Lauder logistic distribution centre in Oevel will be expanded by approximately 5.000 m². Construction is expected to start in early 2013 with delivery by mid-2013. Furthermore, Intervest Offices & Warehouses expects to be granted an urban development permit in the first quarter of 2013 to convert the existing site at Neerland 1 in Wilrijk into a showroom and garage for Peugeot. The delivery of these works is planned for the autumn of 2013.

Investments and disinvestments

If the market conditions permit it, Intervest Offices & Warehouses will disinvest non-strategic buildings in order to put more focus on investments in high quality logistic real estate. Given the current debt ratio of 51,2 %, for the time being no new acquisitions, except for those on-going commitments concerning the expansion of the logistic buildings, will be made.

Financing

The next maturity date of a credit facility of the property investment fund is in December 2013 (€ 10 million), which means that Intervest Offices & Warehouses does not need to carry out any major refinancing of its credit portfolio in 2013. The weighted average remaining duration of the long-term credit facilities is 2,8 years as of 31 December 2012. Taking into account the market-related fact that banks want to reduce real estate financing ever further, Intervest Offices & Warehouses will study alternative sources of financing.

Result forecast

The early extension of a number of important lease contracts in 2012 results in an increased security regarding the rental income in the long term. The average duration of the rental agreements has been extended to approximately 4,5 years. Many of these extensions have been paired with lowering the rental price. The short-term consequence of this, together with the fact that the occupancy rate is under pressure, is that the 2013 operating distributable result is expected to be markedly lower than in 2012.



CEVA

3

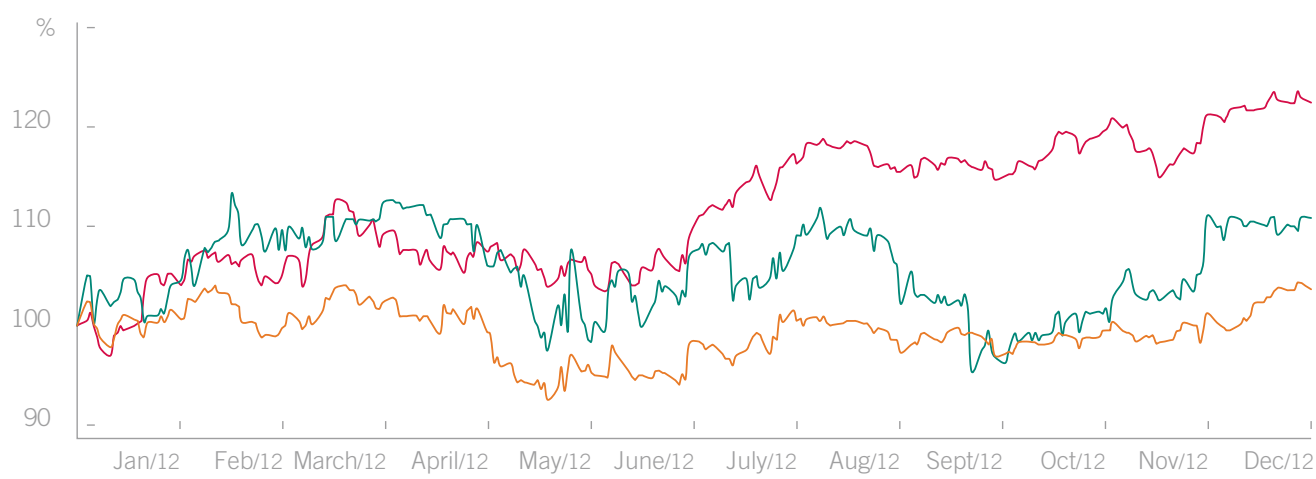
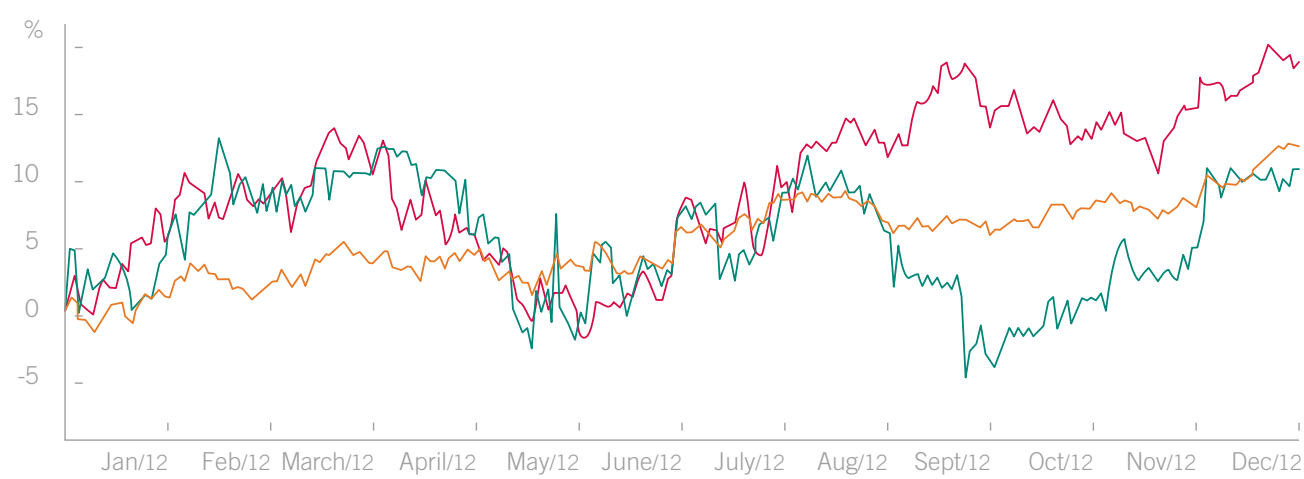
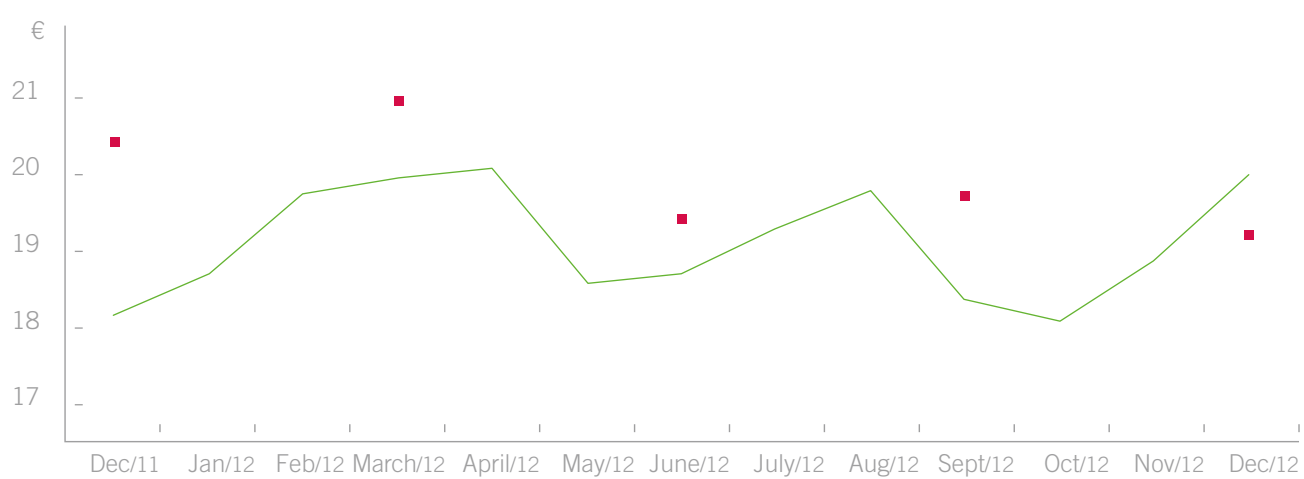


REPORT ON THE SHARE

Stock market information

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





Share price evolution

The share price of Intervest Offices & Warehouses closed the financial year on 31 December 2012 at € 20,12 compared to € 18,15 on 31 December 2011. Consequently, the share price of the property investment fund increased at the end of the year by approximately 11 %. The lowest closing share price reaches € 17,29 (21 September 2012) and the highest closing share price € 20,57 (14 February 2012).

The average share price of financial year 2012 amounts to € 19,16 compared to € 21,75 for financial year 2011.

Premium/discount Intervest Offices & Warehouses

During financial year 2012, the share of Intervest Offices & Warehouses quoted with a discount of 4 % on average. In the fourth quarter of 2012 the share price increased so that on 31 December 2012 the share quoted with a premium of 5 % compared to the net asset value.

The net asset value of Intervest Offices & Warehouses includes the 2011 dividend up to the payment date on 25 May 2012.

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

The share of Intervest Offices & Warehouses has fluctuated during the first three quarters of 2012 along with the BEL 20 and the BEL Real Estate. In the fourth quarter of 2012 the Intervest Offices & Warehouses share has performed lesser than both indexes.

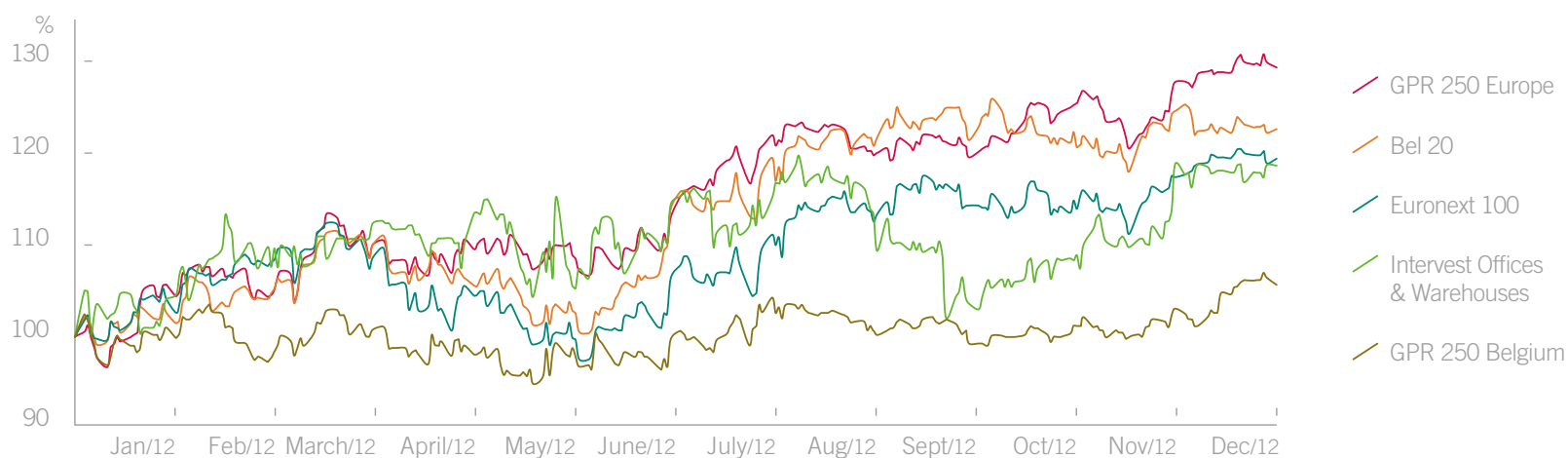
Comparison of Intervest Offices & Warehouses with Epra/Nareit index

During 2012, the share of Intervest Offices & Warehouses has fluctuated along with EPRA/NAREIT Belgium/Luxembourg REITs-index and as from mid-2012 has performed lesser than the EPRA/NAREIT Developed Europe-index.



Gateway House - 11.318 m² - Antwerp

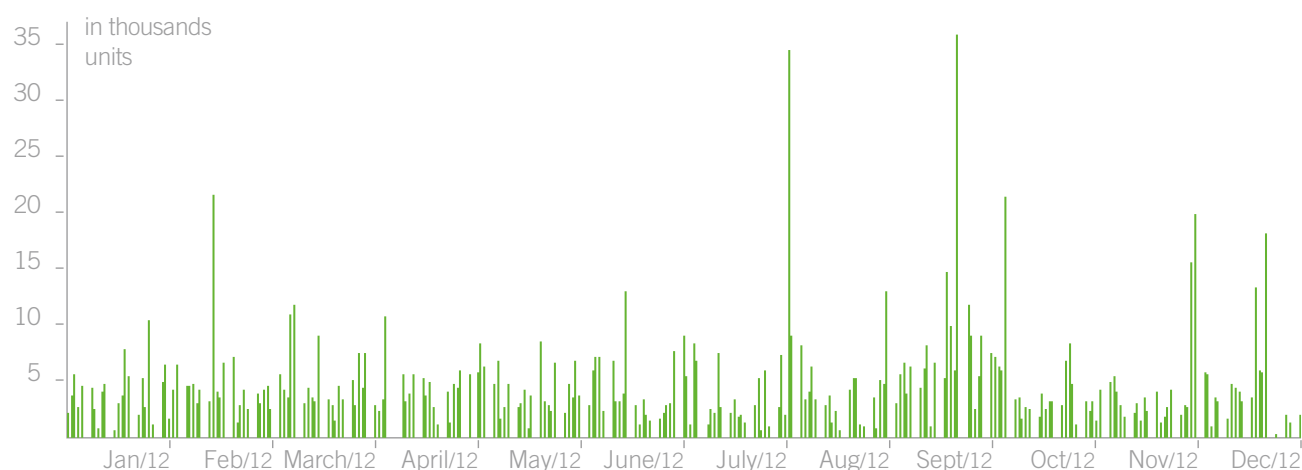
Comparison of Intervest Offices & Warehouses with GPR indexes



This graph shows that in 2012 Intervest Offices & Warehouses has fluctuated on average along with the GPR 250 Europe index, the GPR 250 Belgium index and the Euronext 100 index.

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

Traded volumes Intervest Offices & Warehouses



In 2012, the traded volumes, with an average of 4.788 shares per day, are lower than previous year (an average of 5.206 shares per day).

A liquidity contract has been 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.

ON 31 DECEMBER 2012, THE SHARE PRICE OF THE INTERVEST OFFICES & WAREHOUSES' SHARE IS € 20,12, OFFERING ITS SHAREHOLDERS A GROSS DIVIDEND YIELD OF 8,7 %

Dividend and number of shares

Number of shares	31.12.2012	31.12.2011	31.12.2010
Number of shares at the end of the period	14.199.858	13.907.267	13.907.267
Number of shares entitled to dividend	14.199.858	13.907.267	13.907.267

Share price (€)	31.12.2012	31.12.2011	31.12.2010
Highest closing share price	20,57	23,49	24,49
Lowest closing share price	17,29	17,42	19,80
Share price on closing date	20,12	18,15	23,49
Premium (+) / discount (-) to net asset value (fair value) (%)	5 %	- 11 %	14 %
Average share price	19,16	21,75	22,46

Data per share (in €)	31.12.2012	31.12.2011	31.12.2010
Net asset value (fair value)	19,18	20,42	20,77
Net asset value (investment value)	20,21	21,37	21,75
Net asset value EPRA	19,73	20,76	20,81
Gross dividend	1,76	1,73	1,83
Net dividend ¹²	1,32	1,37	1,56
Gross dividend yield (%)	8,7 %	9,5 %	7,8 %
Net dividend yield (%)	6,6 %	7,5 %	6,6 %



Schelle - 8.000 m²

¹² Pursuant to the Finance Act of 27 December 2012 (Belgian Official Gazette 31 December 2012) withholding tax on dividends of public property investments funds increases as from taxation year 2013 from 21% to 25% (subject to certain exemptions).

Shareholders

On 31 December 2012, the following shareholders are known to the company:

Name	Voting rights directly held	% voting rights directly held
NSI Group	7.787.927 shares	54,8 %
NSI sa, Kruisweg 661-665, NL - 2132 NC Hoofddorp (parent company of NSI Beheer II bv which in its turn controls VastNed Offices Benelux Holding bv - VastNed Offices Benelux Holding bv also controls in its turn VastNed Offices Belgium Holdings bv which controls in its turn Belle Etoile sa)	0 shares	0 %
VastNed Offices Benelux Holding bv, Kruisweg 661-665, NL - 2132 NC Hoofddorp	7.763.321 shares	54,6 %
Belle Etoile sa, Uitbreidingstraat 18 2600 Berchem-Antwerp - Belgium	24.606 shares	0,2 %
Public	6.411.931 shares	45,2 %
Total	14.199.858 shares	100 %

Vastned Offices Benelux Holding bv and Belle Etoile sa (both companies finally controlled by NSI sa), have, in application of articles 14 and 29 of the Law of 2 May 2007 on the Disclosure of Important Shareholdings in Listed Companies, sent a notice to Intervest Offices & Warehouses sa on 14 October 2011 and 19 October 2011. These “NSI sa” notification forms are disclosed on the website, www.intervestoffices.be.

In application of article 74 of the Law on Public Takeover Bids of 1 April 2007, VastNed Offices Benelux Holding bv and Belle Etoile sa communicated to the FSMA on 1 September 2012 that they trade mutually and jointly hold more than 30 % of the shares of Intervest Offices & Warehouses.

Financial calendar

Announcement of annual results as at 31 December 2012:	Friday 8 February 2013
General meeting of shareholders:	Wednesday 24 April 2013 at 4.30 pm
Dividend payable:	
Ex dividend date 2012	Monday 29 April 2013
Record date dividend 2012	Thursday 2 May 2013
Dividend payment 2012	as from Friday 24 May 2013
Interim statement on the results as at 31 March 2013	Tuesday 7 May 2013
Half-yearly financial statement as at 30 June 2013	Tuesday 30 July 2013
Interim statement on the results as at 30 September 2013	Friday 25 October 2013



Raghenò - 6.011 m² - Malines

4

Parking

- Visitors -1
- Delivery -1
- Shuttle -1
- Staff -2,-3,-4

Reception

- Taxi ↑

PICK-UP POINT

Ⓡ no parking in this area Ⓡ

Reception
→

Park
↻

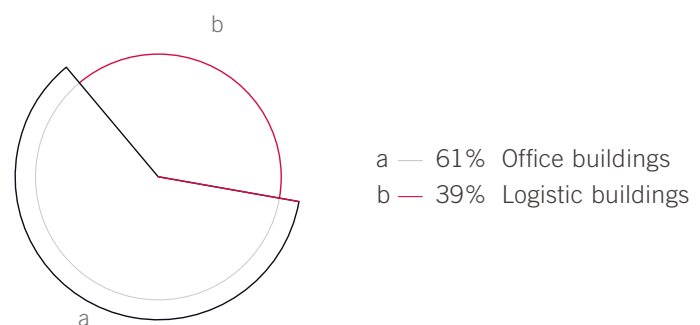
10

PROPERTY REPORT

Composition of the portfolio

Nature of the portfolio

On 31 December 2012, the portfolio consists of 61 % offices and 39 % logistic properties, which is a slight change compared to the situation on 31 December 2011 (64 % offices and 36 % logistic properties) through, on the one hand, the acquisition of leasehold rights of a second distribution centre in Oevel and the achievement of the renovation in Herentals Logistics 1 and, on the other hand, the value decrease of the office portfolio, mainly for the buildings Woluwe Garden (PwC) and Deloitte Campus 1 and 2.



31 december 2012

Regions	Office space (m ²)	Storage and other space (m ²)	Fair value (€ 000)	Investment value (€ 000)	Commercial rental income/year (€ 000)	Commercial rental income + rent-vacancy/year (€ 000)	Occupancy rate (%)
Offices							
Brussels	84.388	2.482	140.937	144.460	12.012	13.565	89 %
E 19 (incl. Malines)	104.281	11.516	169.356	173.590	12.313	15.905	77 %
Antwerp	27.289	1.153	41.561	42.600	4.019	4.074	99 %
Total offices	215.958	15.151	351.854	360.650	28.344	33.544	85 %
Logistic properties							
Antwerpen (incl. Malines) (A12, E19)	6.670	160.462	93.366	95.700	6.434	8.147	79 %
Antwerp-Liège (E313)	11.817	161.749	105.430	108.066	8.185	8.326	98 %
Brussels	6.649	35.852	30.630	31.396	2.396	2.657	90 %
Total logistic properties	25.136	358.063	229.426	235.162	17.015	19.130	89 %
TOTAL INVESTMENT PROPERTIES	241.094	373.214	581.280	595.812	45.359	52.674	86 %

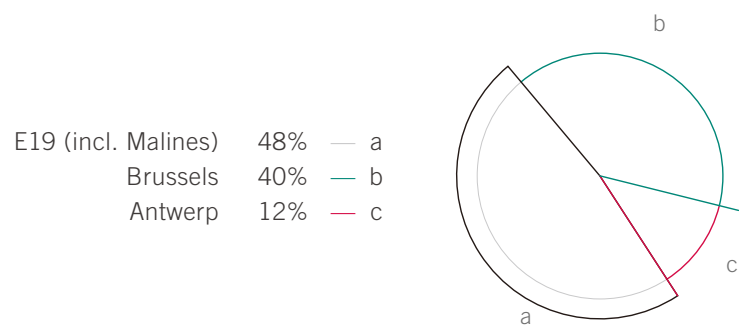
The decrease of 12.788 m² of the total leasable space compared to previous year-end is to be found in the logistic portfolio and comes from the demolition of a part of Herentals Logistics 1 (23.948 m², giving 32.100 m² of available spare land on 31 December 2012), the acquisition of the leasehold rights and the extension of a second distribution centre in Oevel (16.660 m²) and the sale of Antwerpen Kaaien (5.500 m²).

ON 31 DECEMBER 2012 THE REAL ESTATE PORTFOLIO HAS A SURFACE AREA OF 614.308 M²



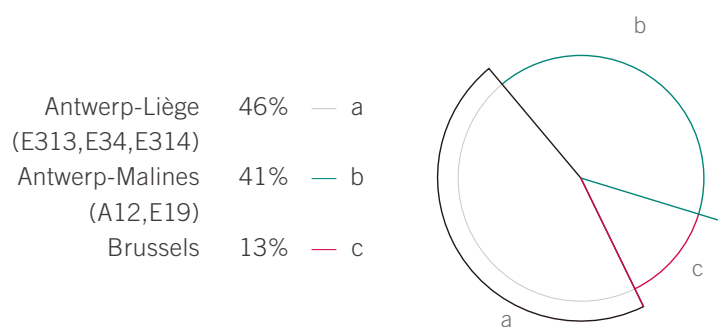
Herentals Logistics 1 - 17.320 m²

Geographic spread of the portfolio



Offices

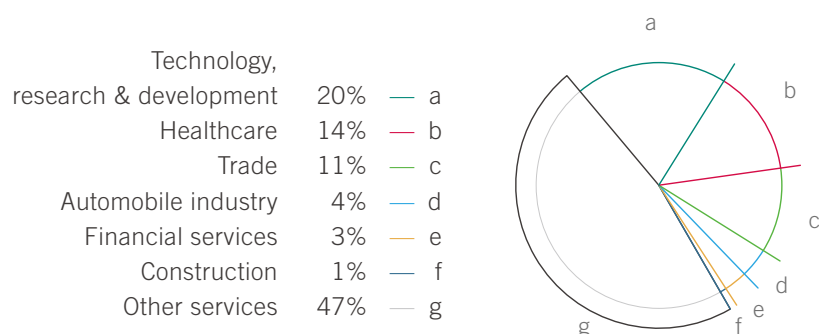
The Antwerp-Brussels axis is still the most important and most liquid office region of Belgium. The entire office portfolio of Intervest Offices & Warehouses is located in this region.



Logistic properties

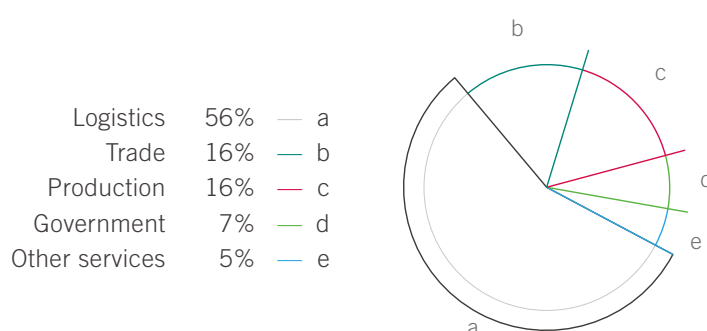
87 % of the logistic portfolio is located on the Antwerp-Malines axis (primarily the E19 and A12) and Antwerp-Liège (primarily the E313) which are the most important logistic axes in Belgium. 13 % of the properties are in the centre of the country, in the area of Brussels.

Sectoral spread of the portfolio



Offices

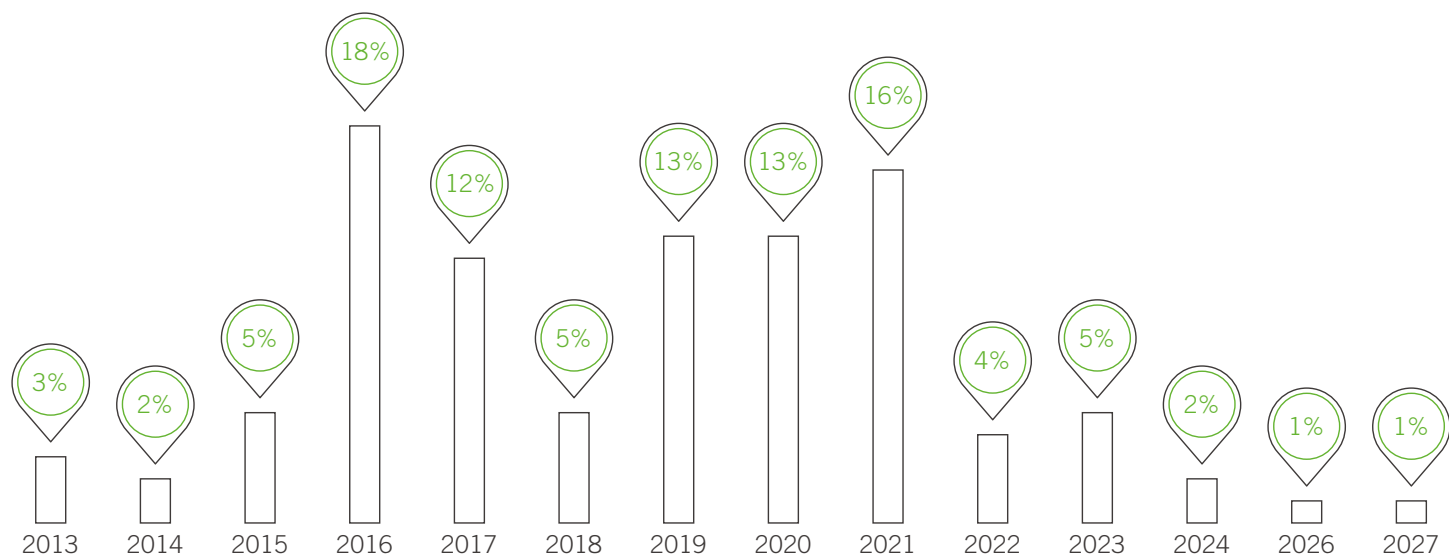
The tenants are well spread over different economic sectors which reduces the risk of vacancy in case of fluctuations of the economy which could hit some sectors more than others.



Logistic properties

Approximately 44 % of the logistic portfolio is let to companies from outside the logistic sector which improves the stability of the rental income, especially in periods with a less favourable economic situation.

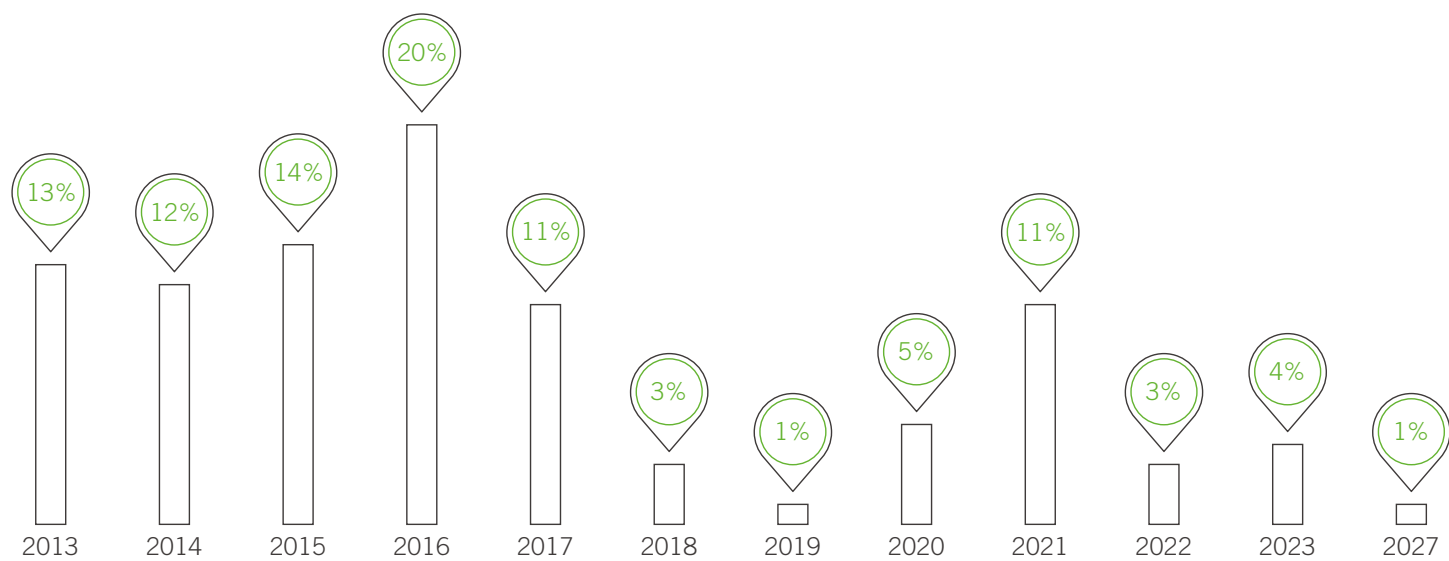
Expiry date of the lease contracts of the entire portfolio



The expiry dates are well spread over the coming years. Only 10 % of the lease contracts have an expiry date in the coming 3 years, while it still reached 12 %

on 31 December 2011. The sum for 2016 comprises 7 % for tenant Deloitte of whom the departure to another location is already certain.

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

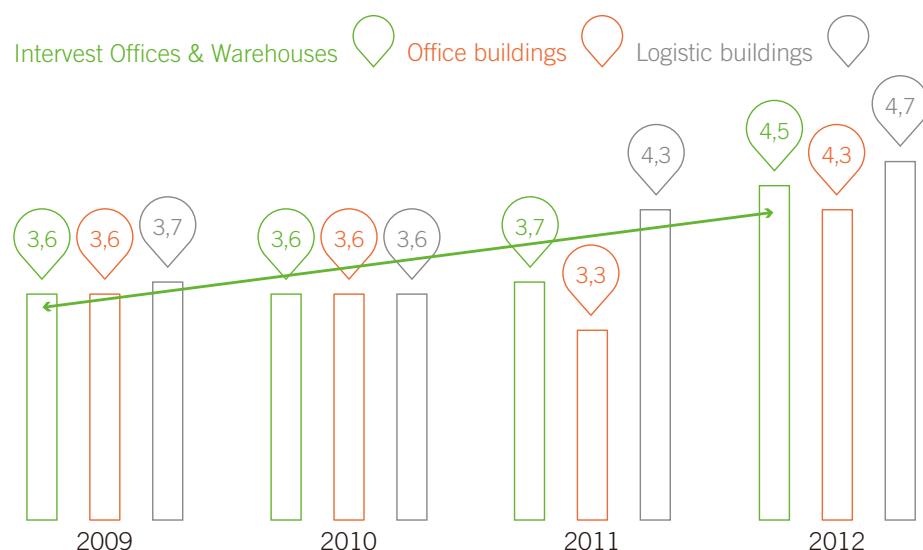


As most contracts are of the type 3/6/9, the tenants have the possibility to end their lease contracts every three years. This graph shows the first expiry dates of all lease contracts (this can be the end expiry date or an interim expiry date).

This graph below shows the hypothetical scenario whereby every tenant would terminate his lease contract by the first interim expiry date. This is the worst case scenario which is further analysed and explained in the following graphs.

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

Average duration of the lease contracts of the entire portfolio until the next expiry date

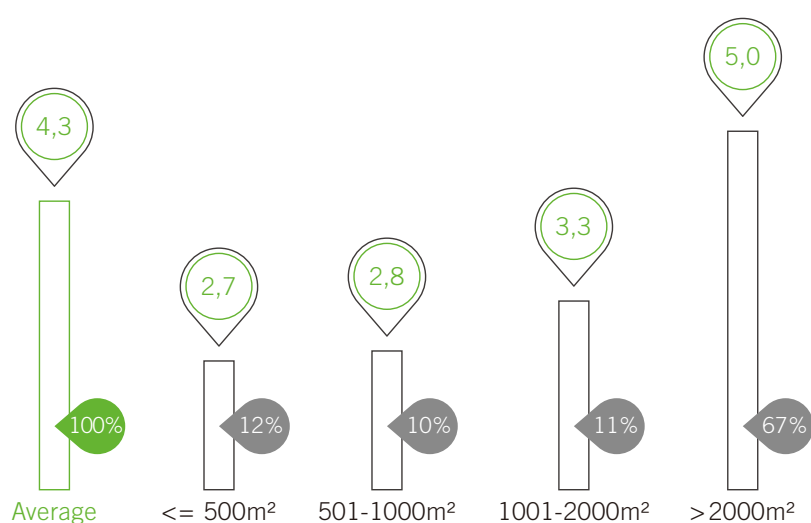


Although most lease contracts of the property investment fund are of the type 3/6/9, a number of important lease contracts have a longer effective duration.

Through an active asset management the average duration till the next expiry date has increased from

3,7 years on 31 December 2011 to 4,5 years on 31 December 2012. There is an increase with 1 year from 3,3 to 4,3 years for offices and a slight increase from 4,3 to 4,7 for logistic properties.

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

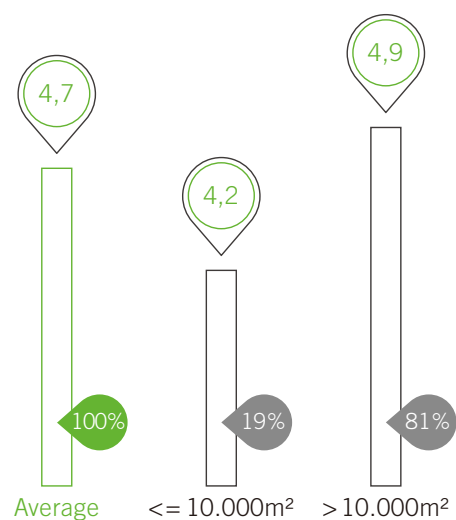


ON 31 DECEMBER 2012, THE AVERAGE REMAINING DURATION OF THE LEASE CONTRACTS IN THE OFFICE PORTFOLIO IS 4,3 YEARS, AN INCREASE COMPARED TO THE SITUATION ON 31 DECEMBER 2011. FOR SPACES ABOVE 2.000 M², IT IS EVEN 5,0 YEARS COMPARED TO 3,9 YEARS ON 31 DECEMBER 2011.

For offices, the average rental period (starting from 1 January 2013) until the next expiry date is 4,3 years compared to 3,3 years previous financial year. This increase of the average rental period is due mainly to the prolongation of the lease contract with PwC for 9 years till 31 December 2021.

The graph shows clearly that the average rental period increases as the tenant leases a bigger space. For large office tenants (above 2.000 m²) comprising 67 % of the office portfolio and having a great impact on the recurring rental income, the next expiry date (starting from 1 January 2013) is only about 5,0 years. The lease contracts, expiring in the period 2013 - 2015, are thus mainly smaller spaces, representing a more limited risk to the total rental income of Interest Offices & Warehouses.

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



FOR THE LOGISTIC PORTFOLIO, THE AVERAGE REMAINING DURATION OF THE LEASE CONTRACTS WITH A SURFACE ABOVE 10.000 M² IS 4,9 YEARS

For the logistic properties the average duration of the lease contract until the next expiry date is 4,7 years on 31 December 2012, which is a noticeable increase compared to 31 December 2011 when it reached 4,3 years.

For important tenants (above 10.000 m² in storage halls) the next expiry date is only within 4,9 years (same as on 31 December 2011). Moreover, the

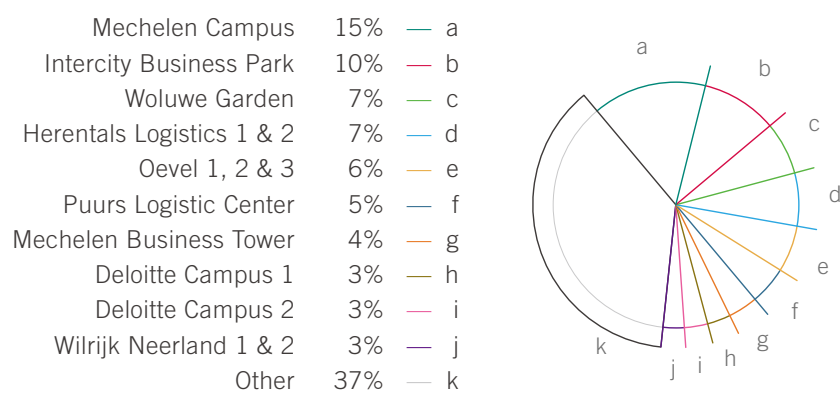
share of these tenants (above 10.000 m²) increases from 72 % on 31 December 2011 to 81 % on 31 December 2012.

The increase of the average duration is due mainly to the prolongation of the contracts with UTi Belgium and Estée Lauder on the site in Oevel till 2023 and the prolongation of the lease contract with Party Rent till 2022.



Oevel 1 - 29.260 m²

Risk spread of buildings by size¹³



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

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

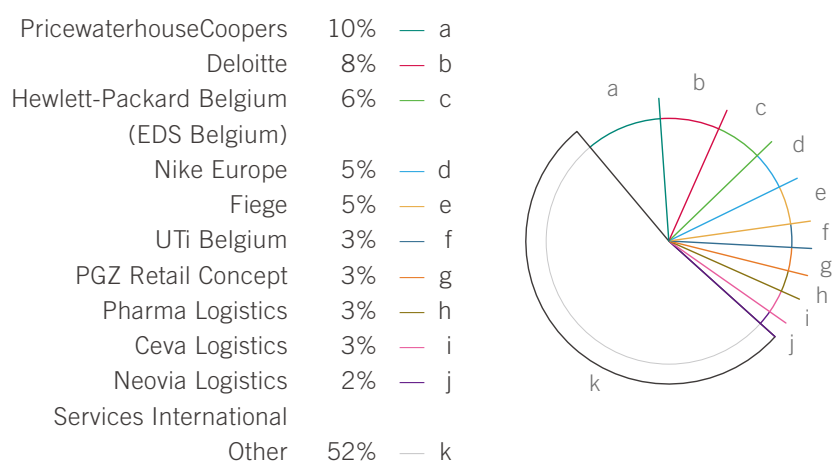
Mechelen Business Tower, which represents approximately 5 % of the total portfolio, is the most important entity of the property investment fund.

INTERVEST OFFICES & WAREHOUSES HAS 17 OFFICE LOCATIONS AND 21 LOGISTIC PROPERTIES IN PORTFOLIO

Krekelenberg - 24.363 m² - Boom



Risk spread by tenants¹⁴



Tenants a, b and c (24 %) are part of the office segment. Tenant d till j (24 %) are part of the logistic segment.

As the new lease contract with PwC only starts on 1 January 2013, the share of PwC in this graph is still 10 %. After the start of the new lease contract, the share of this tenant will decrease to 8 %.

The rental income of Intervest Offices & Warehouses is spread over almost 180 different tenants, limiting the debtor's risk of Intervest Offices & Warehouses and improving the stability of the rental income. The ten most important tenants represent 48 % of the rental income and are all prominent companies in their sector and part of international groups.

¹³ Classification according to the value of the buildings.

¹⁴ Classification according to the annual rental income.

Average duration in the office portfolio - risk management

Although most contracts are of the 3/6/9 type, it should be noted that a number of large contracts have a longer effective term.

Specifically for 2012, 26 contracts reached their first date of maturity. Of these, only 24 % have been terminated (i.e. six tenants out of a total of 26 tenants). This is in line with the figures of 2011 (6 on 27 tenants or 22 %).

In 2012, 68 contracts in total reached their date of maturity (end of contract or interim date of maturity). Of these, 46 contracts have been prolonged (68 %), which is a slight decrease compared to 2011 (76 %).

The above figures indicate that the market has behaved in a more or less stable manner in 2012 as compared to 2011, though it should be noted that the figures are not yet at the same level as before the start of the financial crisis in 2008.

Under the present circumstances, a number of tenants continue to make use of opportunities currently available on the market, by which some owners are willing to rent out their property at any price whatsoever and in some cases, even at prices economically disproportionate to the construction costs. Intervest Offices & Warehouses wants to offer competitive rent levels and adapts its rental policy according to market conditions.

But Intervest Offices & Warehouses notes that, as in previous years and due to the continuing economic uncertainty, a number of companies are often reluctant to move, unless the high (both direct and indirect) relocation costs are offset by a significantly lower rental price, as mentioned above.

In addition, in 2012, Intervest Offices & Warehouses has assisted in some cases new and existing tenant in setting up their offices (so-called turnkey investment projects). With this, Intervest Offices & Warehouses visualises its role as one that is considerably broader than merely that of an owner-lessor of office buildings or logistic spaces. For this, not just renting space, but offering a housing solution and providing an overall service with the help of its specialised team of fifteen people, are of central importance.



RE:flex - Tower - Mechelen Campus

Overview of the real estate portfolio

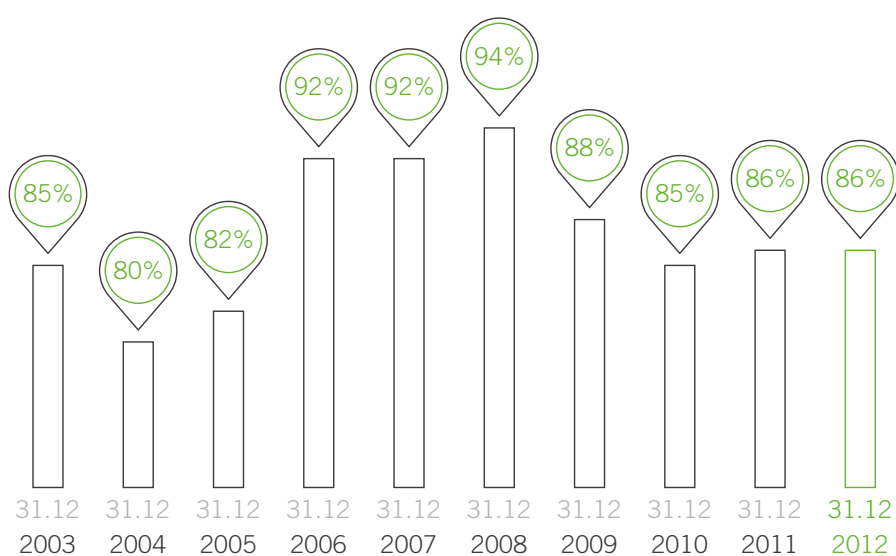
	31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008
Investment value of investment properties (€ 000)	595.812	595.919	539.929	554.423	586.492
Current rents (€ 000)	45.359	43.651	39.453	42.043	45.983
Yield (%)	7,6 %	7,3 %	7,3 %	7,6 %	7,8 %
Current rents, including estimated rental value of vacant properties (€ 000)	52.674	50.576	46.586	47.835	48.962
Yield if fully let (%)	8,8%	8,5 %	8,6 %	8,6 %	8,3 %
Total leasable space (m ²)	614.308	627.096	535.420	540.770	539.373
Occupancy rate (%)	86%	86 %	85 %	88 %	94 %

Above table is snapshot on 31 December of each financial year. On 31 December 2012 the new lease contract with PwC in Woluwe Garden is considered in the investment value of the investment properties, but not yet in the current rents as the lease contract only starts on 1 January 2013. The current rents, adapted to the new lease contracts, would amount to € 44,0 million, giving a yield of 7,4 % for the real estate portfolio. The current rents, including the estimated rental value on vacancy, would amount to € 51,3 million after adjustment for the new rental contract, generating a yield of 8,6 % if fully let.

Occupancy rate

The occupancy rate of the real estate portfolio of Invest Offices & Warehouses has remained unchanged compared to 31 December 2011 and amounts to 86 %. The average occupancy rate of the real estate portfolio of Invest Offices & Warehouses over the past ten years from 2003 till 2012 is 87 % with a maximum of 94 % (on 31 December 2008) and with a minimum of 80 % (on 31 December 2004).

Occupancy rate at 31 December 2012



Sensitivity analysis

In case of a hypothetical negative adjustment of the yield used by property experts for valuing the real estate portfolio of the property investment fund (yield or capitalisation rate) with 1 % (from 7,6 % to 8,6 % on average), the fair value of the real estate portfolio would decrease by € 67 million or 12 %. That would increase the debt ratio of the property investment fund by 7 % to 58 %.

In the opposite case of a hypothetical positive adjustment of this yield by 1 % (from 7,6 % to 6,6 % on average), the fair value of the real estate would increase by € 88 million or 15 %. That would reduce the debt ratio of the property investment fund by 7 % to 44 %.

ON 31 DECEMBER 2012 THE RENTAL YIELD OF THE PORTFOLIO AMOUNTS TO 7,6 %

Valuation of the portfolio by property experts

On 31 December 2012, the valuation of the current real estate portfolio of Intervest Offices & Warehouses has been carried out by the following property experts:

- ✓ Cushman & Wakefield, represented by Matthias Gerits
- ✓ Jones Lang LaSalle, represented by door Frank Weyers

Valuer	Valued properties	Fair value (€ 000)	Investment value (€ 000)
Cushman & Wakefield	Office buildings	351.854	360.650
Jones Lang LaSalle	Logistic properties	229.426	235.162
TOTAL		581.280	595.812

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 spaces
 - 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



Mechelen Business Tower
12.917 m²

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 valued 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**

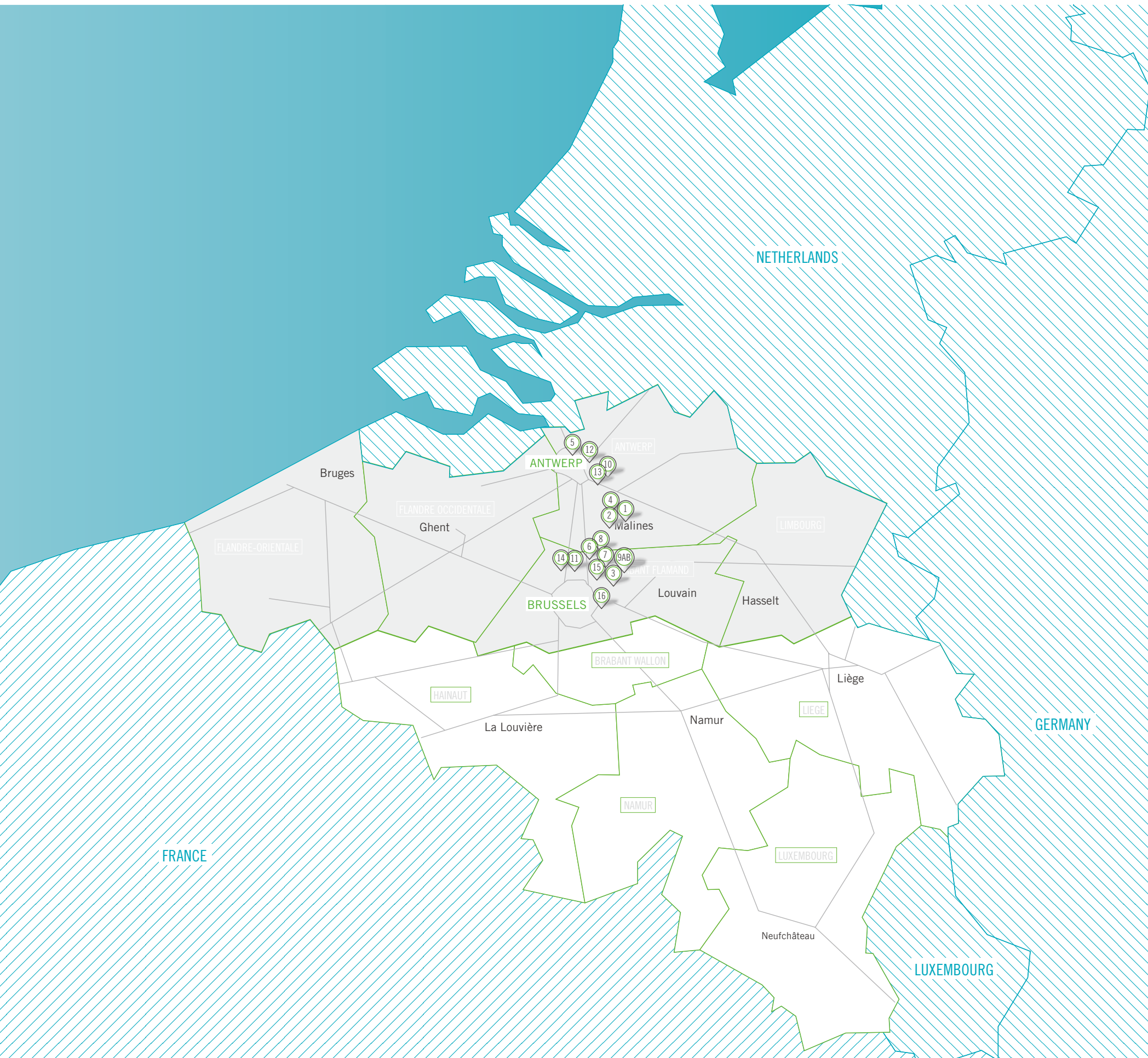
This method is used primarily for valuation of assets that are the subject of leasing or long-term contracts. The investment value is determined on the basis of the conditions stipulated in the lease contract. This value is equal to the sum of the NPV of the various cash flows over the duration of the 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 portfolio¹⁵

Office locations in Belgium



¹⁵ Classification according to the surface area of the buildings.

Office locations in the Brussels periphery*



- | | | | |
|-----|-------------------------|-----|-------------------|
| 1 | Mechelen Campus | 9B* | Deloitte Campus 2 |
| 2 | Intercity Business Park | 10 | De Arend |
| 3* | Woluwe Garden | 11* | Inter Access Park |
| 4 | Mechelen Business Tower | 12 | Sky Building |
| 5 | Gateway House | 13 | Aartselaar |
| 6* | Brussels 7 | 14* | Exiten |
| 7* | Park Station | 15* | Hermes Hills |
| 8* | 3T Estate | 16* | Park Rozendal |
| 9A* | Deloitte Campus 1 | | |

1

Mechelen Campus

Schaliënhoevedreef 20 A - J and T
2800 Malines

Space 60.768 m²
Year of construction 2000 - 2007

Main tenants

Borealis Polymers, Cochlear, Viabuild, ON Semiconductor Belgium, Endemol België, MC-Square Belgium, Imperial Tobacco Belgium, HealthCity België, Sungard Benelux, Haskoning Belgium, LBC Belgium Holding, Arkelis, Meeza Mechelen, Quares, Prosource, AFAS Belgium, Winx Capital House, Planon, M*Modal





2

Intercity Business Park

Generaal De Wittelaan 9 - 21
2800 Malines

Space 42.112 m²
Year of construction 1993 - 2000

Main tenants

Biocartis, SGS Belgium, Galapagos, LabCorp, Fanuc Robotics Benelux, Electro Rent Europe, PAB Benelux, Logins, SMA Benelux, LXE Belgium, Trilux, Trisoft, Info Support, Intersafe Groeneveld Belgium, c-Quilibrium (E-Spot), Oldelft Benelux, KBC Bank, De'Longhi Benelux, Keyence International, MC-Bauchemie, Van Gansewinkel, CEWE Color, Batavus België

3

Woluwe Garden

Woluwedal 18 - 22
1932 Sint-Stevens-Woluwe

Space 25.074 m²
Year of construction 2000

Tenant

PricewaterhouseCoopers

4

Mechelen Business Tower

Blarenberglaan 2 C
2800 Malines

Space 12.917 m²
Year of construction 2001

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

5

Gateway House

Brusselsestraat 59
2018 Antwerp

Space 11.318 m²
Year of construction 1993-1994
Year of renovation 2003

Tenants

Kuwait Petroleum, DLA Piper, Elegis, Apcoa Belgium, Thenergo, CRH Belgium, Huber & Crommen Advocaten



6

Brussels 7

Nijverheidslaan 1 - 3
1853 Strombeek - Bever

Space 10.343 m²
Year of construction 1999 - 2002

Tenants
Whirlpool, Staples, Keyrus, Exertum, Thalia Retail Management

7

Park Station

Woluwelaan 148 - 150
1831 Diegem

Space 8.903 m²
Year of construction 2000

Tenants
EURid, CED International, RAM Mobile Data, Belgische Krijgsmacht F16

8

3T Estate

Luchthavenlaan 25
1800 Vilvorde

Space 8.757 m²
Year of construction 1998

Tenants
Ingram Micro, Fleet Logistics Belgium, Tempo-Team Projects, INC Research, SD Worx

9A

Deloitte Campus 1

Berkenlaan 8 B
1831 Diegem

Space 8.729 m²
Year of construction 2001 - 2002

Property lease with Deloitte to 31 December 2016



9B

Deloitte Campus 2

Berkenlaan 8 A
1831 Diegem

Space	7.787 m ²
Year of construction	2000

Property lease with Deloitte to 31 December 2015

10

De Arend

Prins Boudewijnlaan 45 - 49
2650 Edegem

Space	7.424 m ²
Year of construction	1997

Tenants
Technicolor, Euromex, Cheops Technology,
Nedelko Belgium

11

Inter Access Park

Pontbeekstraat 2 & 4
1700 Dilbeek (Groot- Bijgaarden)

Space	6.869 m ²
Year of construction	2000

Tenants
Sharp Electronics Belgium, Edwards Lifesciences,
Mitiska Ventures, KBC Bank, Commercial
Finance Group, Phadia, Ingersoll Rand Security
Technologies, Systech, Rooryck & Co, Vendis
Management, Amplifon (as from 1 January 2013)

12

Sky Building

Uitbreidingstraat 66
2600 Berchem

Space	5.700 m ²
Year of construction	1988
Year of renovation	2006

Tenants
BDO Services, Givi, LeasePlan Fleet Management,
Nationale Borg Maatschappij, Carlson Wagonlit
Belgium, VTG Benelux, RSA Global, SKS, Hugo
Ceusters, Motmans-Van Havermaet



13

Aartselaar

Kontichsesteenweg 54
2630 Aartselaar

Space 4.000 m²
Year of construction 2000

Property lease with Invensys Systems till 30
November 2015

14

Exiten

Zuiderlaan 91
1731 Zellik

Space 3.943 m²
Year of construction 2002

Tenants
Gras Savoye Belgium, Rexel Belgium IFM
Electronic Belgium

15

Hermes Hills

Berkenlaan 6
1831 Diegem

Space 3.664 m²
Year of construction 1990

Tenant
Deloitte

16

Park Rozendal

Terhulpesteenweg 6 A
1560 Hoeilaart

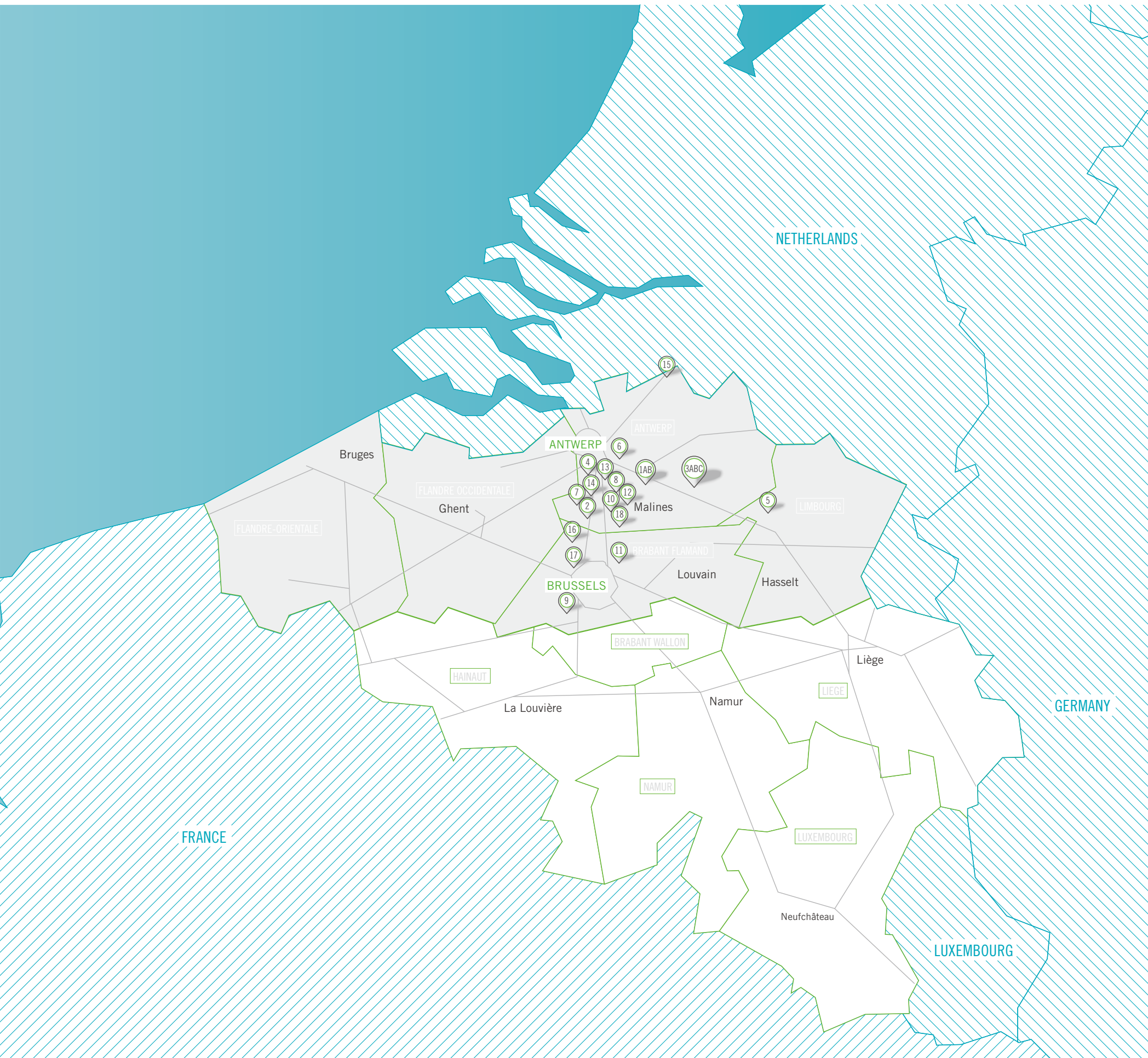
Space 2.801 m²
Year of construction 1994
Year of renovation 2006

Tenants
Mylan, Sysmex, Quality Business



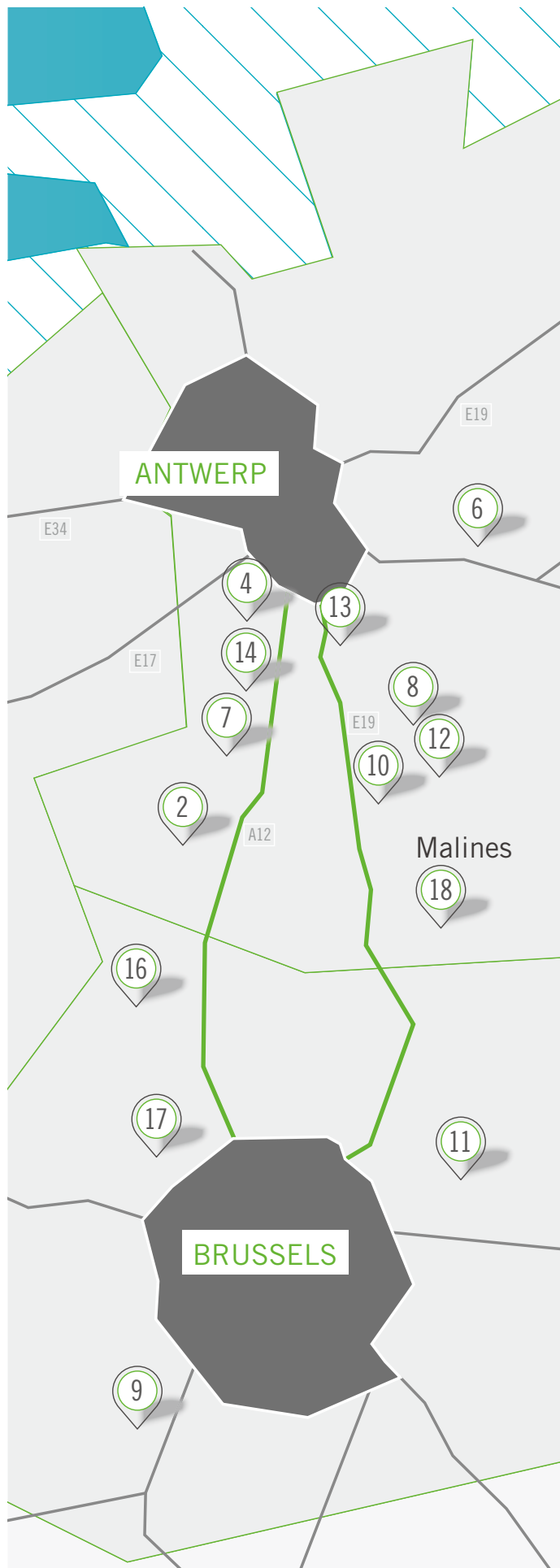
Description of the logistic properties ¹⁶

Location of the logistic properties in Belgium



¹⁶ Classification according to the surface area of the buildings.

Location of the logistic properties on the axis Antwerp - Brussels*



- 1A Herentals Logistics 2
- 1B Herentals Logistics 1
- 2* Puurs Logistic Center
- 3A Oevel 1
- 3B Oevel 2
- 3C Oevel 3
- 4* Wilrijk Neerland 1 and 2
- 5 Houthalen
- 6* Koralenhoeve
- 7* Krekelenberg
- 8* Duffel Stocletlaan
- 9* Huizingen
- 10* Intercity Industrial Park
- 11* Guldendelle
- 12* Duffel Notmeir
- 13* Aartselaar
- 14* Schelle
- 15 Transportzone Meer
- 16* Merchtem Cargo Center
- 17* Berchem-Sainte-Agathe Technology Center
- 18* Ragheno

Herentals Logistics 2

1A

Atealaan 34 C
2200 Herentals

Year of construction
Tenant

2008 and 2011
Nike Europe

Space offices 2.206 m²
Space storage hall 40.540 m²
+ 8.248 m² (mezzanine)





Herentals Logistics 1

1B

Atealaan 34
2200 Herentals

Tenants
Yusen Logistics, Kreate

Space offices	2.309 m ²
Space storage hall	15.011 m ²
Spare land	32.100 m ²
Year of construction	1977
Year of renovation	2010 - 2012

Puurs Logistic Center

2

Veurtstraat 91
2870 Puurs

Tenant
Fiege

Space offices	1.600 m ²
Space storage hall	41.890 m ²
Year of construction	2001

Oevel 1

3A

Nijverheidsstraat 11
2260 Oevel

Tenants
UTi Belgium, Berry Plastics

Space offices	1.711 m ²
Space storage hall	27.548 m ²
Year of construction	2007

Oevel 2

3B

Nijverheidsstraat 9
2260 Oevel

Tenant
Estée Lauder

Space offices	2.810 m ²
Space storage hall	8.811 m ²
Year of renovation	2004



Oevel 3 (as from 1 October 2013)

3C

Nijverheidsstraat 9 A
2260 Oevel

Tenant
UTi Belgium

Space storage hall 5.036 m²
Year of construction 2012 - 2013

Wilrijk Neerland 1 and 2

4

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

Tenants
Peugeot (as from the fourth quarter of 2013),
TNT Post Pakketservice, VPD Transport, Transport
Cordier

Space offices 632 m²
Space storage hall 28.536 m²
Year of construction 1986 and 1989

Houthalen

5

Europark 1026
3530 Houthalen

Tenant
Neovia Logistic Services International

Space offices 740 m²
Space storage hall 26.255 m²
Year of construction 2001

Koralenhoeve

6

Koralenhoeve 25
2160 Wommelgem

Tenant
PGZ Retail Concept

Space offices 1.770 m²
Space storage hall 22.949 m²
Year of construction 1998



Krekelenberg

7

Industrieweg 18
2850 Boom

Tenant
CEVA Logistics

Space offices	700 m ²
Space storage hall	23.663 m ²
Year of construction	2000

Duffel Stocletlaan

8

Stocletlaan 23
2570 Duffel

Tenant
Iron Mountain Belgium

Space offices	240 m ²
Space storage hall	23.435 m ²
Year of construction	1998

Huizingen

9

Gustave Demeurslaan 69 / 71
1654 Huizingen

Tenant
Pharma Logistics (DHL)

Space offices	1.899 m ²
Space storage hall	15.902 m ²
Year of construction	1987 - 1993 (afterwards renovations)

Intercity Industrial Park

10

Oude Baan 14
2800 Malines

Tenant
Pharma Logistics (DHL)

Space offices	252 m ²
Space storage hall	15.000 m ²
Year of construction	1999



Guldendelle

11

Jan-Baptist Vinkstraat 2
3070 Kortenberg

Tenant
European Commission

Space offices	780 m ²
Space storage hall	10.172 m ²
Year of construction	2001 - 2002

Duffel Notmeir

12

Walemstraat 94
2570 Duffel

Space offices	250 m ²
Space storage hall	8.861 m ²
Year of construction	1995

Aartselaar

13

Dijkstraat 1 A
2630 Aartselaar

Tenant
Party Rent/Expo Rent

Space offices	793 m ²
Space storage hall	7.269 m ²
Year of construction	1994

Schelle

14

Molenberglei 8
2627 Schelle

Tenants
Meiko, Trafuco, Vereniging voor Verkeersveiligheid,
SD Worx

Space offices	1.600 m ²
Space storage hall	6.400 m ²
Year of construction	1993



Transportzone Meer

15

Riyadhstraat
2321 Meer

Tenant
VPK Packaging

Space offices 271 m²
Space storage hall 7.348 m²
Year of construction 1990

Merchtem Cargo Center

16

Preenakker 20
1785 Merchtem

Tenant
ZEB (as from 1 February 2013)

Space offices 1.210 m²
Space storage hall 6.075 m²
Year of construction 1992

Berchem-Sainte-Agathe Technology Center 17

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

Tenants
Brico Belgium, Vlaamse Gemeenschapscommissie,
Galy Sport

Space offices 2.760 m²
Space storage hall 3.703 m²
Year of construction 1992

Ragheno

18

Dellingstraat 57
2800 Malines

Tenant
ThyssenKrupp Otto Wolff

Space offices 603 m²
Space storage hall 5.408 m²
Year of construction 1998





5

FINANCIAL REPORT

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Consolidated income statement

in thousands €	Note	2012	2011
Rental income	4	41.207	38.587
Rental-related expenses	4	49	-76
NET RENTAL INCOME		41.256	38.511
Recovery of property charges	4	1.408	1.261
Recovery of rental charges and taxes normally payable by tenants on let properties	4	8.992	6.700
Costs payable by tenants and borne by the landlord for rental damage and refurbishment		-652	-142
Rental charges and taxes normally payable by tenants on let properties	4	-8.992	-6.680
Other rental-related income and expenses	4	341	1.296
PROPERTY RESULT		42.353	40.946
Technical costs	5	-840	-940
Commercial costs	5	-286	-263
Charges and taxes on unlet properties	5	-981	-1.404
Property management costs	5	-2.293	-2.184
Other property charges	5	-359	-354
PROPERTY CHARGES		-4.759	-5.145
OPERATING PROPERTY RESULT		37.594	35.801
General costs	6	-1.628	-1.274
Other operating income and costs		51	30
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		36.017	34.557
Result on disposals of investment properties	8	140	64
Changes in fair value of investment properties	9	-13.953	2.294
Other result on portfolio	10	-730	-2.478
OPERATING RESULT		21.474	34.437
Financial income		20	72
Net interest charges	11	-11.165	-12.070
Other financial charges		-11	-20
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	20	-3.128	-4.175
FINANCIAL RESULT		-14.284	-16.193
RESULT BEFORE TAXES		7.190	18.244
Taxes	12	-35	-227
NET RESULT		7.155	18.017

(continued) in thousands €	Note	2012	2011
NET RESULT		7.155	18.017
Note:			
Operating distributable result	13	24.826	21.707
Result on portfolio	8-10	-14.543	-120
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	20	-3.128	-4.175
Other non-distributable elements (subsidiaries)		0	605
Attributable to:			
Equity holders of the parent company		7.156	18.018
Minority interests		-1	-1

RESULT PER SHARE	Note	2012	2011
Number of shares entitled to dividend	13	14.199.858	13.907.267
Net result (€)	13	0,51	1,30
Diluted net result (€)	13	0,51	1,30
Operating distributable result (€)	13	1,75	1,56

Consolidated statement of comprehensive income

in thousands €	Note	2012	2011
NETTORESULTAAT		7.155	18.017
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	20	32	2.561
COMPREHENSIVE INCOME		7.187	20.578
Attributable to:			
Equity holders of the parent company		7.188	20.579
Minority interests		-1	-1

Consolidated balance sheet

Assets in thousands €	Note	31.12.2012	31.12.2011
Non-current assets		581.588	581.672
Intangible assets		45	37
Investment properties	14	581.280	581.305
Other tangible assets		248	316
Trade receivables and other non-current assets		15	14
Current assets		12.489	12.462
Assets held for sale	15	1.225	4.005
Trade receivables	15	4.860	1.687
Tax receivables and other current assets	15	3.211	4.520
Cash and cash equivalents		753	407
Deferred charges and accrued income	15	2.440	1.843
TOTAL ASSETS		594.077	594.134

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €		Note	31.12.2012	31.12.2011
Shareholders' equity			272.356	284.018
Shareholders' equity attributable to the shareholders of the parent company			272.318	283.978
Share capital	16		129.395	126.729
Share premium	16		63.378	60.833
Reserves			72.389	78.398
Net result of the financial year			7.156	18.018
Minority interests	23		38	40
Liabilities			321.721	310.116
Non-current liabilities			260.659	264.426
Non-current financial debts	19		252.253	259.143
<i>Credit institutions</i>			<i>177.617</i>	<i>184.650</i>
<i>Bond loan</i>			<i>74.625</i>	<i>74.475</i>
<i>Financial lease</i>			<i>11</i>	<i>18</i>
Other non-current financial liabilities	20		7.780	4.685
Other non-current liabilities			626	598
Current liabilities			61.062	45.690
Provisions	17		172	172
Current financial debts	19		48.018	34.018
<i>Credit institutions</i>			<i>48.012</i>	<i>34.012</i>
<i>Financial lease</i>			<i>6</i>	<i>6</i>
Trade debts and other current debts	18		2.822	2.641
Other current liabilities	18		354	399
Accrued charges and deferred income	18		9.696	8.460
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			594.077	594.134
DEBT RATIO		Note	31.12.2012	31.12.2011
Debt ratio (max. 65 %)	21		51,2 %	49,9 %
NET ASSET VALUE PER SHARE in €			31.12.2012	31.12.2011
Net asset value per share (fair value)			19,18	20,42
Net asset value per share (investment value)			20,21	21,37
Net asset value per share EPRA			19,73	20,76

Statement of changes in consolidated equity

in thousands €	Share capital	Share premium			
			Legal reserves	Reserve for the balance of changes in fair value of investment properties	
				Reserve for the balance of changes of investment value of investment properties	Reserve for the impact on the fair value*
Balance at 31 December 2010	126.729	60.833	90	94.594	-13.606
Comprehensive income of 2011					
Transfers through result allocation 2010:					
Transfer to reserves				-8.675	
Transfer of impact on fair value*				-193	193
Transfer of change in fair value of financial assets and liabilities					
Other mutations				-142	165
Allocation of additional result 2010 due to change in valuation rules to results carried forward					
Dividend financial year 2010					
Balance at 31 December 2011	126.729	60.833	90	85.584	-13.248
Comprehensive income of 2012					
Transfers through result allocation 2011:					
Transfer from the result on portfolio to the reserves for the balance of changes in investment value of real estate properties				1.245	
Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties					-1.365
Transfer of changes in fair value of financial assets and liabilities to the reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting					
Allocation to results carried forward from previous years					
Allocation to other reserves and minority interests					
Issue of shares for optional dividend financial year 2011	2.666	2.545			
Dividend financial year 2011					
Balance at 31 December 2012	129.395	63.378	90	86.829	-14.613

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

Reserves						Net result of the financial year	Minority interests	Total shareholders' equity
	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	Other reserves	Results carried forward from previous financial years	Total reserves			
	-3.486	-240	650	3.287	81.289	19.977	41	288.869
	2.561				2.561	18.018	-1	20.578
					-8.675	8.675		0
					0			0
		655			655	-655		0
					23	-2		21
				2.545	2.545	-2.545		0
						-25.450		-25.450
	-925	415	650	5.832	78.398	18.018	40	284.018
	32				32	7.156	-1	7.187
					1.245	-1.245		0
					-1.365	1.365		0
		-4.175			-4.175	4.175		0
				605	605	-605		0
				13	13	-12	-1	0
								5.211
				-2.364	-2.364	-21.696		-24.060
	-893	-3.760	650	4.086	72.389	7.156	38	272.356

Consolidated cash flow statement

in thousands €	Note	2012	2011
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		407	816
1. Cash flow from operating activities		23.151	16.913
Operating result		21.474	34.437
Interests paid		-10.433	-12.079
Other non-operating elements		-3.154	-4.349
Adjustment of result for non-cash flow transactions		17.100	1.814
✓ Depreciations on intangible and other tangible assets		159	170
✓ Result on disposals of investment properties	8	-140	-64
✓ Changes in fair value of investment properties	9	13.953	-2.294
✓ Spread of rental discounts and rental benefits granted to tenants	10	-730	-476
✓ Other result on portfolio	10	730	2.478
✓ Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	20	3.128	4.175
✓ Other non-cash flow transactions		0	-2.175
Change in working capital		-1.836	-2.910
Movement of assets			
✓ Trade receivables		-28	448
✓ Tax receivables and other current assets		-6	-2.180
✓ Deferred charges and accrued income		-597	-468
Movement of liabilities			
✓ Trade debts and other current debts		181	421
✓ Other current liabilities		-209	-239
✓ Accrued charges and deferred income		-1.177	-892
2. Cash flow from investment activities		-11.108	-51.648
Acquisitions of investment properties	14	-7.966	-7.736
Investments in existing investment properties	14	-5.198	-5.038
Extensions of existing investment properties	14	-1.849	-8.610
Acquisition of shares of real estate companies		0	-26.775
Exit tax paid for merger with real estate companies		0	-3.219
Income/costs from the disposal of investment properties	8	4.005	-12
Acquisitions of intangible and other tangible assets		-100	-258
3. Cash flow from financing activities		-11.697	34.326
Repayment of loans	19	-38.033	-57.992
Drawdown of loans	19	45.000	117.917
Repayment/recognition of financial lease liabilities	19	-6	6
Receipts from non-current liabilities as guarantee		191	-155
Dividend paid	13	-18.849	-25.450
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		753	407

01

Note

Scheme for annual accounts of property investment funds

As a listed property investment fund, Intervest Offices & Warehouses 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 7 December 2010.

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.

02

Note

Principles of financial reporting

Statement of conformity

Intervest Offices & Warehouses is a property investment fund having its registered offices in Belgium. The consolidated annual accounts of the company as per 31 December 2012 include the company and its subsidiaries (the “Group”). The annual accounts of Intervest Offices & Warehouses have been prepared and are released for publication by the board of directors on 4 March 2013 and will be submitted for approval to the general meeting of shareholders on 24 April 2013.

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 7 December 2010. 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 2012.

New and amended standards and interpretations effective in 2012

The following amended standards by the IASB and published standards and interpretations by the IFRIC became effective for the current financial year, but do not affect the disclosure, notes or financial results of the Group: IFRS 7 - Financial instruments: Disclosure of information (1/7/2011).

New or amended standards and interpretations not yet effective in 2012

IFRS 13 - Fair Value Measurement is applicable on the financial years and becomes effective as from 1 January 2013 or later. This standard will modify the disclosure commitment of the property investment fund, depending on the classification of investment properties in level 1, 2 or 3. These disclosures will be recorded in the annual report regarding financial year 2013.

Following amendments are applicable as of next year or later are not expected to have an impact on the presentation, notes or financial results of the Group: IAS 1 - Presentation of Items of Other Comprehensive Income (1/7/2012); Amendment IAS 12 - Recovery of Underlying Assets (1/1/2013); Amendment IAS 19 - Employee Benefits (1/1/2013); IAS 27 - Separate Financial Statements (1/1/2013); IAS 28 - Investments in Associates and Joint Ventures (1/1/2013); Amendments to IFRS 7 - Disclosures - Offsetting financial assets and financial liabilities (1/1/2013); Amendment IAS 32 - Offsetting financial assets and financial liabilities (1/1/2014); Amendment IFRS 1 - Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters (1/1/2013); Amendment IFRS 1 - Government loans (1/1/2013); IFRS 9 - Financial instruments (1/1/2015); IFRS 10 - Consolidated Financial Statements (1/1/2013); IFRS 11 - Joint Arrangements (1/1/2013); IFRS 12 - Disclosures of Involvement with Other Entities (1/1/2013); Improvement of IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34 resulting from the annual improvement project (1/1/2013); IFRIC 20 - Stripping costs in the production phase of a surface mine (1/1/2013).

Presentation basis

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

The consolidated annual accounts are presented before profit distribution.

The accounting principles are applied consistently

Consolidation principles

a. Subsidiary companies

A subsidiary company is an entity over which another entity has control (exclusively or jointly). 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 23.

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 sum of the acquisition value, the formerly interest in the entity which was not controlled (if applicable) and the recognised minority interest (if applicable) and on the other part 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. All transaction costs are immediately charged and do not represent a part of the determination of the acquisition value.

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

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 recognized 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 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.

When the Group acquires an additional interest in a subsidiary company, formerly already controlled by the Group or when the Group sells a part of the interest in a subsidiary company without losing control, the goodwill, recognised at the moment of the acquisition of control, is not influenced. The transaction with minority interests has an influence on the transferred results of the Group.

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 early termination of lease contracts is immediately taken into result for the period in which it is definitively obtained.

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 fair value determined by the property expert at the end of the previous financial year) 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 aims 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 net result per share

The ordinary net result 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 net result 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 depreciation 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 depreciation periods are reviewed at least at the end of every financial year.

Investment properties

a. Definition

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

b. Initial recognition and valuation

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

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

If the acquisition takes place through the acquisition of shares of a real estate company, through the non-monetary contribution of a building against the issue of new shares or by merger through takeover of a 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, etc.). 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 often have paid a fee to restore the property (partly) to its original condition.

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 valued 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 recognized 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 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 an investment property

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 I	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 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 recognized in the proceeds received (net of direct issue costs).

h. Derivatives

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.

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 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 recognized 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.

03

Note

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 “logistic 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		Logistic properties		Corporate		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
in thousands €								
Rental income	26.099	26.132	15.108	12.455			41.207	38.587
Rental-related expenses	-44	11	93	-87			49	-76
Net rental result	26.055	26.143	15.201	12.368			41.256	38.511
Property management costs and income	801	2.342	296	93			1.097	2.435
Property result	26.856	28.485	15.497	12.461			42.353	40.946
Operating result before result on portfolio	25.478	26.829	14.502	11.316	-3.963	-3.588	36.017	34.557
Result on disposals of investment properties	0	0	140	64			140	64
Changes in fair value of investment properties	-21.788	6.000	7.835	-3.706			-13.953	2.294
Other result on portfolio	-631	-89	-99	-2.389			-730	-2.478
Operating result of the segment	3.059	32.740	22.378	5.285	-3.963	-3.588	21.474	34.437
Financial result					-14.284	-16.193	-14.284	-16.193
Taxes					-35	-227	-35	-227
NET RESULT	3.059	32.740	22.378	5.285	-18.282	-20.008	7.155	18.017

For the description of the risk spread according to tenants by segment, please see the Property report.

Key figures by segment

BUSINESS SEGMENT	Offices		Logistic properties		Total	
in thousands €	2012	2011	2012	2011	2012	2011
Fair value of investment properties	351.854	370.410	229.426	210.895	581.280	581.305
Investments during the financial year (fair value)	3.342	1.058	11.671	55.202	15.013	56.260
Disinvestments during the financial year (fair value)	0	0	1.085	3.929	1.085	3.929
Investment value of investment properties	360.650	379.670	235.162	216.249	595.812	595.919
Total leasable space (m ²)	231.109	231.109	383.199	395.987	614.308	627.096
Occupancy rate (%)	85 %	84 %	89 %	91 %	86 %	86 %

04

Note

Property result

Rental income

in thousands €	2012	2011
Rents	43.772	39.271
Guaranteed income	0	-74
Rental discounts	-1.907	-1.384
Rent-free periods	-821	-658
Rental benefits ('incentives')	-156	-194
Compensation for early termination of lease contracts	319	1.626
Total rental income	41.207	38.587

The rental income comprises rents, income from operational lease agreements and directly associated revenues, such as rent securities granted by promoters and compensation for early 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 Interinvest Offices & Warehouses is spread over almost 180 different tenants, limiting the debtor's risk of Interinvest Offices & Warehouses and improving the stability of the rental income. The ten most important tenants represent 48 % (45 % in 2011) of the rental income, and are often prominent companies in their sector and often part of international groups. On 31 December 2012, the most important tenant represents 10 % of the rental income (10 % in 2011). In 2012, there are 5 tenants whose lease payments on an individual basis represent more than 5 % of the total rental income of Interinvest Offices & Warehouses (4 tenants in 2011).

In 2012, the increase in rental income of € 2,6 million or approximately 7 % compared to financial year 2011 (€ 38,6 million) is mainly the combined effect of:

- ✓ investments in logistic sites in Huizingen, Houthalen and Oevel realised in 2011, generating in 2012 an increase in rental income of € 1,4 million
- ✓ the construction of Herentals Logistics 2 during 2011 and 2012, leased to Nike Europe with a positive effect on rental income in 2012 of € 1,6 million
- ✓ the investment in May 2012 in the leasehold rights of the second distribution centre in Oevel, generating € 0,4 million rental income in 2012
- ✓ the decrease in rental income of the existing logistic portfolio of € 0,6 million mainly through the departure of a tenant in a logistic building in Duffel
- ✓ stable rental income of the office portfolio
- ✓ the sale of a non-strategic building in Sint-Niklaas in January 2012, leading to € 0,2 million less rental income

For new lease contracts negotiated in financial year 2012, there was on average for 7 % of the contract value a rent-free period granted. This rent-free period amounts in this case to 1,3 months on average for each year of the lease contract. For financial year 2011, this figure was 36 % of the contract value (mainly as a result of the contracts with Biocartis in Intercity Business Park in Malines), with an average rent-free period of 1,8 months.

It is moreover generally stipulated that the tenant has to pay back the rent for the rent-free period, either partially or in full, in the event that it chooses to terminate the contract at the contract's first break option.

For lease contracts that are expanded and/or extended during financial year 2012, also for 7 % of the contract value a rent-free period is granted (2011 financial year: 4 %). In this case, the rent-free period amounted to an average of 2,5 months for each year of the lease contract (2011 financial year: 1,0 month).

Overview of future minimum rental income

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

in thousands €	2012	2011
Receivables with a remaining duration of:		
Less than one year	37.186	36.023
Between one and five years	80.322	70.552
More than five years	31.157	7.595
Total of future minimum rental income	148.665	114.170

Rental-related expenses

in thousands €	2012	2011
Rent for leased assets and land rents	-16	-33
Write-downs on trade receivables	-54	-76
Reversal of write-downs on trade receivables	119	33
Total rental-related expenses	49	-76

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 realization 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 €	2012	2011
Compensations on rental damage	805	705
Management fee received from tenants	603	556
Total recovery of property charges	1.408	1.261

The recovery of property charges is mainly related to the profit taking of the compensation received from tenants for rental damage when leaving the let spaces and also 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 €	2012	2011
Rebilling of rental charges borne by the landlord	5.648	3.412
Rebilling of advance levies and taxes on let properties	3.344	3.288
Total recovery of rental charges and taxes normally payable by tenants on let properties	8.992	6.700

Rental charges and taxes normally payable by tenants on let properties

in thousands €	2012	2011
Rental charges borne by the landlord	-5.648	-3.391
Advance levies and taxes on let properties	-3.344	-3.289
Total rental charges and taxes normally payable by tenants on let properties	-8.992	-6.680
Total net amount of recovered rental charges and taxes	0	20

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 property taxes, electricity, water, cleaning, window cleaning, technical maintenance, garden maintenance, etc. The owner is responsible for the management of the buildings (office buildings) or has it contracted out to external property managers (logistic buildings till 30 June 2012 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 a semi-annual basis, except for some office buildings for which the rebilling is done quarterly. During the financial year, advances are billed to the tenants.

Other rental-related income and expenses

in thousands €	2012	2011
Indemnities for rental charges and other costs received from tenants	119	943
Other various income	222	353
Total other rental-related income and expenses	341	1.296

The other rental-related income and expenses comprise an income of € 0,1 million (€ 0,9 million in 2011) through the profit taking of the indemnities for rental charges (received from Tibotec-Virco) after the additional letting to Biocartis in Intercity Business Park realised in 2012.

05

Note

Property charges

Technical costs

in thousands €	2012	2011
Recurrent technical costs	-834	-920
Maintenance	-797	-891
Insurance premiums	-37	-29
Non-recurrent technical costs	-6	-20
Claims	-69	-45
Compensation of claims from insurers	63	25
Total technical costs	-840	-940

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 yield or rent are not recognised as costs but are capitalised.

Commercial costs

in thousands €	2012	2011
Brokers' fees	-3	-6
Publicity	-167	-85
Lawyers' fees and legal costs	-116	-172
Total commercial costs	-286	-263

Commercial costs also include brokers' fees. The brokers' fees paid to brokers after a period of vacancy are capitalized as the property experts, after a period of vacancy, reduce the estimated fees from the estimated value of the real estate property. 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 moment of valuation.

Charges and taxes on unlet properties

in thousands €	2012	2011
Vacancy charges of the financial year	-958	-1.246
Vacancy charges of previous financial year	113	-14
Property tax on vacant properties	-697	-770
Recuperation of property tax on vacant properties	561	626
Total charges and taxes on unlet properties	-981	-1.404

Charges and taxes on unlet properties decrease during the financial year 2012 by approximately € 0,4 million, mainly as a result of the decrease in vacancy in Herentals Logistics 1 and in Mechelen Campus. Vacancy costs represent for financial year 2012 approximately 2,4 % of total rental income of the property investment fund (financial year 2011: 3,6 %).

Intervest Offices & Warehouses largely recovers the property tax that is charged by advanced levy on the vacant parts of buildings through objections submitted to the Flanders Tax Administration.

Property management costs

in thousands €	2012	2011
External property management fees	-84	-75
Internal property management fees	-2.209	-2.109
<i>Employee benefits</i>	<i>-1.421</i>	<i>-1.262</i>
<i>Property experts</i>	<i>-169</i>	<i>-142</i>
<i>Other costs</i>	<i>-619</i>	<i>-705</i>
Total property management costs	-2.293	-2.184

Property management costs are costs that are related to the management of the buildings. These include personnel costs and 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 depreciations and impairments on tangible assets used for such management and other business expenses related to the management of the real estate properties.

In 2012, the increase of the management costs is mainly due to an enhanced number of employees.

Other property charges

in thousands €	2012	2011
Charges borne by the landlord	-305	-318
Other property charges	-54	-36
Total other property charges	-359	-354

The charges borne by the landlord are expenses that are chargeable to the Group on the basis of contractual or commercial agreements with tenants. They are mostly restrictions on the payment of common charges. For financial year 2012 these commercial interventions amount to approximately € 300.000 on an annual basis or 0,7 % of total rental income of the property investment fund, due mainly to the specific issue by one particular logistic building (financial year 2011: 0,8 % of total rental income).

06

Note

General costs

in thousands €	2012	2011
ICB tax	-227	-229
Auditor's fee	-95	-87
Directors' remunerations	-29	-25
Liquidity provider	-15	-15
Financial services	-28	-33
Employee benefits	-635	-558
Advice costs	-291	-36
Other costs	-308	-291
Total general costs	-1.628	-1.274

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 impairments on tangible assets used for this management and other operating costs.

The general costs amount to € 1,6 million and have increased by € 0,4 million compared to 2011 (€ 1,2 million) mainly through increased personnel and advice costs.

07

Note

Employee benefits

in thousands €	2012			2011		
	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	1.236	395	1.631	1.171	356	1.527
Salary and other benefits paid within 12 months	865	213	1.078	821	254	1.075
Pensions and post-employment benefits	29	9	38	26	7	33
Social security	195	58	253	172	50	222
Variable remunerations	63	19	82	55	16	71
Dismissal indemnities	0	71	71	0	0	0
Other charges	84	25	109	97	29	126
Remuneration of the management committee	185	240	425	91	202	293
Chairman of the management committee	95	95	190	91	92	183
<i>Fixed remuneration</i>	<i>89</i>	<i>89</i>	<i>178</i>	<i>85</i>	<i>86</i>	<i>171</i>
<i>Variable remuneration</i>	<i>6</i>	<i>6</i>	<i>12</i>	<i>6</i>	<i>6</i>	<i>12</i>
Other members of the management committee	90	145	235	0	110	110
<i>Fixed remuneration</i>	<i>90</i>	<i>116</i>	<i>206</i>	<i>0</i>	<i>87</i>	<i>87</i>
<i>Variable remuneration</i>	<i>0</i>	<i>12</i>	<i>12</i>	<i>0</i>	<i>10</i>	<i>10</i>
<i>Retirement obligations</i>	<i>0</i>	<i>17</i>	<i>17</i>	<i>0</i>	<i>13</i>	<i>13</i>
Total employees benefits	1.421	635	2.056	1.262	558	1.820

The number of employees and self-employed personnel at year-end 2012, expressed in FTE is 15 staff members for the internal management of the patrimony (2011: 14) and 5 staff members for the management of the fund (2011: 6). The management team comprises 4 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 & Warehouses has taken out a group insurance policy - a "defined contribution plan" - with an external insurance company. The company pays contributions to 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 enforceable 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 Vandebroucke act on pensions. The compulsory contributions are recognised in the income statement for the period that they relate to. For financial year 2012 these contributions amount to € 55.000 (2011: € 46.000).

08

Note

Result on disposals of investment properties

in thousands €	2012	2011
Acquisition value	1.300	3.278
Accumulated gains and extra-ordinary impairment losses	-215	651
Carrying amount (fair value)	1.085	3.929
Sales price	1.300	4.100
Sales cost	-75	-107
Net result of sale	1.225	3.993
Total result on disposals of investment properties	140	64

Intervest Offices & Warehouses has signed in 2012 a private deed for the sale of a non-strategic logistic building, constructed in 1997 and located in Antwerp, Kaaien 218-220. The result on disposals of investment properties consists in 2012 of the gain resulting from this transaction. On 31 December 2012 this transaction is recorded under assets held for sale.

The sales price amounts to € 1,2 million and the buyer is the owner-user. The sales price is approximately 10 % higher than the carrying amount which amounts to € 1,1 million on 31 December 2011 (fair value as determined by the independent property expert of the property investment fund).

09

Note

Changes in fair value of investment properties

in thousands €	2012	2011
Positive changes of investment properties	12.732	14.787
Negative changes of investment properties	-26.685	-12.493
Total changes in fair value of investment properties	-13.953	2.294

The changes in fair value of investment properties are negative in 2012 and amount to - € 14,0 million compared to the positive changes of € 2,3 million in 2011. These negative changes in 2012 are the combined effect of:

- ✓ the decrease in fair value of the office portfolio of € 21,9 million or 5,9 % compared to the fair value on 31 December 2011, mainly through the lease contract concluded in October 2012 with PwC in Woluwe Garden (till end 2021), the announced departure of tenant Deloitte in Diegem in 2016 and the general adjustment of the estimated rental value for offices in the Brussels periphery
- ✓ the increase in fair value of the logistic portfolio of € 7,9 million or 3,8 % compared to the fair value on 31 December 2011, mainly through the prolongation of the lease contracts with Estée Lauder as well as UTi Belgium on the site in Oevel till 31 December 2023, a contract for solar panels on the building Duffel Stocletlaan and the partial added value on the on-going renovation, redevelopment and expansion projects in Herentals Logistics 1 and Neerland 1 and Oevel.

10

Note

Other result on portfolio

in thousands €	2012	2011
Changes spread rental discounts and benefits granted to tenants	-730	-476
Price difference on acquisition of shares of real estate companies	0	-2.002
Total other result on portfolio	-730	-2.478

In 2011, the other result on portfolio comprised mainly the immediate profit taking of the price difference of - € 2,0 million on the acquisition of the shares of the companies MGMF Limburg sa (owner of the logistic site in Houthalen) and West-Logistics sa (owner of the logistic site in Oevel) on 1 July 2011. IFRS 3 is not applied on these acquisitions.

11

Note

Net interest charges

in thousands €	2012	2011
Net interest charges with fixed interest rate	-7.141	-9.203
Net interest charges with variable interest rate	-4.024	-2.867
Total net interest charges	-11.165	-12.070

The average credit facility withdrawal of the property investment fund has increased in 2012 on an annual basis by approximately € 36 million compared to 2011, due to the financing of acquisitions of investment properties in 2011 and 2012. Despite this higher credit facility withdrawal, the financing cost of the property investment has decreased in 2012 by € 0,9 million due to the use of new interest rate swaps at lower interest rates, as well as the further decrease of interest rates on the financial markets.

Net interest charges classified by credit line expiry date

in thousands €	2012	2011
Net interest charges on non-current financial debts	-10.325	-11.488
Net interest charges on current financial debts	-840	-582
Total net interest charges	-11.165	-12.070

For 2012, the total average interest rate amounts to 3,7 % including bank margins, compared to 4,6 % in 2011. The average interest rate for the non-current financial debts for 2012 amounts to 4,0 % including bank margins (2011: 4,8 %). The average interest rate for the current financial debts for 2012 amounts to 2,0 % including bank margins (2011: 2,5 %).

The (hypothetical) future cash outflow for 2013 of the interest charges from the loans drawn on at 31 December 2012 at a fixed interest rate or a variable interest rate of 31 December 2012 amounts to € 10,7 million (2011: € 9,2 million).

For financial year 2012, the effect on the operating distributable result of a (hypothetical) increase in interest rate by 1 % gives a negative result of approximately € 0,8 million (2011: € 1 million).

12

Note

Taxes

in thousands €	2012	2011
Corporate income tax	-35	-227
Total taxes	35	-227

With the Royal Decree of 7 December 2010 (previously the Royal Decree of 10 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.

The taxes for financial year 2011 concerned the corporate income tax regarding the financial result of the subsidiaries MGMF Limburg sa and West-Logistics sa for the period from 1 July 2011 till 27 October 2011.

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Note

Number of shares and result per share

Movement of the number of shares

	2012	2011
Number of shares at the beginning of the financial year	13.907.267	13.907.267
Number of shares issued	292.591	0
Number of shares at the end of the financial year	14.199.858	13.907.267
Number of shares entitled to dividend	14.199.858	13.907.267
Adjustments for the calculation of the diluted result per share	-115.433	0
Weighted average number of shares for calculation of diluted result per share	14.084.425	13.907.267

Determination of amount of mandatory dividend distribution

The amount subject to distribution is determined pursuant to article 27 § 1 and Chapter 3 of the annex C of the Royal Decree of 7 December 2010.

in thousands €	2012	2011
Net result according to statutory annual accounts	7.155	17.794
Adjustment for non-cash flow transactions included in the net result:		
Depreciations and reversal of depreciations	159	170
Impairment losses and withdrawals on trade receivables	-65	43
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	3.128	4.175
Result on portfolio	14.543	-485
Corrected result for mandatory distribution	24.920	21.697
Mandatory distribution: 80 %	19.935	17.358
Operating distributable result (statutory annual accounts)	24.826	21.707
Operating distributable result (consolidated annual accounts)	24.826	21.707

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 %.

As a result of the changed valuation rules of the property investment fund in financial year 2011 and because of current economic climate, Intervest Offices & Warehouses has decided to modify the distribution policy of the dividend in 2012 so that the distribution percentage can lie between 80 % and 100 % of the operating distributable result, in function of received indemnities for early termination of lease contracts and other compensations for rental damage.

Intervest Offices & Warehouses chooses to distribute 100 % of the statutory operating distributable result to its shareholders.

Calculation of result per share

in €	2012	2011
Ordinary net result per share	0,51	1,30
Diluted net result per share	0,51	1,30
Operating distributable result per share	1,75	1,56

Proposed dividend per share

In financial year 2011 a change in the valuation rule for early terminated lease contract occurred. Herewith an additional operating distributable of € 0,18 per share has been added to the reserves of the property investment fund on 31 December 2010. This additional operating distributable result is, in accordance with the original accounting method, allocated to the dividend payment of the period 2011-2014.

By re-renting in 2011 the spaces that became vacant, the property investment fund could already distribute an additional dividend of € 0,17 per share in financial year 2011.

Through further lettings of the vacant spaces in 2012, the remaining € 0,01 per share can be distributed for financial year 2012.

After adaption of the operating distributable result as shown in the statutory annual accounts of the property investment fund, this means for financial year 2012 a gross dividend per share of € 1,76 compared to € 1,73 for financial year 2011.

After the close of the financial year, the board of directors proposes the following dividend distribution. This will be submitted to the general shareholders meeting of 24 April 2013 for approval. In accordance with IAS 10, the dividend distribution is not recorded as a liability and will have no effect on the corporate income tax.

	2012	2011
Operating distributable result per share (€)	1,75	1,56
Adaptation of dividend because of changed valuation rule (€)	0,01	0,17
Dividend per share (€)	1,76	1,73
Remuneration of share capital (€ 000)	24.992	24.060
Dividend as a percentage of consolidated operating distributable result (%)	101 %	111 %

Determination of the amount pursuant to article 617 of the Belgian Companies Code

The amount, as referred to in article 617 of the Belgian Companies Code, of paid-up capital or, if this amount is higher, the called-up capital, plus all reserves which, pursuant to the law or the articles of association, may not be distributed, is determined in Chapter 4 of annex C of the Royal Decree of 7 December 2010.

in thousands €	2012	2011
Non-distributable elements of shareholders' equity for profit distribution		
Paid-up capital	129.395	126.729
Share premium, unavailable according to the articles of association	63.378	60.833
Reserve for the positive balance of changes in investment value of investment properties	86.177	84.329
Reserve for the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-14.389	-13.026
Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-893	-925
Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	-3.760	415
Legal reserves	90	90
Result of the financial year which, pursuant to Chapter I of annex C of the Royal Decree of 7 December 2010, is to be allocated to non-distributable reserves		
Result on portfolio	-14.543	485
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-3.128	-4.175
Total non-distributable shareholders' equity	242.327	254.755
Statutory shareholders' equity	272.356	284.018
Planned dividend distribution	24.992	24.060
Number of shares	14.199.858	13.907.267
Operating distributable result per share	1,76	1,73
Shareholders' equity after dividend distribution	247.364	259.958
REMAINING RESERVES AFTER DISTRIBUTION	5.037	5.203

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Note

Non-current assets: investment properties

Investment and revaluation table

in thousands €	2012	2011
Amount at the end of the preceding financial year	581.305	526.680
Acquisitions of investment properties	7.966	42.612
Investments in existing investment properties	5.198	5.038
Extensions of existing investment properties	1.849	8.610
Disposals of investment properties	-1.085	-3.929
Changes in fair value of investment properties	-13.953	2.294
Amount at the end of the financial year	581.280	581.305
OTHER INFORMATION		
Investment value of real estate	595.812	595.919

In 2012, the **fair value of the real estate portfolio** remains stable and amounts to € 581 million on 31 December 2012 (€ 581 million on 31 December 2011). Underlying, fact is that the fair value of the investment properties has known following evolutions in 2012:

- ✓ on the one hand, the increase in fair value of the **logistic portfolio** of € 18 million or 9 % compared to the fair value on 31 December 2011, mainly for:
 - € 8,0 million from the acquisition of leasehold rights of a second distribution centre in Oevel
 - € 3,5 million from the prolongation of lease contracts with Estée Lauder and UTi Belgium on the site in Oevel till 31 December 2023
 - € 1,8 million from the delivery to Nike Europe of a second office bloc and annex in Herentals Logistics 2
 - € 5,5 million from the partial gain on the on-going renovation, redevelopment and expansion projects in Herentals Logistics 1, Neerland 1 and Oevel
 - € 0,9 million from the contract for solar panels on the building Duffel Stocletlaan
 - - € 1,1 million from the sale of a non-strategic logistic building located Kaaien 218-220 in Anwerp
- ✓ on the other hand, the decrease in fair value of the **office portfolio** of € 18 million or 5 % compared to the fair value on 31 December 2011, mainly as a result of the lease contract concluded with PwC in Woluwe Garden in October 2012 (till end 2021), the announced departure of tenant Deloitte in Diegem in 2016 and the general adjustment of the estimated rental values for the offices in the Brussels periphery.

For the explanation of the changes in fair value of investment properties, please see note 9.

For the sensitivity analysis of the valuation of the real estate properties, please see the description of the most important risk factors and internal control and risk management systems.

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Note

Current assets

Assets held for sale

in thousands €	2012	2011
Antwerpen, Kaaien 218-220	1.225	0
Eigenlo, semi-industrial complex in Sint-Niklaas	0	4.005
Total assets held for sale	1.225	4.005

Trade receivables

in thousands €	2012	2011
Trade receivables	1.284	1.282
Advance billing of rents	3.145	38
Invoices to issue	400	359
Doubtful debtors	382	388
Provision doubtful debtors	-382	-388
Other trade receivables	31	8
Total trade receivables	4.860	1.687

Thanks to a strict credit controls, the number of days of outstanding customers' credit is only 8 days.

Aging analysis of trade accounts receivable

in thousands €	2012	2011
Receivables < 30 days	328	662
Receivables 30-90 days	485	226
Receivables > 90 days	471	394
Total outstanding trade receivables	1.284	1.282

For the follow-up of the debtor's risk used by Intervest Offices & Warehouses, please see the description of the most important risk factors and internal control and risk management systems.

Tax receivables and other current assets

in thousands €	2012	2011
Recoverable corporate tax	215	215
Recoverable exit tax	248	248
Recoverable withholding tax on liquidation boni from mergers	2.652	2.652
Other receivables	96	1.405
Total tax receivables and other current assets	3.211	4.520

For the description of the Group's tax situation, please see note 25.

Deferred charges and accrued income

in thousands €	2012	2011
Recoverable property tax	1.580	1.109
Other deferred charges	627	635
<i>Charges related to loans</i>	416	534
<i>Other charges to be deferred</i>	211	101
Accrued income	233	99
Total deferred charges and accrued income	2.440	1.843

Intervest Offices & Warehouses largely recovers the property tax that is charged on vacant parts of buildings through objections submitted to Flanders Tax Administration.

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Note

Shareholders' equity

Capital

Evolution of the capital		Share capital movement	Total outstanding share capital after transaction	Number of share issued	Total number of shares
Date	Transaction	in thousands €	in thousands €	in units	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 the limited liability companies 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
25.05.2012	Capital increase through optional dividend	2.666	129.395	292.591	14.199.858

On 31 December 2012, the share capital amounts to € 129.395.212 and is divided among 14.199.858 fully paid-up shares with no statement of nominal value.

Authorised capital

The board of directors is expressly authorised to increase the nominal capital on one or more occasions by an amount of € 126.728.870,79 by contribution in cash or contribution in kind, if applicable, by incorporation of reserves or issue premiums, under regulations provided for by the Belgian Companies Code, article 7 of the articles of association and article 13 of the Royal Decree of 7 December 2010 relating to property investment funds.

This authorisation is valid for a period of five years from the publication in the annexes to the Belgian Official Gazette of the official report of the extraordinary general meeting dated 7 April 2010, i.e. from 28 April 2010 onwards. This authorisation is valid until 28 April 2015. The authorisation to use authorised capital as possible means of defence in the event of a takeover bid is, pursuant to article 607, second paragraph, of the Belgian Companies Code, only valid for three years and expires on 28 April 2013. This authorisation is renewable.

For every 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 should decide otherwise. 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 2012, the board of directors did make use of the authorisation granted to use amounts from the authorised capital for the issuance of shares in the framework of the optional dividend through the contribution in kind pursuant article 602 of the Belgian Companies Code.

Purchase of equity 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 of 7 April 2010, i.e. from 28 April 2010. This permission is valid till 28 April 2013 and is renewable.

Capital increase

All capital increases will be implemented pursuant to articles 581 to 607 of the Belgian Companies Code, subject to that stated hereafter with respect to the pre-emptive right.

Moreover, the company must comply with the provisions for the public issue of shares as defined in article 87 of the act of 3 August 2012 on certain forms of collective management of investment portfolios, and in articles 20 and following of the Royal Decree of 7 December 2010 relating to property investment funds.

In case of a capital increase through a contribution in cash and without prejudice to articles 592 to 598 of the Belgian Companies Code, the pre-emptive right may only be limited or withdrawn if a priority allocation right is granted to the existing shareholders at the time of allocating new securities. This priority allocation right must satisfy the following conditions:

1. it is related to all newly issued securities;
2. it is granted to the shareholders in proportion to the part of the capital represented by their shares at the time of the transaction;
3. a maximum price per share is announced at the latest on the eve of the opening of the public subscription period; and
4. in such a case, the public subscription period must be at least three trading days.

Capital increases realised through contributions in kind are subject to the provisions of articles 601 and 602 of the Belgian Companies Code. Moreover, pursuant to article 13 §2 of the Royal Decree of 7 December 2010 relating to property investment funds, the following conditions must be met:

1. the identity of the contributor must be mentioned in the report referred to in article 602 of the Belgian Companies Code as well as in the notice of the general meeting convened with regard to the capital increase;
2. the issue price may not be less than the lowest value of (a) a net asset value dating from not more than four months before the date of the contribution agreement or, at the discretion of the company, before the date of the capital increase deed, and (b) the average closing price during the thirty calendar days prior to this same date;
3. except if the issue price or exchange ratio and the related conditions are determined no later than on the working day following the conclusion of the contribution agreement and communicated to the public mentioning the time within which the capital increase will effectively be implemented, the capital increase deed shall be executed within a maximum period of four months; and
4. the report referred to under 1° must also explain the impact of the proposed contribution on the situation of former shareholders, particularly as far as their share of the profits, net asset value and capital is concerned, as well as the impact on the voting rights.

The above does not apply to the transfer of the right to dividends in the context of the distribution of an optional dividend, insofar as this is actually made available for payment to all shareholders.

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
25.05.12	Capital increase through optional dividend	2.666	0	5.211	2.545
Total share premium					63.378

Reserves

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

in thousands €	2012	2011
Amount at the end of the preceding financial year	-13.248	-13.606
Changes in investment value of investment properties	-187	193
Acquisitions of investment properties of the preceding financial year	-1.276	0
Disposal of investment properties of the preceding financial year	98	165
Total reserve for the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-14.613	-13.248

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.

The transfer of the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties are no longer, as from financial year 2010, recorded during the financial year but only after approval of the profit distribution by the general meeting of shareholders (in April of next financial year). As this concerns a transfer within two items of shareholders' equity, it has no impact on the total shareholders' equity of the property investment fund.

For the movement of the reserves during financial year 2012, please see the statement of changes in equity.

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Note

Provisions

in thousands €	2012	2011
Current provisions	172	172
Provision for rental guarantees from disposal of investment properties	172	172
Total provisions	172	172

Residual rent guarantees arising from the sale of investment properties in 2006 are included in the short-term provisions.

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Note

Current liabilities

Trade debts and other current debts

in thousands €	2012	2011
Trade debts	297	197
Advances received from tenants	402	490
Invoices to be received	1.368	1.225
VAT payable	309	349
Other current debts	446	380
Total trade debts and other current debts	2.822	2.641

Other current liabilities

in thousands €	2012	2011
Dividends payable	354	399
Total other current liabilities	354	399

Accrued charges and deferred income

in thousands €	2012	2011
Received indemnities for refurbishment	1.027	2.471
Deferred compensations for early termination of lease contracts	1.200	1.807
Other accrued charges	2.984	2.629
Pre-billed rental income	3.148	508
Other deferred income	1.337	1.045
Total accrued charges and deferred income	9.696	8.460

Indemnities received for refurbishment have decreased by € 1,4 million in 2012 through works executed for the re-letting of specific office space.

On 31 December 2012, the accrued charges and deferred income include for an amount of € 1,2 million liabilities related to compensations received due to the early termination of lease contracts. The decrease of these liabilities in 2012 results from the additional lettings to Biocartis in Intercity Business Park in Malines of a part of the office space and laboratories that were left by Tibotec-Virco in 2010.

In order to accelerate the collection of trade receivables, tenants of logistic buildings are pre-billed since the first quarter of 2012.

The other accrued charges comprise, among others, the interest on the bond loan due on 29 June 2013.

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Note

Non-current and current financial debts

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

Classification by expiry date of withdrawn credit facilities

in thousands €	2012					2011				
	Debts with a remaining duration of			Total	Percentage	Debts with a remaining duration of			Total	Percentage
	< 1 year	> 1 year and < 5 years	> 5 years			< 1 year	> 1 year and < 5 years	> 5 years		
Credit institutions: withdrawn credit facilities	48.012	169.950	7.667	225.629	75 %	34.012	176.450	8.200	218.662	75 %
Bond loan	0	74.625	0	74.625	25 %	0	74.475	0	74.475	25 %
Financial lease	6	11	0	17	0 %	6	18	0	24	0 %
TOTAL	48.018	244.586	7.667	300.271	100 %	34.018	250.943	8.200	293.161	100 %
Percentage	16 %	82 %	2 %	100 %		12 %	85 %	3 %	100 %	

In addition to the requirement to maintain the property investment fund's charter, the bank credit agreements of Intervest Offices & Warehouses are subject to compliance with financial ratios, which are primarily related to the fund's consolidated financial debt or its financial interest charges, the prohibition on the mortgaging or pledging of real estate investments and the pari passu treatment of creditors. The financial ratios limit the amount that could still be borrowed by Intervest Offices & Warehouses.

These ratios are respected on 31 December 2012. If Intervest Offices & Warehouses were no longer to respect these ratios, the financial institutions could demand that the financing agreements of the fund be cancelled, renegotiated, terminated or prematurely repaid.

Classification by expiry date of credit lines

in thousands €	2012					2011				
	Debts with a remaining duration of			Total	Percentage	Debts with a remaining duration of			Total	Percentage
	< 1 year	> 1 year and < 5 years	> 5 years			< 1 year	> 1 year and < 5 years	> 5 years		
Credit institutions: withdrawn credit facilities	48.012	169.950	7.667	225.629	70 %	34.012	176.450	8.200	218.662	67 %
Not-withdrawn credit lines	10.000	13.700	0	23.700	7 %	14.000	17.200	0	31.200	10 %
Bond loan	0	74.625	0	74.625	23 %	0	74.475	0	74.475	23 %
Total	58.012	258.275	7.667	323.954	100 %	48.012	268.125	8.200	324.337	100 %
Percentage	18 %	80 %	2 %	100 %		15 %	83 %	2 %	100 %	

The above table “Classification by expiry date of credit lines” comprises an amount of € 24 million of not-withdrawn credit lines (€ 31 million on 31 December 2011). These do not form at closing date an effective debt but are only a potential debt under the form of an available credit line. The part in terms of percentage is calculated as the relation of each component to the sum of the withdrawn credit lines, the not-withdrawn credit lines and the outstanding bond loan.

Classification by variable or fixed character of withdrawn credit facilities at financial institutions and the bond loan

in thousands €	2012		2011	
	Total	Percentage	Total	Percentage
Credit facilities with variable interest rate	105.629	35 %	98.662	34 %
Credit facilities with fixed interest rate or covered by interest rate swaps	194.625	65 %	194.475	66 %
Total	300.254	100 %	293.137	100 %

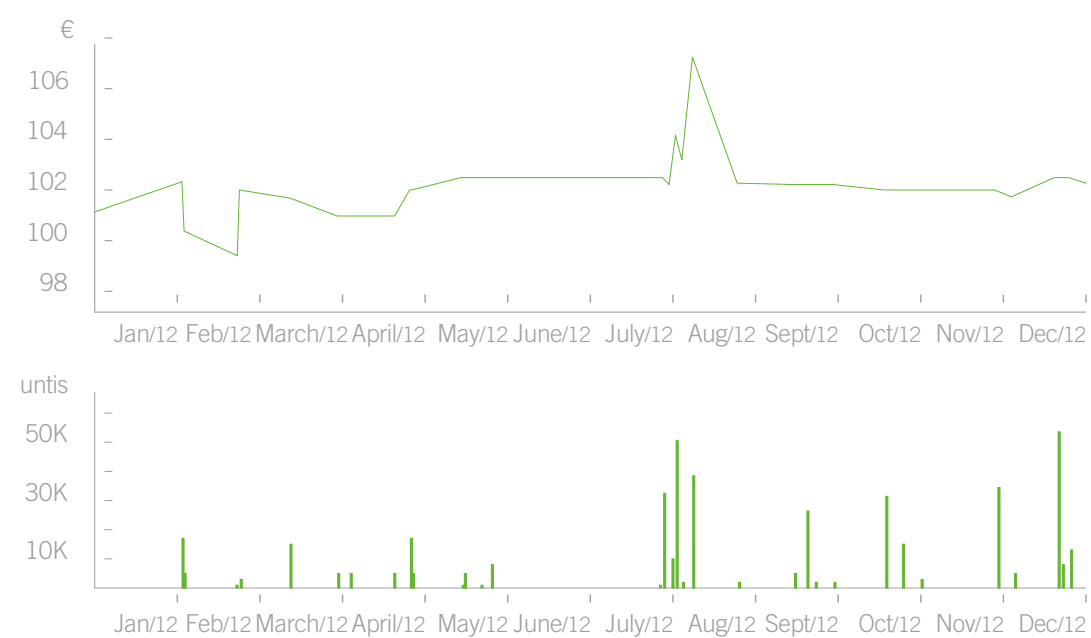
In the above table “Classification by variable or fixed character of withdrawn credit facilities at financial institutions and of the bond loan” the part in terms of percentage is calculated as the relation of each component to the sum of the credit lines and the financial leaseings.

Characteristics of the bond loan

In June 2010, Intervest Offices & Warehouses issued a bond loan on the Belgian market for an amount of € 75 million with a duration of 5 years. The issue price was set at 100,875 % of the nominal value on the bonds with a gross coupon of 5,10 % payable as at 29 June each year. The gross actuarial yield of the issue price amounts to 4,90 % (on the issue price of 100,875 %). The bond loan is listed on NYSE Euronext Brussels. The bond loan is payable in June 2015 at the nominal value of € 75 million.

ISIN BE0002175413 (INTOFFI5,1%29JUN15)	2012	2011
Share price (%)		
Share price on closing date	102,51	100,00
Average share price	102,21	100,03
Highest share price	107,27	100,50
Lowest share price	99,37	100,00
Number of stocks		
Number of traded stocks	425	38

Share price bond loan



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Note

Financial derivatives

Intervest Offices & Warehouses uses interest rate swaps to cover part of the possible changes of the interest charges on a part of the financial debts with a variable interest rate (short-term Euribor).

Intervest Offices & Warehouses classifies the interest rate swaps as cash flow hedges, whereby it is determined whether these hedges are effective or not.

- ✓ The effective part of the changes in fair value of derivatives classified as cash flow hedge is recognised in the statement of comprehensive income in the line "Changes in the effective part of fair value of authorised hedging instruments subject to hedge accounting. Hedge accounting is therefore applied to these swaps, on which basis, mutations 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 of financial derivatives

On 31 December 2012, the company has following financial derivatives:

in thousands €	Start date	Expiry date	Interest rate	Contractual notional amount	Hedge accounting	Fair value		
						Yes/No	2012	2011
1.	IRS	11.09.2009	11.09.2014	2,8150 %	10.000	Yes	-446	-462
2.	IRS	11.09.2009	11.09.2014	2,8150 %	10.000	Yes	-446	-462
3.	IRS	30.04.2009	30.04.2014	2,6300 %	10.000	No	-327	-366
4.	IRS	30.04.2009	30.04.2014	2,6300 %	10.000	No	-327	-366
5.	IRS	02.01.2012	02.01.2017	2,3350 %	50.000	No	-3.815	-1.985
6.	IRS	02.01.2012	01.01.2017	2,1400 %	10.000	No	-684	-302
7.	IRS	02.01.2012	01.01.2018	2,3775 %	10.000	No	-886	-383
8.	IRS	02.01.2012	01.01.2018	2,3425 %	10.000	No	-849	-357
Other non-current financial liabilities							-7.780	-4.685
Accounting process on 31 December:								
✓ In shareholders' equity: Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting							-893	-925
✓ In shareholders' equity: Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting							-3.760	415
✓ In the income statement: Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)							-3.128	-4.175
Total fair value financial derivatives							-7.780	-4.685

On 31 December 2012, these interest rate swaps have a negative market value of - € 7,8 million (contractual notional amount € 120 million), which is determined on a quarterly basis by the issuing financial institute.

The fair value of the derivatives is exclusively determined by the information having an observable character for the derivative (directly or indirectly) but which is not a price listed on the active market and consequently the IRS contracts are belonging to level 2 of the hierarchy of the fair value as determined by IFRS 7.

On 31 December 2012, Interest Offices & Warehouses classifies the interest rate swaps 1 and 2 as cash flow hedges, determining that the interest rate swaps are effective. The fluctuations in value of the interest rate swaps 3 to 8 are recognised directly in the income statement.

For the description of financial risks related to financial derivatives, please see the description of the major risk factors and internal control and risk management systems.

Fair value of bank obligations

in thousands €	2012		2011	
	Nominal value	Fair value	Nominal value	Fair value
Financial debts	300.254	305.357	293.137	297.858

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 a financial derivative are not taken into consideration.

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Note

Calculation of consolidated debt ratio

in thousands €	Note	2012	2011
Non-current financial debts	19	252.253	259.143
Other non-current liabilities		626	598
Current financial debts	19	48.018	34.018
Trade debts and other current debts	18	2.822	2.641
Other current liabilities	18	354	399
Total liabilities for calculation of debt ratio		304.073	296.799
Total assets		594.077	594.134
Debt ratio		51,2 %	49,9 %

For the further description of the evolution of the debt ratio, please see the discussion of the financial structure in the report of the management committee.

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Note

Related parties

The company's related parties are its shareholders NSI sa, and the affiliated companies as well as its subsidiaries (see note 23), and its directors and members of the management committee.

Relation with the related companies of NSI sa

in thousands €	2012	2011
Interests paid on current account	4	5

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 €	2012	2011
Directors	57	49
Members of the management committee	424	293
Total	481	342

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

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Note

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 €	
				2012	2011
ABC sa	Uitbreidingstraat 18, 2600 Berchem	BE 0466.516.748	99,00 %	1	1
MBC sa	Uitbreidingstraat 18, 2600 Berchem	BE 0467.009.765	99,00 %	36	38
MRP sa	Uitbreidingstraat 18, 2600 Berchem	BE 0465.087.680	99,90 %	1	1
DRE sa	Uitbreidingstraat 18, 2600 Berchem	BE 0464.415.115	99,90 %	0	0
Total minority interests				38	40

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Note

Fee of the statutory auditor and entities affiliated with the statutory auditor

in thousands €	2012	2011
<i>Including non-deductible VAT</i>		
Fee statutory auditor for audit mandate	95	87
Fee for exceptional activities or special assignments within the company by the statutory auditor regarding other control assignments	18	24
Fee for exceptional activities or special assignments within the company by persons affiliated with statutory auditor regarding other tax advice	0	24
Total fee of the statutory auditor and the entities affiliated with the statutory auditor	113	135

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Note

Off-balance sheet obligations

Disputed tax assessments

With the Royal Decree of 7 December 2010 (formerly the Royal Decree of 10 April 1995) the legislator gave property investment funds a 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 securitisation premium remains subject to company tax. Tax assessments based on the securitisation premium should therefore be owed. Intervest Offices & Warehouses contests this interpretation and has still open appeals for an amount of ± € 4 million.

According to the assessment register, pending tax payments plus late payment interest charges total approximately € 6,7 million. That said, an exemption has not yet been granted concerning the specific provision (since the circular letter dated 23 December 2004) that stipulates that the value of the property when transfer costs are paid by the buyer must apply when calculating the exit tax, as opposed to the value of the property when transfer costs are paid by the seller. In the opinion of Intervest Offices & Warehouses, the only real tax dispute centres around the standpoint that the securitisation premium must be taken into consideration when determining the exit tax (the total tax debt then comes to roughly € 4 million instead of roughly € 6,7 million).

On 2 April 2010, in a lawsuit between another Belgian public property investment fund and the Belgian State concerning this issue, the Court of First Instance in Louvain ruled that there is no reason “why the actual value of the company’s assets on the date that it is recognised as a property investment fund by the Financial Markets and Services Authority (FSMA) could not be lower than the price of the shares that were offered to the public.”

These additional tax debts, amounting to roughly € 4 million, are being guaranteed by Siref’s two former promoters. As a result of Siref’s recognition as a property investment fund, and within the scope of the approval of the prospectus of the Siref property investment fund for purposes of obtaining approval to become exchange-listed, these promoters submitted a unilateral declaration dated 8 February 1999 to the FSMA in which they state that they will pay the exit tax that will be owed in the case of an amendment to the return. That said, in a letter dated 24 May 2012, one of these promoters is now disputing that Intervest Offices & Warehouses can claim rights from this declaration.

Intervest Offices & Warehouses is currently waiting for its appeal to be processed further by the tax authorities, and expects that the Regional Director will make a decision concerning the legitimate request on the part of Intervest Offices & Warehouses that at the very least an exemption would be applied with regard to the specific provision (since the circular letter dated 23 December 2004) that stipulates that the value of the property when transfer costs are paid by the buyer must apply when calculating the exit tax, as opposed to the value of the property when transfer costs are paid by the seller. This way, the only on-going dispute with the Belgian tax authorities will involve the standpoint that the securitisation premium must be taken into consideration when determining the exit tax.

In 2008, the tax authorities (the Recipient of direct taxes) took out a legal mortgage on a single logistics property on the Dijkstraat in Aartselaar as a guarantee against the outstanding tax debt. No provision was made for these disputed assessments.

Agreements for extension or redevelopment of logistic sites

On 31 December 2012 the property investment fund has following agreements for extension or redevelopment of logistic sites:

- ✓ the agreement with Peugeot concluded in July 2012 for the redevelopment of a part of the logistic site Neerland 1 in Wilrijk into a showroom, whereby the property investment fund has contracted an off-balance sheet obligation of approximately € 3,3 million
- ✓ the agreement with Estée Lauder and UTi Belgium concluded in July 2012 for the extension of the logistic site in Oevel, whereby the property investment fund has contracted an off-balance sheet obligation of approximately € 3,3 to € 3,8 million.

Guarantees with regard to financing

For the financing of the property investment fund, no registrations of mortgages have been taken, and no mortgage authorisations permitted on 31 December 2012. Most financial institutions demand, however, that the investment fund continue to comply with the financial ratios as laid down by the Royal Decree of 7 December 2010 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

On 31 December 2012 Intervest Offices & Warehouses has no obligations regarding soil remediation.

Intervest Offices & Warehouses has by means of the merger with Herentals Logistic Center sa in 2007 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 June 2005, OVAM issued a certificate of conformity on 9 September 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. Meanwhile, the remediation which has been executed is a phase of monitoring. Herewith Intervest Offices & Warehouses has no more off-balance sheet obligations.

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Note

Events after the balance sheet date

There are no significant events to be mentioned that occurred after the closing of the accounts as at 31 December 2012.



Park Station - 8.903 m²
Diegem

Statutory auditor's report

INTERVEST OFFICES & WAREHOUSES SA,
PUBLIC PROPERTY INVESTMENT FUND UNDER BELGIAN LAW

STATUTORY AUDITOR 'S REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
TO THE SHAREHOLDERS' MEETING

To the shareholders

As required by law, we report to you on the statutory audit mandate which you have entrusted to us. This report includes our report on the consolidated financial statements as defined below together with our report on other legal and regulatory requirements.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Intervest Offices & Warehouses NV/SA, Public real estate 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. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 594.077 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 7.156 (000) EUR.

Responsibility of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's 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, the auditor considers 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Intervest Offices & Warehouses NV/SA, Public real estate investment fund under Belgian law give a true and fair view of the group's net equity and financial position as of 31 December 2012, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

In the framework of our mandate, our responsibility is to verify, for all significant aspects, the compliance with some legal and regulatory requirements. On this basis, we provide the following additional comment which does not modify 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, is, for all significant aspects, in agreement with the consolidated financial statements and is not in obvious contradiction with any information obtained in the context of our mandate.

Diegem, 4 March 2013

The statutory auditor,

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



Frank Verhaegen



Kathleen De Brabander

Statutory annual accounts Interinvest Offices & Warehouses sa

The statutory annual accounts of Interinvest Offices & Warehouses sa are prepared according to the IRFS-standards and in accordance with the Royal Decree of 7 December 2010. The entire version of the statutory annual accounts of Interinvest Offices & Warehouses, 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.interinvestoffices.be) or on demand at the registered office.

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

Income statement

in thousands €	2012	2011
Rental income	41.207	37.747
Rental-related expenses	49	-76
NET RENTAL INCOME	41.256	37.671
Recovery of property charges	1.408	1.261
Recovery of rental charges and taxes normally payable by tenants on let properties	8.992	6.667
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-652	-142
Rental charges and taxes normally payable by tenants on let properties	-8.992	-6.656
Other rental-related income and expenses	341	1.296
PROPERTY RESULT	42.353	40.097
Technical costs	-840	-934
Commercial costs	-286	-262
Charges and taxes on unlet properties	-981	-1.404
Property management costs	-2.293	-2.179
Other property charges	-358	-352
PROPERTY CHARGES	-4.758	-5.131
OPERATING PROPERTY RESULT	37.595	34.966
General costs	-1.624	-1.268
Other operating income and costs	51	30
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	36.022	33.728
Result on disposals of investment properties	140	64
Changes in fair value of investment properties	-13.953	2.216
Other result on portfolio	-730	-1.795
OPERATING RESULT	21.479	34.213

(continued) in thousands €	2012	2011
OPERATING RESULT	21.479	34.213
Financial income	193	232
Net interest charges	-11.165	-12.006
Other financial charges	-11	-19
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-3.128	-4.175
Changes in fair value of financial fixed assets	-178	-393
FINANCIAL RESULT	-14.289	-16.361
RESULT BEFORE TAXES	7.190	17.852
Taxes	-35	-58
NET RESULT	7.155	17.794
Note:		
Operating distributable result	24.826	21.707
Result on portfolio	-14.543	485
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other elements	-3.128	-4.398

RESULT PER SHARE	2012	2011
Number of shares entitled to dividend	14.199.858	13.907.267
Net result (€)	0,51	1,28
Diluted net result (€)	0,51	1,28
Operating distributable result (€)	1,75	1,56

Statement of comprehensive income

in thousands €	2012	2011
NET RESULT	7.155	17.794
Changes in the effective part of the fair value of authorised hedging instruments subject to hedge accounting	32	2.561
COMPREHENSIVE INCOME	7.187	20.355

Result allocation (according to the scheme of the Royal Decree of 7 December 2010)

in thousands €	2012	2011
A. NET RESULT	7.155	17.794
B. ALLOCATION TO/TRANSFER FROM RESERVES		
✓ Allocation to/transfer from the reserves for the balance of changes in fair value of investment ¹⁷ properties:		
- Financial year	14.656	-1.882
- Value realised from disposals of investment properties	-31	34
✓ Allocation to/transfer from the reserve of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-82	1.363
✓ Transfer from the reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	3.128	4.175
✓ Transfer from other reserves	0	223
✓ Transfer from results carried forward from previous financial years	166	2.353
C. REMUNERATION OF CAPITAL PURSUANT TO ARTICLE 27, § 1, PARAGRAPH 1	24.992	24.060

Balance sheet

Assets in thousands €	31.12.2012	31.12.2011
Non-current assets	581.590	581.674
Intangible assets	45	37
Investment properties	572.354	572.378
Other tangible assets	248	316
Financial fixed assets	8.928	8.929
Trade receivables and other non-current assets	15	14
Current assets	12.486	12.460
Assets held for sale	1.225	4.005
Trade receivables	4.860	1.687
Tax receivables and other current assets	3.211	4.520
Cash and cash equivalents	750	405
Deferred charges and accrued income	2.440	1.843
TOTAL ASSETS	594.076	594.134

¹⁷ Based on the changes in investment value of investment properties.

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	31.12.2012	31.12.2011
Shareholders' equity	272.356	284.018
Share capital	129.395	126.729
Share premium	63.378	60.833
Reserves	72.428	78.662
Net result of the financial year	7.155	17.794
Liabilities	321.720	310.116
Non-current liabilities	260.659	264.426
Non-current financial debts	252.253	259.143
<i>Credit institutions</i>	<i>177.617</i>	<i>184.650</i>
<i>Bond loan</i>	<i>74.625</i>	<i>74.475</i>
<i>Financial lease</i>	<i>11</i>	<i>18</i>
Other non-current financial liabilities	7.780	4.685
Other non-current liabilities	626	598
Current liabilities	61.061	45.690
Provisions	172	172
Current financial debts	48.018	34.018
<i>Credit institutions</i>	<i>48.012</i>	<i>34.012</i>
<i>Financial lease</i>	<i>6</i>	<i>6</i>
Trade debts and other current debts	2.821	2.640
Other current liabilities	354	399
Accrued charges and deferred income	9.696	8.461
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	594.076	594.134
DEBT RATIO	31.12.2012	31.12.2011
Debt ratio (max. 65%)	51,2 %	49,9 %
NET ASSET VALUE PER SHARE in €	31.12.2012	31.12.2011
Net asset value (fair value)	19,18	20,42
Net asset value (investment value)	20,19	21,36
Net asset value EPRA	19,73	20,76



6



GENERAL INFORMATION



Identification

Name

Intervest Offices & Warehouses sa, public property investment fund with fixed capital under Belgian law, or “property investment fund” / “sicafi” under Belgian law. On 27 October 2011 the name of the company changed from “Intervest Offices” into “Intervest Offices & Warehouses”.

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.

Legal form, formation, publication

Intervest Offices & Warehouses 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 1999 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 "public property investment company with fixed capital under Belgian law", or a "property investment fund" / "sicafi" under Belgian law for short, which is registered with the Financial Services and Markets Authority (FSMA).

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 law of 3 August 2012 on certain forms of collective management of investment portfolios.

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 (and the name of the company changed into "Intervest Offices & Warehouses) by deed executed before Eric De Bie, civil-law notary in Antwerp-Ekeren on 24 May 2012, as published in the Annexes to the Belgian Official Gazette of 12 June 2012 under number 2012-06-12/0103978.

Duration

The company is founded for an indefinite period.

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 & Warehouses 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 that are mentioned in the prospectus are available for inspection at the company's registered office.

Purpose of the company

Article 4 of the articles of association¹⁸

The sole purpose of the company is the 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 on certain forms of collective management of investment portfolios.

Property is understood to mean:

1. immovable property as defined in articles 517 et seq. of the Belgian Civil Code and the real rights to immovable property
2. voting shares issued by real estate companies managed exclusively or jointly by the company
3. option rights to property
4. shares of public or institutional property investment funds, provided that the latter are jointly or exclusively managed
5. units in foreign institutions for collective property investment registered on the list referred to in article 129 of the Act of 20 July 2004 on certain forms of collective management of investment portfolios
6. units in institutions for collective property investment located in another Member State of the European Economic Area and which are not

¹⁸ The agenda of the extraordinary general meeting of Intervest Offices & Warehouses of 24 April 2013 includes the proposal to amend the articles of association such that any reference to the Law of 20 July 2004 on certain forms of collective management of investment portfolios be replaced by a reference to the Law of 3 August 2012 on certain forms of collective management of investment portfolios. Article 4 shall be amended accordingly, subject to approval by the aforementioned extraordinary general meeting of 24 April 2013.

registered on the list referred to in article 129 of the Act of 20 July 2004 on certain forms of collective management of investment portfolios, insofar as they are subject to a similar control as public property investment funds

7. property certificates as defined in article 5(4) of the Act of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on a regulated market
8. rights arising from contracts under which one or more properties have been placed under an immovable rental arrangement with the company or any other similar rights of usufruct have been granted
9. all other properties, shares or rights defined as immovable property by the Royal Decrees enacted in implementation of the Act 20 July 2004 on certain forms of collective management of investment portfolios and applicable to collective investment institutions investing in immovable property.

Within the constraints of the investment policy, as defined in article 4-5 of the articles of association and pursuant to legislation applicable to property investment funds, the company may be involved in:

- ✓ purchasing, renovation, furnishing, rental, subletting, managing, exchanging, selling, subdividing the property or placing it under the system of joint ownership as described above
- ✓ acquiring and lending financial instruments pursuant to article 52 of the Royal Decree of 7 December 2010 on property investment funds
- ✓ renting immovable property, with or without an option to buy, pursuant to article 36 of the Royal Decree of 7 December 2010 on property investment funds
- ✓ renting out immovable property on an incidental basis, with or without an option to buy, pursuant to article 37 of the Royal Decree of 7 December 2010 on property investment funds
- ✓ pursuant to article 51 of the Royal Decree of 7 December 2010 on property investment funds, the company may only act as a property developer for occasional transactions.

Pursuant to legislation applicable to property investment funds, the company may also:

- ✓ on an incidental or provisional basis, invest in securities that are not considered as property and hold non-allocated liquid assets pursuant to article 34 § 2, and article 35 of the Royal

Decree of 7 December 2010 on property investment funds. Ownership of securities must be compatible with the short- or medium-term goal of the investment policy as defined in article 5 of the articles of association; The liquid assets may be held in any currency in the form of deposits payable on demand or term deposits or any money market instrument, the funds of which are readily available

- ✓ grant mortgages or other securities or guarantees only in the context of the financing of its real estate activities, pursuant to article 57 of the Royal Decree of 7 December 2010 on property investment funds
- ✓ buy or sell hedging instruments, with the exception of speculative transactions, pursuant to article 34 § 3 of the Royal Decree of 7 December 2010 on property investment funds
- ✓ grant credits and provide securities or guarantees in favour of a subsidiary of the company pursuant to article 56 of the Royal Decree of 7 December 2010 on property investment funds.

The company may acquire, rent or rent out, carry over or exchange all movable or immovable property, materials and accessories and generally perform all commercial or financial actions that are directly or indirectly related to its purpose and the exploitation of all intellectual rights and commercial properties related to it.

Insofar as it is compatible with the articles of association of property investment funds, the company may, through contribution in cash or in kind, mergers, subscriptions, participations, financial interventions or other means, participate in all existing companies or enterprises, or those yet to be formed, in Belgium or abroad, the purpose of which is identical to its own or the nature of which is such that it promotes its purpose.

Extract from the articles of association¹⁹

Capital - Shares

Article 7 - Authorised capital

The board of directors is expressly authorised to increase the nominal capital on one or more occasions by an amount of € 126.728.870,79 for a period of 5 years starting from the publication in the Appendices to the Belgian Official Gazette of the relevant power of authorisation of the general meeting. This authorisation is renewable.

The board of directors is authorised to increase the nominal capital by contribution in cash or contribution in kind, if applicable through incorporation of the reserves or issue premiums, or by issuing convertible bonds or warrants, under regulations provided for by the Belgian Companies Code, these articles of association and article 13 of the Royal Decree of 7 December 2010 on property investment funds. This authorisation is only related to the amount of the nominal capital and not to the issue premiums.

For every 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 should decide otherwise.

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 Financial Services and Markets Authority 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.

Besides the legal threshold mentioned in the previous paragraph, the company also provides for a statutory threshold of 3 %.

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.

¹⁹ 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.

In application of what is determined by article 9, § 1, of the Royal Decree of 7 December 2010 relating to property investment funds, the board of directors is composed in such way that the company can be managed autonomously and in the sole interest of the shareholders.

Three independent directors within the meaning of article 526ter of the Belgian Companies Code have to sit on the board of directors.

Where a legal entity is elected as director or member of the management board, 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, 6° and article 11 of the Royal Decree of 7 December 2010 relating to property investment funds. 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 524bis of the Belgian Companies Code, the board of directors can put together a 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 3 August 2012 concerning the collective management of investment portfolios, and its implementing 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 7 December 2010 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 audits (audit) and certifies (certify) the accounting information contained in the company's annual accounts. At the request of the Financial Services and Markets Authority, he (she) also confirms the accuracy of the information that the company has presented to the Financial Services and Markets Authority in application of article 96 of the Act of 3 August 2012.

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 last 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.

Article 22 - Participation to the general meeting

To be admitted to general meeting and to express a vote, depends on the accounting registration of bearer shares of the shareholder on the fourteenth day prior to the general meeting at midnight (Belgium time) (name hereinafter "registration date"), either by subscription to the register of bearer shares of the company, either by subscription by an authorised account holder or a settlement body, or by filing the bearer shares with a financial intermediary, regardless of the amount of shares held by the shareholder on the day of the general meeting.

Owners of dematerialized shares or bearer shares informing the company of their wish to attend, must provide a certificate that has been filed with a financial intermediary or authorised account holder, attesting the number of dematerialized shares that have been registered in their accounts on the registration date in the name of the shareholder or the number of bearer shares that have been registered, attesting that the shareholder wish to attend the general meeting. This filing have to be done at latest the sixth day prior to the general meeting date at the registered office or at the institutions mentioned in the invitation.

Owners of nominative shares communicate their wish to participate to the company, by ordinary mail, fax or e-mail at least the sixth day before the date of the general meeting.

Article 26 - Voting rights

Each share gives the holder the right to one vote.

If one or more shares are jointly owned by different persons or by a legal entity with a representative body consisting of several members, the associated rights may only be exercised vis-à-vis the company by a single person who has been 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.

Result allocation

Article 29 - Appropriation of profit

The company distributes annually as capital at least 80 % of the in Chapter III of annex C of the Royal Decree of 7 December 2010 relating to property investment funds fixed amount as remuneration of the share capital. This obligation is not detrimental to article 617 of the Belgian Companies Code. Besides, the clauses recorded in article 27 of the Royal Decree of 7 December 2010 relating to property investment funds have to be respected.

Statutory auditor

On 7 April 2010, Deloitte Réviseurs d'Entreprises SC under the form of a SCRL, which is represented by Kathleen De Brabander and Frank Verhaegen, Berkenlaan 8b - 1831 Diegem, has been reappointed as statutory auditor of Intervest Offices & Warehouses. The mandate of the statutory auditor will end immediately after the annual meeting to be held in 2013.

The remuneration of the statutory auditor amounts to € 67.150 (excl. VAT, incl. costs) as from the financial year started on 1 January 2012 for the survey of the statutory and consolidated annual accounts.

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 2012, the property experts of the property investment fund are:

- ✓ Cushman & Wakefield, 1000 Brussels, avenue des Arts 56. The company is represented by Matthias Gerits.
- ✓ Jones Lang LaSalle Belgium, 1000 Brussels, rue Montoyer 10. The company is represented by Frank Weyers.

In accordance with the Royal Decree of 7 December 2010, they value 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 2012, the logistic buildings (till 30 June 2012) and Mechelen Campus have been managed by the external manager Quares Asset Management.

Property investment fund - legal framework

The investment fund system is formalised in the Royal Decree of 7 December 2010 relating to property investment funds 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 Financial Services and Markets Authority and is subject to specific regulations, the most notable provisions of which are as follows:

- ✓ adopt the form of a limited liability company or a limited partnership with a share capital with a minimum capital of € 1.200.000
- ✓ a company with fixed capital and a fixed number of shares
- ✓ compulsory listing on the stock exchange with at least 30 % of the shares in public hands
- ✓ limited possibility for concluding mortgages
- ✓ a debt ratio limited to 65 % of the total assets; if the consolidated debt ratio exceeds 50 %, a financial plan has to be drawn up
- ✓ annual financial interest charges resulting from borrowings may under no circumstances exceed the threshold of 80 % of the operating distributable result before result on portfolio increased with the financial income of the property investment fund
- ✓ strict rules relating to conflicts of interests
- ✓ the portfolio must be recorded at market value without the possibility of depreciation
- ✓ a three-monthly estimate of the property assets by independent property experts
- ✓ risk spread: a maximum of 20 % of capital in one building, except certain exceptions
- ✓ a property investment fund may not engage itself in "development activities"; this means that the property investment fund cannot act as a building promoter aiming to erect buildings in order to sale them and to cash a developer's profit
- ✓ exemption from corporation tax provided that at least 80 % of the operating distributable result are distributed
- ✓ a withholding tax of 25 % to be deducted upon payment of dividends (subject to certain exemptions). Pursuant to the Finance Act of 27 December 2012 (Belgian Official Gazette 31 December 2012) withholding tax on dividends of public property investments funds increases as from taxation year 2013 from 21 % to 25 % (subject to certain exemptions).
- ✓ the opportunity to establish subsidiary companies which take the form of an 'institutional property investment fund' which must operate under the exclusive or joint control of the public property investment fund in order to be able to implement specific projects with a third (institutional or professional) investor
- ✓ at least three independent directors in the sense of Article 526b of the Belgian Companies Code sit on the board of directors
- ✓ the fixed fees of directors and the actual managers may not depend on the operations and transactions carried out by the public property investment fund or its subsidiaries: this therefore prohibits them being granted a fee based on the turnover. This rule also applies to the variable fee. If the variable fee is determined according to the result, only the consolidated operating distributable result may be used as basis for this.

The aim of these rules is to minimise 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.

Statement to the annual report

Pursuant to 13 § 2 of the Royal Decree of 14 November 2007, the board of directors, composed of Paul Christiaens (chairman), Jean-Pierre Blumberg, Nick van Ommen, Thomas Dijksman, Johan Buijs and Daniel van Dongen, declares that according to its 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 7 December 2010, give a true and fair view of the equity, the financial position and the results of Intervest Offices & Warehouses and the companies included in the consolidation

b) the annual report gives a true statement of the development and results of Intervest Offices & Warehouses 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 & Warehouses is confronted with.





TERMINOLOGY



Acquisition value of an investment property

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

Commercial rental income

The commercial rental income is the contractual rental income plus the rental income of already signed lease contracts regarding locations which are contractually vacant on balance sheet date.

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 relation of all liabilities (excluding provisions and accrued charges and deferred income) less the negative change in fair value of financial instruments, compared to total assets. The calculation method of the debt ratio is pursuant to article 27 § 1-2° of the Royal Decree of 7 December 2010. By means of this Royal Decree the maximum debt ratio of property investment funds is 65 %.

Diluted net result

The diluted net result 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.

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 operating distributable 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 numbers 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 asset value EPRA

Total shareholders' equity, adjusted for the fair value of financial instruments and deferred taxes, divided by the number of shares.

Net dividend

The net dividend is equal to the gross dividend after deduction of withholding tax of 25 %.

Net dividend yield

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

Net result per share

The net result 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.

Occupancy rate

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

Operating distributable result

The distributable operating 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 on the basis of the statutory annual accounts of Intervest Offices & Warehouses sa.

Yield

The yield is calculated as the ratio 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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