INTERVEST
OFFICES &
WAREHOUSES
Feel Real Estate

Annual report 2013

ANNUAL REPORT 2013

INTERVEST
OFFICES &
WAREHOUSES
Feel Real Estate


UTi
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PETRO

Contents

Oevel 1 - 28.919 m²

KEY FIGURES

INTERVEST OFFICES & WAREHOUSES:

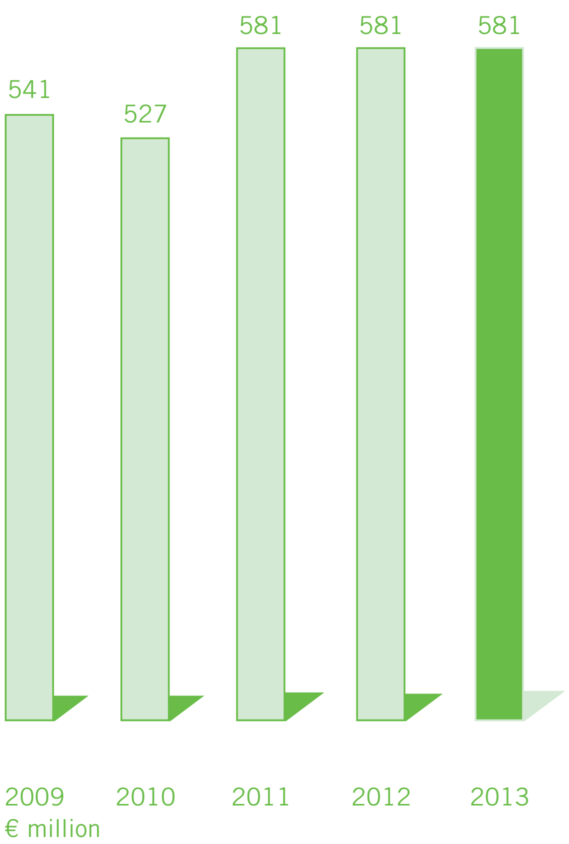
- is a public property investment fund under Belgian law, the shares are listed on NYSE Euronext Brussels
- specialises in investments in high-quality office buildings and logistic properties, strategically situated on good locations outside municipal centres
- focuses its investment policy on high-quality 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

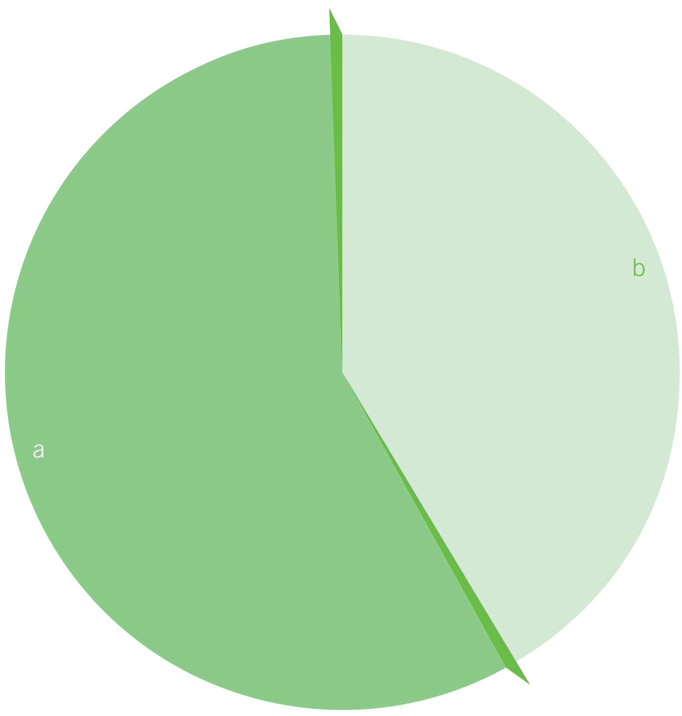
Evolution of fair value of investment properties

Real estate portfolio	31.12.2013	31.12.2012
Fair value of investment properties (€ 000)	580.709	581.280
Occupancy rate (%)	86 %	86 %
Total leasable space (m²)	604.428	614.308

Evolution of fair value of the real estate portfolio

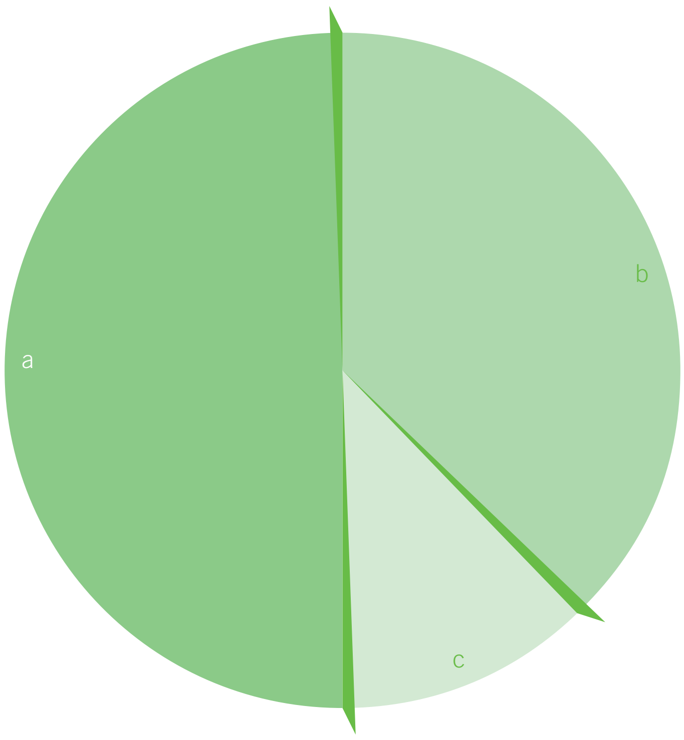


Nature of the portfolio



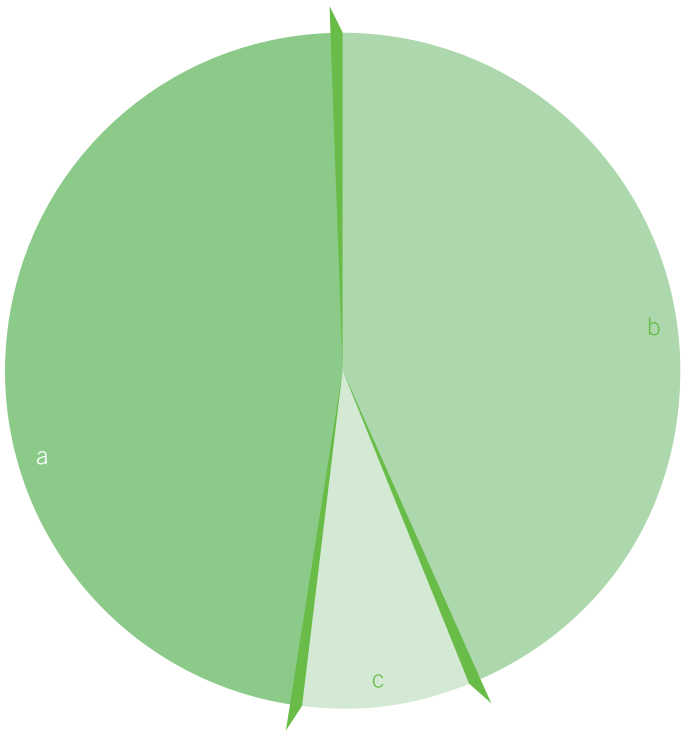
a 58 % Office buildings
b 42 % Logistic buildings

Geographic spread of offices



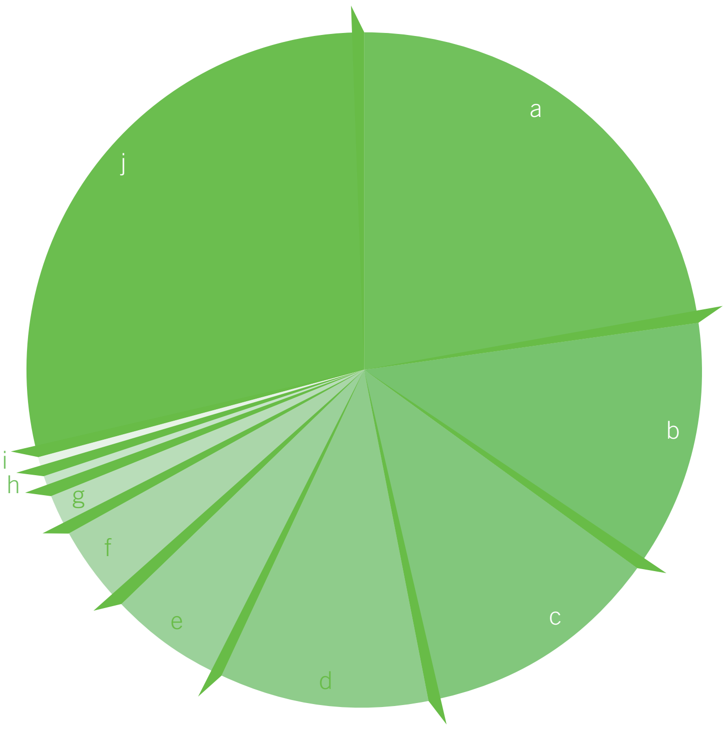
a 50 % E19 (incl. Malines)
b 38 % Brussels
c 12 % Antwerp

Geographic spread of logistic properties



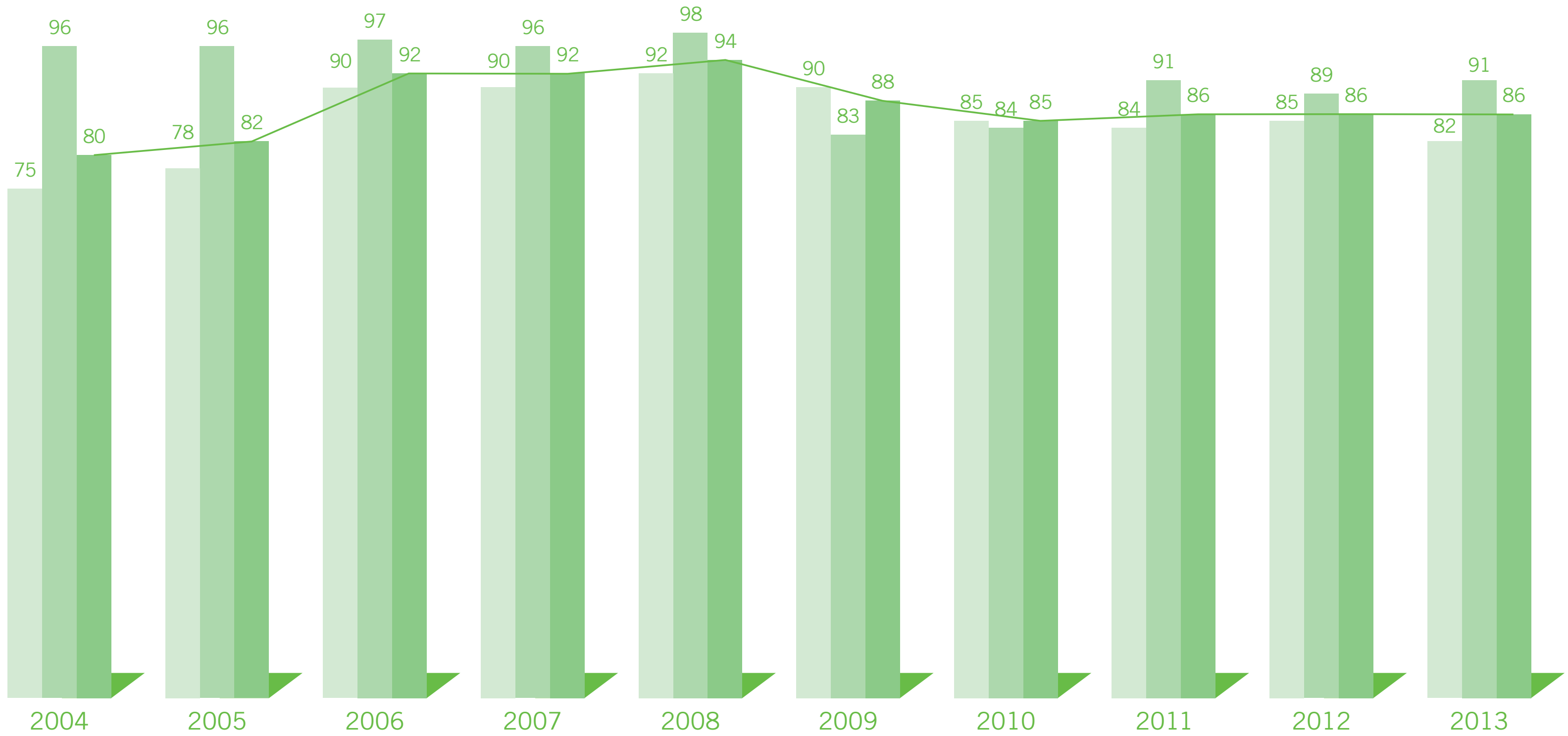
a 48% Antwerp-Liège (E313,E34,E314)
b 44% Antwerp-Malines (A12,E19)
c 8 % Brussels

Diversification by tenants



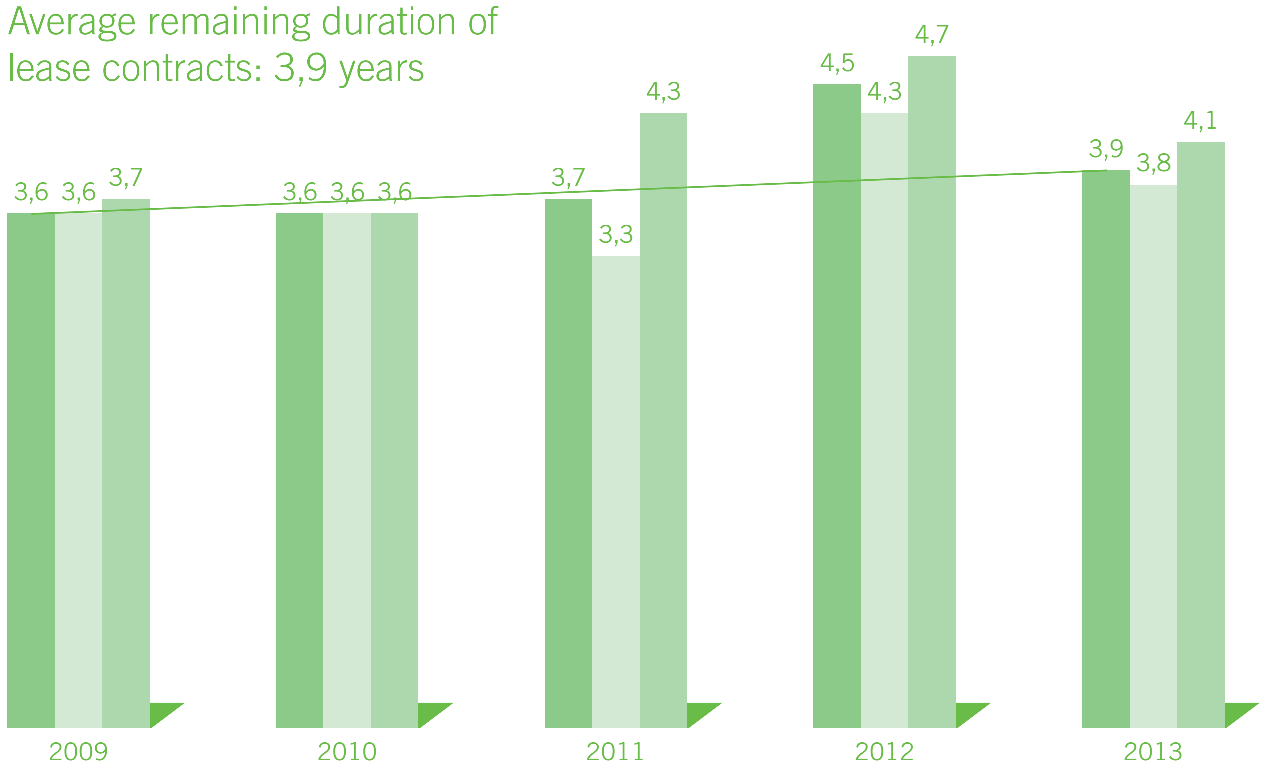
- a 23 % Logistics
- b 12 % Technology, research and development
- c 12 % Trade
- d 10 % (Bio) Medical sector
- e 6 % Production
- f 4 % Automobile industry
- g 2 % Financial services
- h 1 % Construction
- i 1 % Mail & Telecommunication
- j 29 % Other services

Occupancy rate: 86 %



Office buildings (%) Logistic buildings (%) Total (%) Average (total)

Average remaining duration of lease contracts: 3,9 years



Intervest Offices & Warehouses Office buildings Logistic buildings Evolution Intervest Offices & Warehouses

Balance sheet data

Key figures	31.12.2013	31.12.2012
Shareholders' equity (€ 000)	286.521	272.356
Liabilities (€ 000)	302.341	321.721
Debt ratio (%)	48,7 %	51,2 %

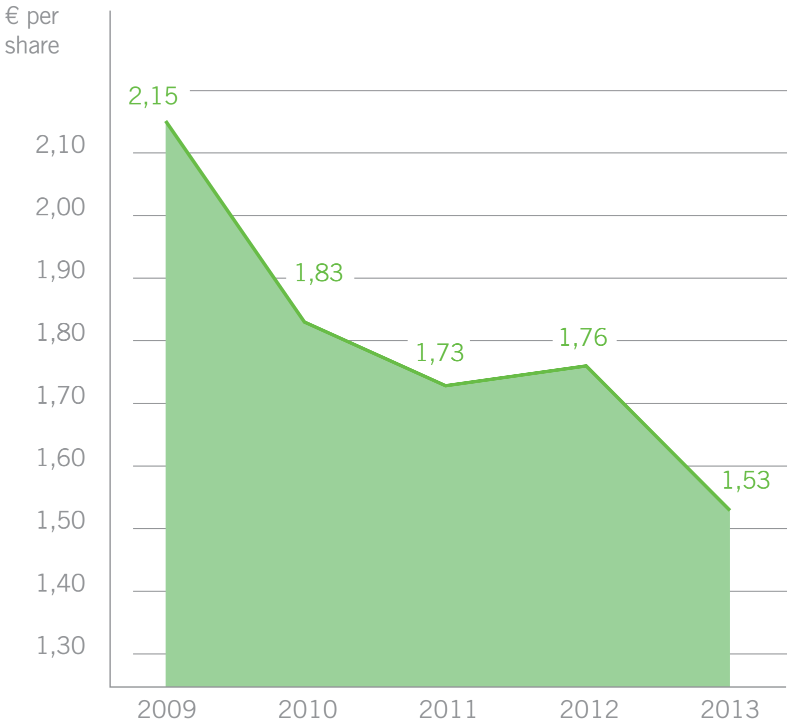
Key figures per share	31.12.2013	31.12.2012
Number of shares entitled to dividend	14.424.982	14.199.858
Net asset value (fair value) (€)	19,86	19,18
Net asset value (investment value) (€)	20,87	20,21
Share price on closing date (€)	19,48	20,12
Premium (+) / discount (-) to net asset value (fair value) (%)	-2 %	5 %

EPRA - Key figures per share

	31.12.2013	31.12.2012
EPRA Earnings (€)	1,74	1,71
EPRA NAV (€)	20,20	19,73
EPRA NNNAV (€)	19,64	18,82
EPRA *Net Initial Yield* (NIY) (%)	6,2 %	6,4 %
EPRA *Topped-up NIY* (%)	6,7 %	6,9 %
EPRA Vacancy rate (%)	16,1 %	15,6 %
EPRA Cost Ratio (including direct vacancy costs) (%)	13,8 %	15,6 %
EPRA Cost Ratio (excluding direct vacancy costs) (%)	11,9 %	13,3 %

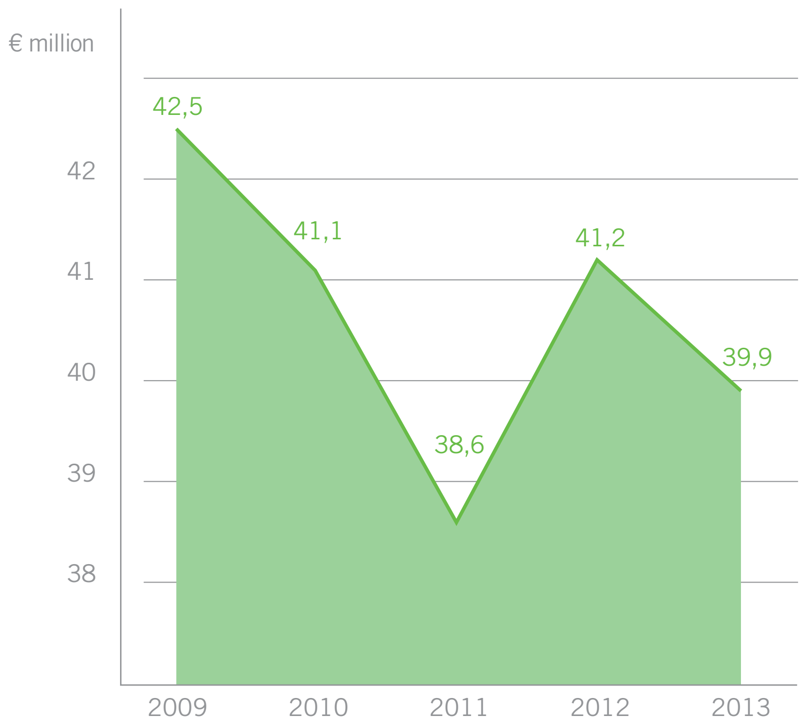
Results

Distribution of gross dividend: € 1,53 *



* In 2013, Intervest Offices & Warehouses has decreased the pay-out ratio of the dividend from 100 % to 90 %.

Rental income: € 39,9 million



The gross dividend of Intervest Offices & Warehouses amounts to € 1,53 per share for financial year 2013, offering herewith a gross dividend yield of 7,9 %, based on the closing share price on 31 December 2013.

Results (€ 000)	2013	2012
Rental income	39.914	41.207
Rental-related expenses	4	49
Property management costs and income	1.072	1.097
Property result	**40.990**	**42.353**
Property charges	-4.189	-4.759
General costs and other operating income and costs	-1.196	-1.577
Operating property result before result on portfolio	**35.605**	**36.017**
Result on disposals of investment properties	1.947	140
Changes in fair value of investment properties	5.465	-13.953
Other result on portfolio	429	-730
Operating result	**43.446**	**21.474**
Financial result (excl. changes in fair value - IAS 39)	-11.004	-11.156
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	2.166	-3.128
Taxes	-27	-35
Net result	**34.581**	**7.155**
Note:		
Operating distributable result	24.574	24.826
Result on portfolio	7.841	-14.543
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	2.166	-3.128
Operating distributable result per share (€)	**1,70**	**1,75**
Gross dividend per share (€)	**1,53**	**1,76**
Net dividend per share (€)	**1,1475**	**1,3200**

Financial calendar

Announcement of annual results as at 31 December 2013:	Tuesday 11 February 2014
General meeting of shareholders:	Wednesday 30 April 2014 at 16.30 pm
Dividend payable:	
Ex-dividend date 2013	Tuesday 6 May 2014
Record date dividend 2013	Thursday 8 May 2014
Dividend payment 2013	as from Tuesday 2 June 2014
Interim statement on the results as at 31 March 2014:	Tuesday 6 May 2014
Half-yearly financial statement as at 30 June 2014:	Tuesday 29 July 2014
Interim statement on the results as at 30 September 2014:	Tuesday 28 October 2014

In 2013 Intervest Offices & Warehouses has expanded its logistic real estate portfolio by € 6 million or 3 %[1].

The expansion of the logistic site in Oevel for Estée Lauder/UTi Belgium was delivered in June 2013.

The redevelopment of a part of the logistic site Neerland 1 in Wilrijk for Peugeot was completed in December 2013.

In 2013 the property investment fund sold a non-strategic logistic building in Kortenberg with a gain of 11 %[2] (5 % of the logistic portfolio).

The total occupancy rate remains stable in 2013 and amounts to 86 %. The occupancy rate of the logistic portfolio increases by 2 % to 91 %, the one of the office portfolio amounts to 82 %.

The fair value of the investment properties has increased in 2013 by € 5 million or 1 %[3]. The logistic segment shows an increase in value of € 20 million or 9 %[4], the offices have been devalued by € 15 million or 4 %[5].

8 projects for more than 8.000 m² office design have been realised with the "turn-key solutions" concept.

In 2013 the operating distributable result amounts to € 1,70 per share (€ 1,75 in 2012).

Pay-out ratio for dividend was adapted to 90 % in 2013.

The gross dividend amounts in 2013 to € 1,53 per share (€ 1,76 in 2012) or a gross dividend yield of 7,9 % based on the closing share price of 31 December 2013.

Debt ratio has decreased under 50 % to 48,7 %.

1. Based on an unchanged composition of the logistic portfolio compared to 31 December 2012.
2. Compared to the fair value on 31 December 2012.
3. Based on an unchanged composition of the entire real estate portfolio compared to 31 December 2012.
4. Based on an unchanged composition of the logistic portfolio compared to 31 December 2012.
5. Based on an unchanged composition of the office portfolio compared to 31 December 2012.

Letter to the shareholders

Dear shareholders,

Property investment fund Intervest Offices & Warehouses expanded its logistic portfolio by € 6 million in 2013. By doing so, it has further consolidated its position as a major player in the logistic real estate market, with 42 % of the portfolio now consisting of high-quality logistic properties. Intervest Offices & Warehouses is striving for an even greater increase in the share of logistic properties within the real estate portfolio, to at least 50 %.

The logistic projects initiated in 2012 were completed successfully during the past year. In June 2013, the extension of the project for UTi Belgium/Estée Lauder in Oevel was occupied, and Peugeot's new location in Wilrijk, which includes a showroom and garage, was finished by year's end 2013. Both of these projects were concluded on the basis of long-term lease agreements through the end of 2023 and 2028, respectively.

In addition to investments in logistics, an atypical logistic building in Kortenberg, located in the Guldendelle SME zone, was sold. This building was sold for a profitable 11 % gain compared to its fair value.

In 2013, the fair value of the existing real estate portfolio has increased by approximately € 5 million. The value of the logistic segment has risen by € 20 million due to increasing demand for high-quality real estate in the investment market, while office buildings have been devalued by € 15 million, mainly as a result of the announced departure of tenant Deloitte in Diegem in 2016/2017. Taking into account the divestment in the Kortenberg building, the fair value of the total real estate portfolio has remained stable at € 581 million on 31 December 2013.

This brings the debt ratio of the property investment fund below 50 %, to 48,7 % on 31 December 2013.

The performance of the rental market has been quite mediocre in 2013. Stagnant economic growth has resulted in a limited number of new lettings and expansions. This applies to the markets for both office and logistic buildings, where the stagnating economy has likewise had a definite impact.

Intervest Offices & Warehouses nonetheless has succeeded in attracting 13 new tenants to the office portfolio for a total surface area of 4.572 m². Most of this activity has been centred in Malines. This serves as confirmation that Malines is perceived as a favourable location by a large number of companies that see this city as an alternative to Antwerp or Brussels when establishing a branch office. It is clear that most companies are taking the Antwerp area's perpetual mobility problems into consideration when choosing a location for their business.

There were also ongoing lease contracts in the office portfolio for a surface area of 14.076 m² that were either prolonged or extended. It is worth noting that companies operating in the medical sector, such as Cochlear, SGS, Biocartis and Galapagos, have leased a considerable portion of the additional space.

The occupancy rate of the portfolio has been maintained at 86 % (86 % as per 31 December 2012). The occupancy rate of the logistic portfolio has increased from 89 % to 91 %, while that of the office portfolio fell from 85 % to 82 %. New lettings and expansions are unable to compensate for the departure of a few major tenants such as BDO and Elegis.

The Brussels office market is seeing a slow decline in the number of vacancies, though this is due mainly to the number of offices being remodelled in the Brussels city centre, where the vacancy rate has since dropped to a healthy 6 %. Since 2008, more than 500.000 m² of office space has been converted to residential use. Nevertheless, there continues to be an oversupply of offices on the Brussels periphery, which has a vacancy rate of approximately 20 %. Some encouraging initiatives include the reallocation of office space to the inner-city as well as a restrictive permitting policy for additional offices. These are intended to lay the foundation for an upturn in the office market once lasting improvements are made to economic conditions and to the labour market.

In order to operate effectively in a competitive rental market, an innovative and service-oriented approach to the rental market is important. In addition to the quality of the location and the building, a high priority for tenants when renting logistic buildings is flexibility in the lease periods specified in the lease contract.

Our turn-key solutions, a service in which tenants have the opportunity to receive guidance during an early stage of their office search on the design and adaptation of their offices is clearly paying off. Over 8.000 m² of office space has since been fitted out in 8 projects.

With an eye to those trends in the labour market characterized as the 'New Way of Working' (working from home, desk sharing, satellite offices, etc.), our office building supply is being adapted to address these trends. The RE:flex centre, which is established in a central location in Malines and offers the chance to make use of innovative office and meeting facilities via a membership, is clearly meeting a need in the market.

In an effort to keep the buildings up-to-date technologically, Intervest Offices & Warehouses - in addition to carrying out a series of renovations aimed at maintaining the maximum leasability of the properties - has further made a planning in 2013 to bring the cooling and heating equipment into legal compliance by 2015. The use of the once prevalent refrigerant R22 will be restricted by law as per 2015. This programme was launched back in 2011, and approximately 56 % of the buildings requiring conversion have since been addressed. In each case, these conversions are accompanied by substantial improvements in efficiency.

In the current competitive environment, it is essential that Intervest Offices & Warehouses be able to continue to pursue the implementation of its strategy. Investments in the quality, and thereby the leasability, of its buildings are crucial for exploiting the long-term value potential of the property investment fund. Intervest Offices & Warehouses has therefore concluded that it is necessary to decrease the pay-out ratio of the dividend from 100 % to 90 % in order to maintain enough liquid assets from operational activities to keep investing in the portfolio.

As anticipated, the operating distributable result for 2013 is lower than that for 2012 due to the decrease in rental income, which is a result of the new lease contract with PwC for lower rents and the sale of the semi-industrial building in Kortenberg. However, this decrease has been largely compensated for by lower property charges, lower general costs and a decrease in financing costs. For financial year 2013, this means an operating distributable result of € 24,6 million compared to € 24,8 million for financial year 2012, or given the 14.424.982 shares this represents € 1,70 per share compared to € 1,75 previous year.

Based on a pay-out ratio of 90 %, we can offer a gross dividend for financial year 2013 of € 1,53 per share compared to € 1,76 for 2012. This gross dividend offers the shareholders of the property investment fund a gross dividend yield of 7,9 % based on the closing share price on 31 December 2013.

We thank you for your confidence in our policy and we take the opportunity to thank the management and all the 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

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 optimise the risk profile, it would also be possible to consider investments in properties in municipal centres.

On 31 December 2013 the portfolio comprises 58 % office buildings and 42 % logistic buildings. The total fair value of the investment properties at 31 December 2013 amounts to € 581 million.

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

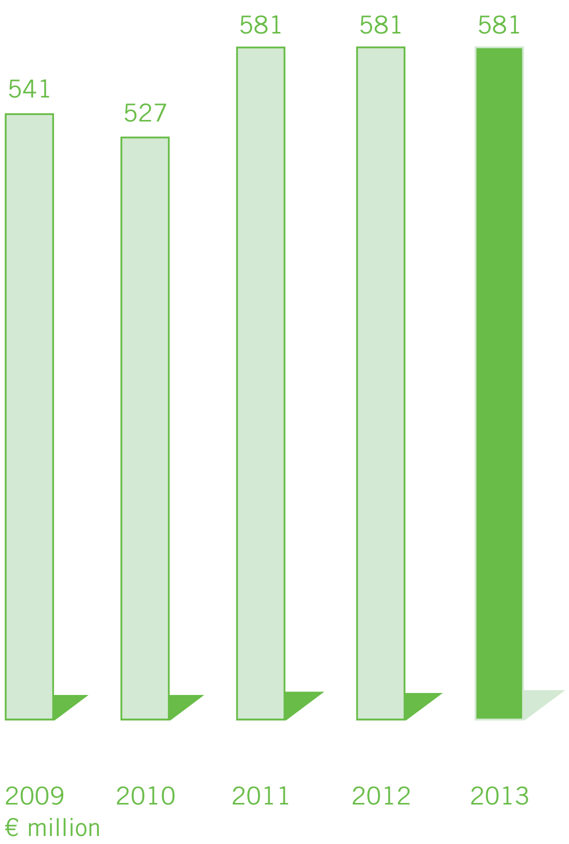
The property investment fund maintains an investment policy focused on high-quality business properties which are leased to first-class tenants. These properties do not preferably require major repair work in the short term and are situated at strategic locations, preferably on the Antwerp- Brussels axis. Other locations, which could contribute to the stability of rental income, are taken into consideration when such opportunities arise.

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.

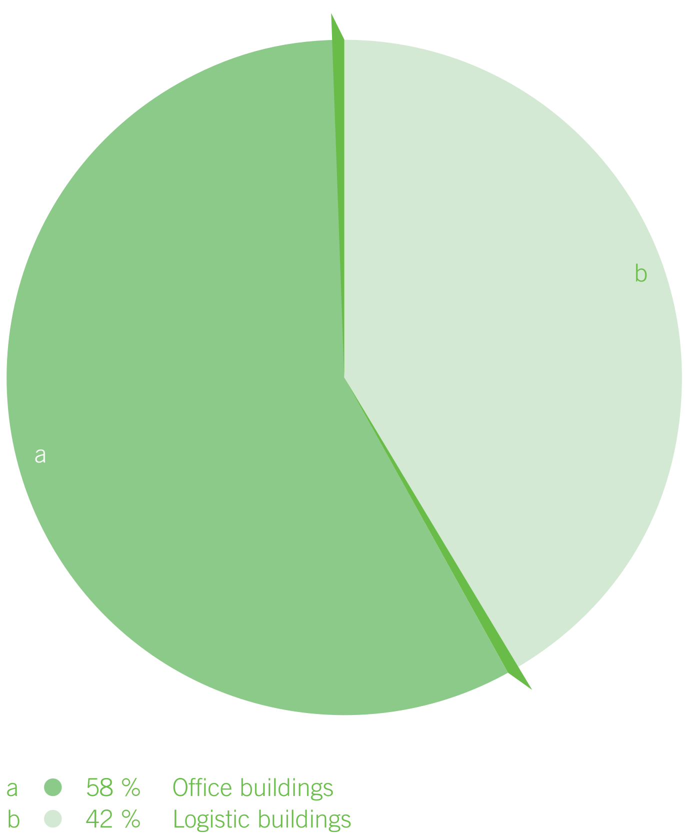
'Business properties' refers not only to office buildings, but also to logistic buildings, warehouses and high-tech buildings. In principle, the company does not invest in residential or retail properties.

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.

Evolution of fair value of investment properties



Type of real estate



Liquidity of the share

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

High liquidity makes it easier to issue new shares (for increasing 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.

On 31 December 2013, the free float of the share of Intervest Offices & Warehouses is 46 %.

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 tenant(s) or project(s).
- 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.

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 has 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.intervest.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.

Oevel 2
12.179 m²

Management entities

Board of directors

Paul Christiaens

Chairman - independent director

Address: Vijverstraat 53
3040 Huldenberg / Belgium

Term: April 2016

Function: Director of companies

Attendance: 10/10

Nick van Ommen

Independent director

Address: Beethovenweg 50
2202 AH Noordwijk aan Zee
The Netherlands

Term: April 2016

Function: Director of companies

Attendance: 10/10

EMSO sprl, permanently represented by Chris Peeters

Independent director

Address: Jan Moorkensstraat 68
2600 Berchem / Belgium

Term: April 2016

Function: Transport economist, managing director
Policy Research Corporation sa

Attendance: 8/8

Johan Buijs

Chief executive officer NSI (pursuant to art. 39 of the Law of 3 August 2012)

Address: c/o NSI sa
Antareslaan 69-75 / PO Box 3044
2130 KA Hoofddorp / The Netherlands

Term: April 2015

Function: Chief executive officer NSI

Attendance: 10/10

Daniel van Dongen

Director

Address: c/o NSI sa
Antareslaan 69-75 / PO Box 3044
2130 KA Hoofddorp / The Netherlands

Term: April 2015

Function: Chief financial officer NSI

Attendance: 9/10

Thomas Dijksman

Director

Address: c/o NSI sa
Antareslaan 69-75 / PO Box 3044
2130 KA Hoofddorp / The Netherlands

Term: April 2015

Function: Chairman of the
investment committee NSI

Attendance: 10/10

Board of directors

At 31 December 2013, 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 2013, the board of directors met ten 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 2013 have been:

- approval of the quarterly, half-yearly and annual figures
- approval of the annual accounts and the statutory reports
- approval of the budgets 2013 and the business plan 2014
- discussion on the real estate portfolio (investments and divestments, tenancy issues, valuations, etc.)
- issue of an optional dividend in the framework of the authorised capital
- management of conflicts of interest

The corporate governance charter of the property investment fund stipulates that directors resign on the date of the general meeting of shareholders held in the year in which they turn 70 years old. Deviating hereof in the interest of the company is only allowed for specific reasons. This is the case with Paul Christiaens, chairman of the board of directors and independent director, who will reach the maximum age in 2014. The board of directors believes that, based on his vision, competence, knowledge and years of experience in real estate, it is in the interest of the company that Paul Christiaens does not terminate his current mandate prematurely, which expires in April 2016.

Since the Act of 28 July 2011, quotas have been imposed in Belgium in order to ensure that women have a seat on the board of directors of listed companies. As a result, Intervest Offices & Warehouses must see to it that, in the future, at least one third of the members of the board of directors will be female. For companies with a free float of less than 50 %, this law applies as from the first day of the eighth financial year that starts following the publication of this law in the Belgian Official Gazette, which is 1 January 2019. In the future, when the mandate of a director ends, Intervest Offices & Warehouses will select candidate directors on the basis of clear and objective criteria, and in so doing it will take gender diversity into account.

Audit committee

In 2013, the audit committee comprises three independent directors:

- Nick van Ommen (chairman)
- Paul Christiaens
- EMSO sprl, permanently represented by Chris Peeters

In 2013, 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 2013, the audit committee met five times. The most important items on the agenda of the audit committee in 2013 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.

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

Management committee

In 2013, 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
- Johan Buijs, director

Jean-Paul Sols sprl, permanently represented by Jean-Paul Sols, and Inge Tas, also hold a management committee's mandate at Vastned Retail Belgium 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. intervest.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.

Mechelen
Business Tower
13.574 m²

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.

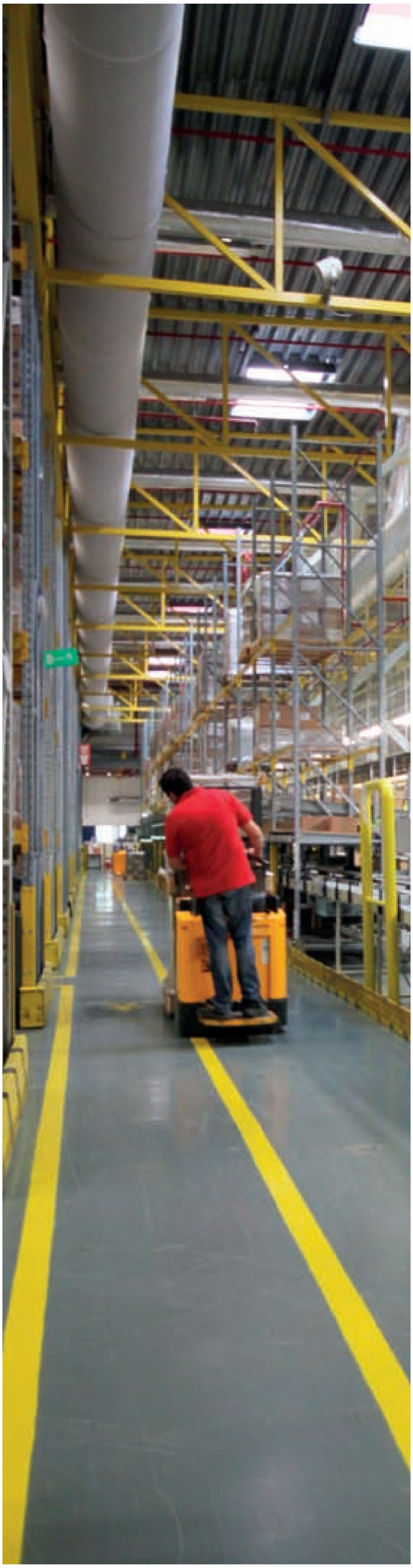
These planned transactions must represent an interest for the public property investment fund, be in line with its investment policy and must be executed under normal market conditions. These transactions must be promptly disclosed.

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.

In this framework the board of directors wants to mention that the procedure for avoiding conflicts of interest has been invoked:

- in July 2013 regarding the request of the major shareholder NSI sa (through its subsidiary VastNed Offices Benelux Holding BV) to make certain not-available information available in the framework of a legal, financial and accounting due diligence by potential investors in the company.
- in October 2013 regarding the request of the major shareholder NSI sa (through its subsidiary VastNed Offices Benelux Holding BV) to make certain not-available information available in the framework of a legal, financial and accounting due diligence of NSI sa and its subsidiaries by potential investors in NSI sa.

For a detailed description of the procedures followed please see Note 26 of the financial report.



Huizingen
17.478 m²

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.

Mechelen Campus 58.107 m²

Basic remuneration 2013

- Directors
  In 2013, 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 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 2013 to the members of the management committee, except the director, amounts to € 527.155, of which € 194.292 is for the chairman of the management committee and € 332.863 for the other two remunerated members of the management committee (including reimbursement of expenses and pension plan for the cfo). 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 2012, paid in 2013

The three members of the management committee, except the director, may be eligible for an annual combined bonus of maximum € 49.500. The amount of bonus to be granted is determined on the basis of measurable criteria linked to pre-agreed performance levels.

In 2012, these criteria were in the area of operating distributable result, lettings and occupancy rate. Based on targets achieved in 2012, a total bonus of € 39.556 was awarded in 2013. 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 was paid for 2012.

Basic remuneration for 2014 and bonus for 2013

The annual fixed fee of the directors remains unchanged with respect to the above-mentioned fees for 2013.

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 1 % as on 1 January 2014.

The three members of the management committee, except the director, may be eligible for an annual combined bonus of maximum € 68.000. In 2013, these criteria were in the area of the operating distributable result, rentals and the occupancy rate. Based on targets achieved in 2013, a total bonus of € 68.000 is awarded. No additional bonus is paid for 2013. 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 2013, 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 and the generated income.

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 2013, 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 7,3 % to 8,3 % on average) would reduce the fair value of the real estate by € 70 million or 12 %. As a result, the debt ratio of the property investment fund would increase by 7 % to approximately 55 % (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.

Intervest 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 valued (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 contacts 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 Intervest 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 Intervest Offices & Warehouses on 31 December 2013 is 86 %, which is stable compared to 31 December 2012. For the office portfolio, which represents 58 % of the fair value of the real estate portfolio, the occupancy rate on 31 December 2013 is 82 % (85 % at the end of 2012) and for the logistic portfolio, which represents 42 % of the fair value of the real estate portfolio, the occupancy rate on 31 December 2013 is 91 % (89 % at the end of 2012).

The impact of the economic climate on the results of Intervest 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. The average rental period (starting from 1 January 2014) until the next expiry date is 3,9 years (4,5 year as at 1 January 2013). The split for offices and logistic properties is respectively 3,8 and 4,1 years till the next expiry date. The decrease is due to the fact that the expiry date of a number of contracts (which are not yet prolonged) gets closer and on the other hand to the sale of the building in Kortenberg (approximately 2,5 % of the rental income), which had a remaining duration of 9 years.

For large office tenants (above 2.000 m²), which comprise 69 % 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 2014) is, on average, only after 4,4 years. In the office 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 the next expiry date for large spaces (those above 10.000 m²) is after 3,6 years, representing a decrease compared to the situation on 31 December 2012, when it still was 4,9 years. This is due, on the one hand, to the sale of the building in Kortenberg, which had a remaining duration of 9 years and on the other hand to the fact that the expiry dates get closer. For smaller surfaces (< 10.000 m²) the next expiry date is only after 5,7 years, representing an increase compared to the situation on 31 December 2012, due to the agreement with Peugeot which has taken effect in 2013.

2. Risk spread over tenants and quality of tenants

The rental income of the property investment fund is spread over 174 different tenants, which reduces the risk of bad debts and promotes income stability. The ten biggest tenants contribute 49 % 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 2004 - 2013 represent only 0,1 % 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 buildings[6]

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 2013 is approximately 13 %, which is slightly higher than the overall Brussels office market with a current vacancy rate of approximately 10,7 %. For the Brussels periphery office market, the vacancy rate goes even from 16 % (South periphery) to 23 % (Airport/Zaventem periphery) at the end of 2013.

The vacancy for the offices of the property investment fund in Malines amounts to 22 % on 31 December 2013, mainly because of vacancy in Mechelen Campus Toren which is stable compared to the situation on 31 December 2012. 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 80.000 m² in 2013, which is noticeably lower than the average 5-year average (115.000 m²). The vacancy on the global Antwerp office market is estimated at 12 % on 31 December 2013. The vacancy in the Antwerp offices of the property investment fund reaches 16 % on 31 December 2013 (compared to a 1 % on 31 December 2012). This is due mainly to the departure of BDO in the Sky Building and Elegis in Antwerp Gateway House.

92 % 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. 8 % 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.

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.

6 Source for market data: Cushman & Wakefield, Office Reports Q4 2013.

- 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 unleasable 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 property investment 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 property investment 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 2013, the actual weighted average duration of the rental deposits and bank guarantees for offices is approximately 6 months (or about € 13,7 million). For the logistic portfolio, the actual weighted average duration of the rental deposits and bank guarantees on 31 December 2013 is 3,6 months (or approximately € 4,9 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 2004 - 2013 represent only 0,1 % of total turnover.

The financial and real estate portfolio administration pays close attention to limiting rent arrears. On 31 December 2013 the number of days of outstanding customers' credit is only 4 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 € 505 million, as compared to a fair value of investment properties of € 581 million on 31 December 2013 (note: land included). The insured value of the offices is € 359 million and that of the logistic portfolio is € 146 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 € 895 million. This insured value is split into € 712 million for offices and € 183 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.

- Regulatory risk linked to the AIFMD

The property investment fund is governed by the Law of 3 August 2012 on certain forms of collective management of investment portfolios and could therefore be considered as an alternative investment fund when the European AIFM (Directive 2011/61/EU on alternative investment fund managers) is transposed into Belgian law, along with its implementing measures. This transposition should have taken place before 22 July 2013. On 31 December 2013 there are still uncertainties regarding the application of this directive to the REIT sector in the various European countries, but if the property investment funds are treated as an alternative investment fund, Intervest Offices & Warehouses would be subject not only to the rules arising from this directive but also to the European EMIR Regulation (Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories) or other regulations in preparation (financial transaction tax as part of the common system devised by the Commission, CRD IV (new capital and liquidity requirements for credit institutions that may affect the relationship with alternative investment fund counterparties), etc.).

The additional requirements laid down by the AIFMD, including on systems of administrative management, internal audit, management of conflicts of interest, risk management, liquidity management and the appointment of a depositary, would compel the property investment fund to adapt its internal organisation, rules or procedures, which would make its management more cumbersome, hinder certain transactions and require additional resources to implement these new provisions, and would in any case increase management and administration costs. The EMIR Regulation would expose the property investment fund to margin calls on its hedging instruments, which would increase its financing requirements and costs. The impact of other regulations (tax on financial transactions, CRD IV) mainly entail higher costs for the property investment fund.

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

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 2013 is 2,1 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 2013. 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 € 275 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 2013, Intervest Offices & Warehouses has non-withdrawn credit lines of € 31 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 2013, the interest rates on the credit facilities of the property investment fund remain fixed for a remaining average duration of 2,5 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 2013, this cash position amounts to € 0,7 million.

- Risk associated with capital markets

The risk associated with capital markets involves a risk which the fund is exposed to on the debt capital market, namely the refinancing of the bond loan issued in June 2010 with an expiry date on 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, auditor.

Property experts

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

In the second quarter of 2013 the property investment fund has changed its property expert for the valuation of its logistic portfolio, whereby Stadim has been appointed as new expert instead of Jones Lang LaSalle. The change is due to the termination of the current contact with Jones Lang LaSalle, whereby choosing for Stadim results from large expertise and important position in the area of valuation of logistic real estate[7].

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.

7 Source: Annex of Expertise News 458 of 14 June 2013.

"Comply or explain"-principe

In 2013, 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.

- Determination of the age limit

  The corporate governance charter of the property investment fund stipulates that directors resign on the date of the general meeting of shareholders held in the year in which they turn 70 years old. Deviating hereof in the interest of the company is only allowed for specific reasons. This is the case with Paul Christiaens, chairman of the board of directors and independent director, who will reach the maximum age in 2014. The board of directors believes that, based on his vision, competence, knowledge and years of experience in real estate, it is in the interest of the company that Paul Christiaens does not prematurely terminate his current mandate, which expires in April 2016.

Schelle
8.323 m²

Sustainable responsible business and corporate social responsibility

The activities and buildings of Intervest Offices & Warehouses have a major impact on the surrounding areas in terms of both space usage and development. Intervest Offices & Warehouses is aware of this impact, and it is pursuing a policy to minimise the negative impact of its activities on the surrounding area and the environment to the extent possible and to operate in a climate-neutral way. This policy also extends to the tenants and users of its buildings.

Due to the finite nature of natural resources and the global impact of climate change, we must conduct business in a sensible and sustainable way. This means that the use of renewable resources must be maximised and that finite resources must be used as efficiently as possible. Within the current economic context, Intervest Offices & Warehouses is therefore striving to make the members of its own organisation as well as its tenants aware of their impact and to urge them to make improvements in energy efficiency.

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.

This is why Intervest Offices & Warehouses began systematically replacing these refrigerants back in 2011, which at the same time served to optimise the efficiency of the equipment. In the past few years, equipment has been converted in several buildings in Vilvorde, Malines and Antwerp, and heat recovery systems have also been installed in these buildings at the same that time.

In 2013, this project moved forward on a larger scale, with subsequent plans drawn up for the replacement of the existing equipment. Since then, the majority of the buildings of Intercity Business Park in Malines have been converted. Depending on the existing equipment, the replacement was either limited to the outdoor unit or involved the entire system. The total cost of this conversion project in Malines came to over € 600.000 in 2013. The new equipment is roughly 25% more efficient than the equipment it replaced. These replacements will continue in 2014 within the office portfolio on the Brussels periphery.

For the logistic portfolio, the main focus in 2013 was on energy efficiency. One example of this is the replacement of the original lighting in the logistics complex in Puurs with a more efficient and variable lighting design that includes motion detection.

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.

Meanwhile a total of 27 % of the portfolio of Intervest Offices & Warehouses has already been certified using the BREEAM In-Use methodology. In 2013 the office building Gateway House and the logistic site in Houthalen (Europark) have been audited. This certification process will proceed further in 2014, 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, UTi Belgium and Fiege.

Sustainability in operational management

In the operational management of its portfolio in 2013, Intervest Offices & Warehouses continued to make improvements in its 4 priority areas for sustainability: energy efficiency, renewable energy, waste disposal and the welfare of its users.

Steady progress on these efforts was seen in most buildings and remarkable improvements were achieved in 2013 in the Gateway House building in particular. By optimising the existing HVAC system, the comfort level of users has also been raised (reduction in noise and draughts) and the system's efficiency has been maximised. The building's energy efficiency has been improved by at least 15%, a figure which may end up being even higher.

Renewable energy

In addition, several rooftops of the logistics buildings of Intervest Offices & Warehouses have been equipped with solar electric generating systems. For this purpose, the property investment fund has granted surface rights to third parties to the roofs for a period of 20 years. 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.

Intercity Business Park
42.542 m²
Malines

REPORT OF THE MANAGEMENT COMMITTEE

Offices and logistic real estate market

Round table discussion with property experts of Intervest Offices & Warehouses on evolutions in the investment and rental market for offices and logistic real estate in 2013

On 7 January 2014, Intervest Offices & Warehouses brought its property experts together around the table to discuss the current investment and rental market.

Discussion partners:

- Kris Peetermans and Matthias Gerits (Cushman & Wakefield)
- Philippe Janssens and Céline Janssens (Stadim)
- Jean-Paul Sols, Luc Feyaerts, Marco Hengst and Inge Tas (Intervest Offices & Warehouses)

The auditor of Intervest Offices & Warehouses, Deloitte Réviseurs d'Entreprises, has also followed the discussions.

Rental market for offices

General trend in 2013

The performance of the office market overall was relatively weak in 2013. Total take-up of office space in Brussels amounted to just 350.000 m², while an average of about 450.000 m² of office surface area is leased each year. This represents a decrease of roughly 18 % compared to the previous year of 2012, which was also a weak year for the office market.

One of the reasons for this drop in volume is the general wariness in the economy, which is causing strategic decisions to be postponed. This wariness is especially evident in the volume of units in the 1.000 m² to 3.000 m² range, where the number of transactions has fallen sharply.

The same can be seen in the regional office markets, where take-up also remains well under the 5-year average and has fallen from 2012 levels. The figure for these regional office markets is moreover distorted by the very good performance of the Ghent office market (50.000 m², or an increase of 35 % over 2012) relative to the poor performance of almost all other submarkets. In the regional markets in which Intervest Offices & Warehouses is active, take-up in Antwerp totals only a very modest 80.000 m² (a decline of 20 % compared to 2012) and even just 15.000 m² in Malines (a decline of 55 % compared to 2012), but is still in line with the 5-year average.

One thing that distinguishes 2013 is the extremely high number of office rentals that were renegotiated, which likely accounted for more than half of the total number of transactions.

Round table discussion with property experts

The market for offices and logistic real estate - a market with multiple speeds.

Peugeot - 5.021 m² - Neerland 1 and 2 - Wilrijk

Major transactions in 2013 in the CBD market, the Brussels periphery and regional markets

The largest amount of activity in 2013 was again observed in the CBD market. Major transactions include the lease of the Marnix and Regent buildings for a total surface area of 49.000 m² to Axa Belgium, the lease of 40.500 m² on Square de Meeûs/De Meeûssquare 8 to the European Parliament and the lease of 17.000 m² on rue de la Loi 15, also to the European Parliament. The average size of an office rental in the Brussels market in 2013 was approximately 900 m².

In the office market of the Brussels periphery - where Intervest Offices & Warehouses is very active - major transactions include the lease of 2.200 m² on Keiberg in Zaventem to Kodak, the lease of 1.400 m² in the Business & Media Park in Vilvorde to ENI and the lease of 1.300 m² in Corporate Village to Kimberly Clark.

In the regional office markets, Ghent recorded all four of the most noteworthy transactions with the lease of 7.700 m² to TP Vision in the AA Tower, 7.400 m² to Deloitte in The Loop and 6.000 m² and 5.000 m² to Partena and Attentia, respectively, in the Blue Towers next to the Ghelamco Arena.

In the regional markets in which Intervest Offices & Warehouses is active, the main transactions in Antwerp included the lease of 3.300 m² to Argenta in De Veldekens, the lease of 3.300 m² to Veritas in De Villermont in Kontich and the lease of 2.000 m² to Comape in Wommelgem. Finally, the major transactions in Malines include the lease of 1.600 m² to MMCD Benelux in Zenith Business Park, 1.700 m² to the National Employment Office at the station, 977 m² to Cochlear on Mechelen Campus and 919 m² to Hammer in Intercity Business Park.

Evolution of the rate of availability of the office market in 2013

Because only a very limited number of projects were added to the total office market in 2013, and because a number of offices were also reconverted for different uses in the decentralised zone, the overall supply of offices in Brussels declined. This had a positive effect on the overall vacancy rate of the market as a whole. In Brussels, the vacancy rate fell from 11,1 % to 10,7 %, though large discrepancies exist among the different submarkets. The vacancy rate in the CBD is well under 10 %, while this figure is around 20 % in the periphery. One thing that stands out about these vacancy figures is that modern new office buildings account for only 120.000 m², or 17 %, of total vacancies.

In the Antwerp regional office market, the vacancy rate is roughly 12 %, with fewer vacancies in the South area and a higher rate of vacancy among the older buildings on Uitbreidingstraat.

Evolution of rents

The prime rent maintained the same level in 2013 as in 2012, namely 275 €/m²/year. This prime rent is expected to increase in 2014 due to a shortage of new and sustainable state-of-the-art office buildings. By contrast, the average rent (currently approximately 160 €/m²/year) will probably drop further because there are a large number of rather outdated and vacant office buildings which are putting negative pressure on the average rent.

In the regional office markets, the prime rent for the Antwerp market came to 140 €/m²/year with an average rent of around 106 €/m²/year, and in Malines, 130 €/m²/year with an average of 110 €/m²/year. In the more active Ghent market, on the other hand, prime rents of 150 €/m²/year are still being obtained. So it can actually be concluded that rents (and certainly the actual average rents) in the various regional markets are moving closer to each other.

Effect on new developments

Due to the weak performance of the office market in recent years, only a very limited number of new developments were added to the stock of office buildings. In 2013, these developments were the BelAir and the Pole Star landmarks.

Speculative projects in the pipeline for the CBD are negligible; in 2014, these will be limited to Black Pearl (11.000 m², rue Montoyer, completion expected for the second half of 2014) and the Belview (5.000 m², rue Belliard).

Trends

The economic crisis has prompted office users to deal with space in a more rational and efficient way. When relocating, it turns out that tenants are reducing their total surface area to accommodate the same number of employees. This trend of occupying less office space per employee, together with a hesitant increase in jobs and the low take-up rate of office space, has resulted in a negative net office take-up. This effect will continue unabated in the years to come.

A second trend is that companies are increasingly demanding quality and full-service from office rentals. Providers of office space such as Regus and MC Square, as well as autonomous concepts like The Crescent or RE:flex (where smaller, fully-furnished offices and/or flexible office spaces are leased on a short-term basis for a matter of hours), are respond-ing to this demand, though these concepts constitute a rather marginal phenomenon within the overall market. At the same time, however, these concepts provide a solution for the increasing congestion in and around Brussels and Antwerp.

A third trend in the office real estate sector is that office buildings are being converted to other uses, such as residential buildings, hotels or rest homes. Most of these conversions are naturally cropping up in the more residential districts along the green ring in Brussels, while in the periphery such conversions remain very minimal. The total size of these conversions in 2013 was roughly 180.000 m².

Rental market for semi-industrial and logistic buildings

General trend in 2013

Even though the sub-segment of semi-industrial buildings achieved historic record levels back in 2012, the total take-up of more than 1.000.000 m² was again equalled in 2013. Once again, more than 50 % of take-up consists of purchases for own use in the Golden Triangle (comprised of Antwerp, Brussels and Ghent), with a minority of take-up thus consisting of rentals.

The logistics real estate sub-segment also performed well volume-wise in 2013, as witnessed by the total take-up of 730.000 m². However, the general sentiment in this submarket was less positive in 2013 due to a sharp decrease in the size of individual lease transactions (with a few exceptions). All of the larger transactions were actually concluded in the surrounding countries (especially in the Southern Netherlands and in North Rhine-Westphalia in Germany) because of the Belgian handicap of wage costs, the lack of flexibility in the labour market and the issue of congestion around Antwerp and Brussels. The lack of these larger lease transactions has given way to negative pressure on rents, though initial rents have remained unchanged.

Major market transactions

There was one very large logistics transaction recorded in 2013: the lease of a new Brussels X distribution centre by BPost, which measures 80.000 m². This new centre will be built on the Carcoke site in Neder-Over-Heembeek, which is owned by Katoen Natie.

Other lease transactions to note for 2013 include the lease of 24.200 m² to DSV Solutions in the Port of Ghent, the lease of 15.232 m² to Sofidel in Duffel, the lease of 12.000 m² to Meiko Europe in Antwerp East Port in Grobbendonk, and the lease of 11.100 m² to Geodis in the Brucargo area. What stands out is that all of these are logistics service providers, and all of these transactions were concluded in logistics hubs which have at minimum bimodal access.

Evolution of the rental market

The prime rent for logistics surface area remained steady in 2013 compared to previous years: around € 46/m²/year in the Malines-Willebroek region and as much as € 60/m²/year in the Brucargo area. But the average actual rents fell slightly, to a level of 41 to € 43 €/m²/year on the key Antwerp-Brussels axis and to a level of around 39 to 41 €/m²/year for the two axes of Antwerp-Limburg-Liège and Antwerp-Ghent.

Once again, hardly any new projects were added to the logistics market in 2013; new projects were only built in the event of a specific request (such as DSV in Ghent, Meiko Europe in Grobbendonk or Kühne&Nagel in Geel). As a result, there are hardly any modern buildings available along the major logistics axes, though these buildings can be built relatively quickly in various projects.

Trends

The decrease in the size of the logistics lease transactions is also being dictated by the customers of the logistics service providers. They are offering them increasingly shorter service agreements, and at the same time they are demanding more flexibility in terms of volume. As a result, logistic service providers are attempting to lease smaller surface areas for a limited time period in order to accommodate this temporary flexibility. At the same time, these service providers are also trying to bundle their different contracts as much as possible so as to be able to accommodate the volume adjustments they need to make internally.

A comparable level of volatility in the volumes requested can also be found in the logistics solutions for e-commerce applications. A huge degree of flexibility in terms of product and transport is required here as well, something that cannot be accommodated in all existing warehouses. New warehouses are thus expected to have a less decisive effect in terms of use, and the number of cross-dock warehouses will continue to rise.

Transport & Logistic fair
Antwerp Expo

Oevel 1
28.919 m²

Investment market

Overall figures for the investment market in 2013

The total investment market grew to a level of € 2,3 billion in 2013 and was spread over 80 transactions. Though this is considerably lower than the peak year of 2006 (which had a total volume of € 4,7 billion), it still represents an increase of almost 10 % over 2012. In addition, offices once again make up the largest asset class within the total investment market at more than 50 % of the total. In total, roughly € 1,3 billion was invested in office real estate, € 650 million in retail properties, € 200 million in logistic and semi-industrial real estate and around € 120 million in housing for the elderly.

With 65 % of total investments, Belgian investors continue to be the main players in the market, followed by German investors, which account for a 15 % share of the total. There is also growing interest from Chinese and other Asian investors, one example being their involvement in the year's largest transaction (BelAir). Together, the share of these Chinese and Asian investors amounts to roughly 10 % of the total volume.

The dominance of offices is reflected in the fact that the largest transactions were all realised in this asset class. These transactions include the sale of the BelAir building (64.300 m² leased to the Federal Police) by Breevast and Immobel to Hannover Leasing and a Chinese fund for around € 310 million, the participation of Belfius Insurance in the main offices of GDF SUEZ for approximately € 165 million, the purchase of the AMCA building (58.000 m² leased to the Belgian Buildings Agency) by Befimmo for € 110 million and the purchase of the Blue Tower (28.400 m² multi-tenant), also by Befimmo, for € 79 million.

In the retail market, the largest transaction was made by Ascencio with its purchase of the Cora portfolio, which contains several properties in Brussels and Wallonia, for a total of € 85 million. The major transactions in the logistics real estate segment were both made by WDP with the purchase of Cargovil (75.000 m² leased to Carrefour) and the acquisition of two sites in Geel (30.000 m² leased to Flamingo and Distrilog) for € 46 million and € 24,4 million respectively.

Future evolution of the investment market in 2014-2015

The primary interest of investors in 2013 was focused mainly on long-term leased "core assets", the prime yields for which improved further during the past year to 5,8 % for offices in the CBD and to 7 % for logistics real estate. This interest is expected to remain steady in the years ahead, though the interest in so-called core+ buildings is also expected to generate increased interest.

The pressure to invest in real estate from institutional investors such as insurers, pension funds and corporate investment funds will indeed remain high in the coming years, such that not all investments will be observed in the core segment alone. This in turn will mean that yields for the best offices and the best logistics real estate will improve further in 2014 and also that transactions will be realised in the core+ segment.

Important developments in 2013

Rentals in 2013

Occupancy rate - overview of rentals

In the area of new office lettings, the property investment fund has managed to improve on its 2012 performance, both in terms of the number of transactions as well the total surface area that was leased. For logistic properties, the number of square metres leased has roughly been the same as in 2012. In terms of lease extensions, the number of square metres has decreased compared to 2012, but that was an unusual year due in part to the prolongations by PwC (Woluwe Garden) in the office segment and UTi (Oevel) and Fiege (Puurs) in the logistic segment. There have been also fewer contracts that reached their expiry date in 2013 as compared to 2012, a year in which a large number of contracts were extended. One positive trend in offices is that a number of tenants have expanded, especially in Malines, for a total of more than 4.000 m². However the occupancy rate for offices remains under pressure due to the persistent difficult situation in the Belgian office market.

On 31 December 2013, the total occupancy rate of the real estate portfolio of Intervest Offices & Warehouses amounts to 86 % (86 % on 31 December 2012):

- the occupancy rate of the office portfolio has decreased compared to 31 December 2012 to 82 % (85 % on 31 December 2012) as a result of the departure of some tenants (among which BDO in Sky Building in Berchem and Elegis in Gateway House in Antwerp), partly counterbalanced by new lettings and extensions, mainly in Malines.
- the occupancy rate of the logistic portfolio has increased compared to 31 December 2012, by 2 % to 91 % on 31 December 2013. This increase comes mainly from the letting to Sofidel in Duffel Stocletlaan and the extension of Pharma Logistics in Intercity Industrial Park in Malines.

Rental activity of the office portfolio

New tenants

In the office portfolio of Intervest Offices & Warehouses new lease contracts have been signed in 2013 for a total space of 4.572 m², attracting 13 new tenants mainly in Malines (on a total office portfolio of approximately 230.000 m²). This is more compared to the new lettings of 2012, when 6 new tenants were attracted for a total space of 3.200 m².

In 2013, the most important transactions are:

- letting to Hammer Belgium at Mechelen Intercity Business Park for 919 m²
- letting to Karel de Grote Hogeschool in Gateway House in Antwerp for 658 m²
- letting to Rens Accountants at Mechelen Campus for 417 m²
- letting to Kofax at Mechelen Campus for 405 m²
- letting to Xperthis at Mechelen Intercity Business Park for 347 m²
- letting to Manpower at Mechelen Campus for 318 m²
- letting to Medical Sportlab at Mechelen Campus for 308 m²

Mechelen Campus 58.107 m²

Gateway House 11.171 m² Antwerp

When searching for new offices in the neighbourhood of Malines we accepted the offer of Intervest Offices & Warehouses and moved to Mechelen Campus, given the easy accessibility, the excellent service and additional facilities proposed by Intervest Offices & Warehouses and the interesting conditions for this professional and tranquil green environment with modern buildings.

Karen Windelen - Administrative Assistant - Kofax Benelux SA

Because of the thorough renovation of our own buildings, Karel de Grote Hogeschool was looking for an external office solution for 2 years. Thanks to Intervest Offices & Warehouses we rapidly found an appropriate and flexible solution near our own location.

Paul Deckers - Infrastructure manager & ICT - KdG

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 2013 for a space of 14.076 m² in 22 transactions. In 2012 a total space of 45.761 m² was renegotiated in 30 transactions including the prolongation of PwC in Woluwe Garden.

In 2013, the most important transactions are:

- prolongation and extension of Cochlear at Mechelen Campus for 4.013 m² (offices and archives)
- prolongation of Euromex in De Arend in Edegem for 1.903 m²
- extension of SGS at Mechelen Intercity Business Park for 1.205 m²
- prolongation of Haskoning at Mechelen Campus for 1.047 m²
- extension of Biocartis at Mechelen Intercity Business Park for 717 m²
- prolongation and extension of Mitiska at Inter Access Park in Dilbeek for 584 m²
- extension of Galapagos at Mechelen Intercity Business Park for 554 m²
- prolongation and extension of Crossroad Consulting at Mechelen Campus for 528 m²

Because of our good working relationship with Intervest Offices & Warehouses in our previous offices in Dilbeek, and based on the interesting proposal that was made to us, we decided to relocate our offices to the prime location of Mechelen Campus, which is easily accessible and equipped with all the necessary facilities.

Carel Gaasbeek - Operations Manager - Sharp Electronics Belgium

De Arend
6.929 m²
Edegem

Rental activity of logistic portfolio

New tenants

In the logistic portfolio of the property investment fund, new lease contracts have been concluded in 2013 for a total space of 16.208 m² in 2 transactions. In 2012 new lease contracts were concluded for a total space of 16.552 m² in 4 transactions.

In 2013, these transactions are:

- letting of 15.232 m² to Sofidel in Duffel Stocletlaan
- letting of 976 m² to Jiholabo in Berchem-Sainte-Agathe

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

In the logistic portfolio, lease contracts for a space of 10.268 m² have been renewed, extended or prolonged in 2013 in 3 transactions. This is noticeably less than in 2012 when 12 transactions were concluded for a space of 82.487 m², related to the prolongations in Oevel and Puurs.

In 2013 these transactions are:

- prolongation of ThyssenKrupp Otto Wolf in Ragheno Park in Malines for 7.088 m²
- prolongation of Transport Cordier in Neerland 2 in Wilrijk for 2.966 m²
- extension of WAMO at Merchtem Cargo Center for 214 m²

Thanks to Intervest Offices & Warehouses' flexible attitude we manage to assure our activities in Malines in the long run.

Peter Swinkels - Managing Director - ThyssenKrupp OttoWolff

On 31 December 2013 the entire portfolio has an occupancy rate of 86 %.

Ragheno
5.969 m²
Malines

Future departure of tenant Deloitte in Diegem

In December 2012, tenant Deloitte informed the property investment fund that it will vacate over time the buildings in Diegem (Deloitte Campus 1 and 2 and Hermes Hills, a total of approximately 20.000 m²). The agreements (property leases and rent) with Deloitte continue to 2016 and 2017.

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.

Given the fact that the buildings are not vacant in the short term, the property investment fund will first focus on the entire re-letting or on a substantial space. Companies plan such important move well in advance and are thus potential candidate-tenants for these buildings. Necessary initiatives have been taken to inform in an early stage important broker's offices of the opportunities of this campus.

The buildings could also be redeveloped into a multi-tenant campus with a large service provision, after the example of what has been realised in 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. The property investment fund only wishes to realise in a second instance the actual elaboration of such scenario.

Operational and commercial optimisations in 2013

In 2013 Intervest Offices & Warehouses has further pursued the optimisation of its operating and commercial activities.

Flexible work: RE:flex

As from the second quarter of 2013, the property investment fund perform the operational management of RE:flex (flexible business hub on Mechelen Campus) in house, which had been carried out by a third party until then. This has resulted in improved service provision and an increase in turnover.

To reiterate, "RE:flex, flexible business hub" opened in mid-2012 on the ground floor of Mechelen Campus Tower. This hub is a high-technology, innovative office concept designed and developed entirely in-house by Intervest Offices & Warehouses. A partnership with Steelcase was set up to provide the furniture. Steelcase is one of the largest manufacturers of office furniture. Since the second quarter of 2013, RE:flex has also housed the Belgian headquarters of Steelcase.

To start with, RE:flex is a response to the growing need for flexibility and collaboration in a professional setting. A membership card (multiple formulas possible) provides access to a flexible "(third) workplace" as well as a range of facilities and services that are billed according to the actual use. The centralised location of Malines offers many benefits (accessibility, parking facilities, less traffic issues, etc.).

Furthermore, RE:flex is also equipped with state-of-the-art conference and meeting facilities that nicely complement the existing supply of services available to customers at the sites in Malines. The spaces can accommodate seminars, receptions, product presentations, team meetings, etc.

The property investment fund also has a business centre on the 12th and 14th floors of Mechelen Campus Tower at it's disposal, where small office spaces with full-service support provided by MC Square are leased to start-ups or smaller enterprises. A further expansion of the business centre is expected in 2014.

RE:flex was also nominated for the 2013 Facility Award of the Year, which is organised by the International Facility Management Association (IFMA). RE:flex earned a respectable third place in the competition for the public award.

Finally, RE:flex became one of the first office buildings in Europe to receive the 2013 BioBalance Quality Label. The Quality label was presented by Secretary of State for Asylum, Immigration and Social Integration Maggie De Block. The presentation of the label, which took place in the RE:flex conference room, rewards buildings and/or offices that make use of positive organisms to clean their indoor air in accordance with the BioOrg principle. Besides RE:flex, labels were also awarded to companies such as IBM, Eurocontrol and Brussels Airport Company (Airport in Zaventem).

The BioBalance Quality Label is a designation awarded to property managers/owners who deploy a monitoring system that ensures that no corrosive chemicals are used in the building for cleaning/maintenance activities and that optimises the indoor air quality by removing fine particulates, allergens and other contaminants, resulting in a respect for biodiversity in the building.

RE:flex
370 m²
Mechelen
Campus
Presenting
Quality label

RE:flex
370 m²
Mechelen
Campus

Turn-key solutions

In 2013, Intervest Offices & Warehouses has continued to position itself as a provider of turn-key housing solutions. This service was launched in 2011, and has since grown into a standard service that forms an integral part of the building rental process.

The property investment fund is using turn-key solutions to respond to the growing demand on the part of existing and new customers/tenants for the development of a complete and personalised office solution that addresses the needs of the customer for a price that conforms to the market. This involves making the appropriate arrangements with the customer/tenant and providing guarantees concerning deadlines, design and budgets. Because of the scale, the customer/tenant also benefits from the discount that the property investment fund is able to get from its vendors and manufacturers - in total transparency.

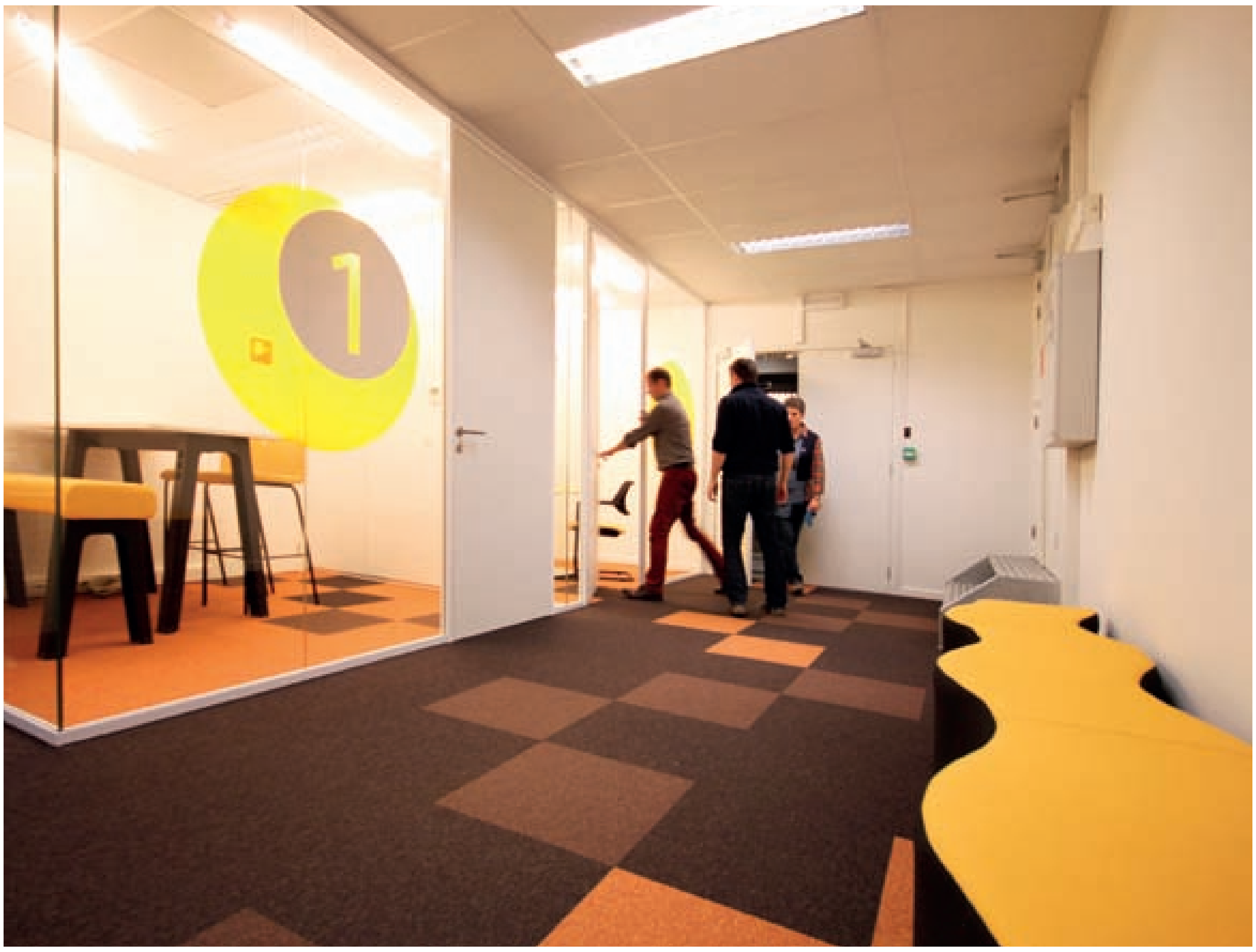
In addition to the design of the office itself, a wide range of service components can be offered for the day-to-day management of the office later on, including a modular service offering that could consist of cleaning services, surveillance, reception services, odd jobs, technical service calls in the private areas, etc.

A nice acknowledgement of the success of these turn-key solutions in 2013 is the European Interior Landscaping Award, which has been given to the courtyard of Biocartis in Intercity Business Park. The European Interior Landscaping Organisation has organised its EILO award competition for the first time in 2013. It awards the most beautiful interior landscaping projects from the past year in three different categories. The design of the courtyard of Biocartis has been developed by the interior architect of Intervest Offi ces & Warehouses, who was also responsible for choosing the plants and coordinating the planting of the courtyard in 2012. This courtyard is actually part of a comprehensive turn-key solution designed specifically for Biocartis.

Due to the growth of Cochlear we needed additional space for our offices at Mechelen Campus. Given the constructive partnership with Intervest Offices & Warehouses we decided to extend the space by approximately 1.000 m² and to prolong our contract in its entirety. Intervest Offices & Warehouses thinks along with us and offers therefore an important added value through the professional elaboration of the complete design of the extension.

Carl Van Himbeeck - General Manager - Cochlear Technology Center Belgium

Cochlear Offices
3.826 m²
Mechelen Campus



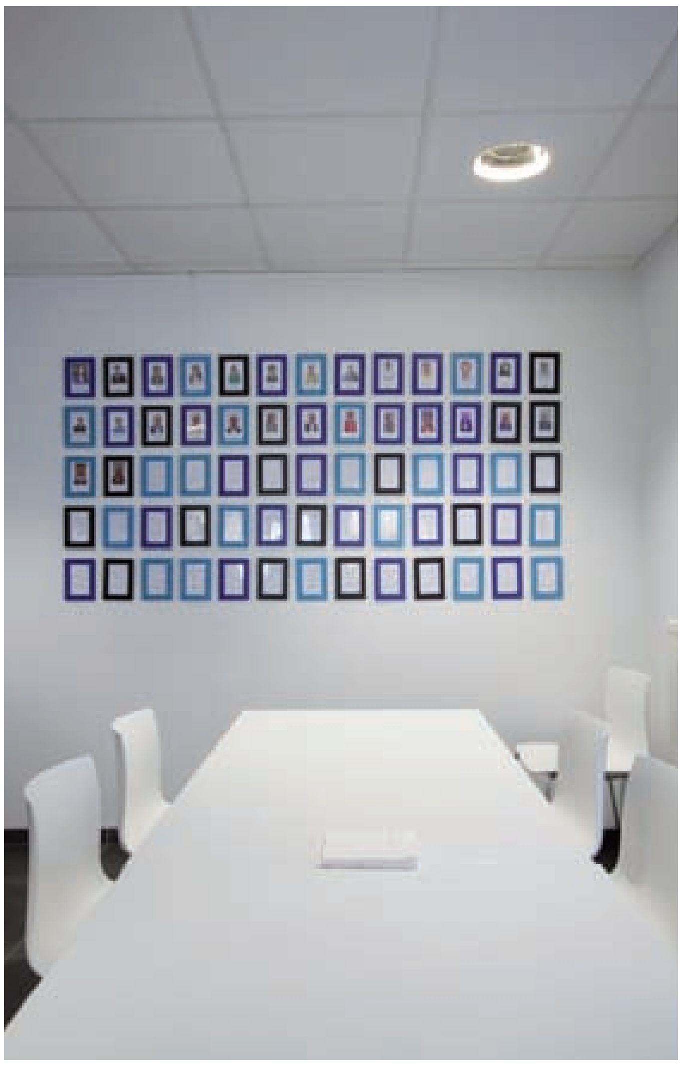
Helpdesk optimised with the aid of Planon real estate software

In late 2012, Intervest Offices & Warehouses purchased the Planon software package in order to further optimise day-to-day management tasks. The facility management & real estate software is fully customised and configured for the working procedures of Intervest Offices & Warehouses.

The official start signal was given for the first phase of optimisation in January 2013. During this phase, all service calls, requests, bids and order forms were still being recorded by phone or via e-mail, but were then processed in the software tool. Phase two was launched in September 2013, at which point customers/tenants were also able to make use of 'Planon self-service'. This is an online tool that allows any customer/tenant to log in and request a service call themselves.

Customers can track the status of their service call in the web tool and stay up-to-date at all times. By giving customers the ability to enter reports directly into the system, these can also be tracked more quickly and more efficiently. Because it is fully automated, the software package will also enable the property investment fund in the future to easily retrieve statistics on service call times, persistent problems, etc. These statistics will allow the fund to keep better track of vendors/partners and make adjustments where needed.

Biocartis Offices
7.369 m²
Intercity Business Park
Malines



Investments in 2013

As the logistic real estate market performs much better than the still difficult office market, Intervest Offices & Warehouses focuses regarding investments on the further valorisation of its logistic portfolio.

In 2013 Intervest Offices & Warehouses realised 2 developments in its existing logistic portfolio.

Extension of distribution centre in Oevel

In Oevel the construction of the extension of 5.036 m² of the distribution centre of Estée Lauder and its logistic service provider UTi Belgium was achieved during the first semester of 2013. The logistic site is located on the important logistic corridor Antwerp - Limbourg - Liège and is easy accessible via the E313 and the E314. The new building is an extension of the current European distribution centre of UTi Belgium and forms a physical connection between this distribution centre and the adjacent fine-picking warehouses of Estée Lauder, resulting in a strongly increased efficiency.

The site was delivered on 26 June 2013 and is leased by UTi Belgium as from 1 July 2013 till December 2023 by means of a lease agreement. The total investment for the extension amounts to € 3,0 million. This extension generates for the property investment fund approximately € 0,3 million additional annual rental income. The financing of this investment was funded from the existing credit lines of the property investment fund.

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

In 2013 the partial redevelopment of the site Neerland 1 in Wilrijk (Boomsesteenweg) into a showroom and garage for the Peugeot dealership Antwerp was finalised. It replaces the former branch located Karel Oomsstraat in Antwerp.

This redevelopment 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 Peugeot dealership has officially been opened in January 2014 and the provisional delivery of the showroom and garage has also taken place.

The total investment for the conversion/renovation amounts to € 3,3 million. The transaction generates for the property investment fund as from November 2013 an annual rental income of € 0,6 million (through a property lease for 15 years offering Peugeot a purchase option at market value at the end of the contract). The financing of this investment was funded from the existing credit lines of the property investment fund.

Oevel 3
5.036 m²

The expansion of our existing warehouse allowed us to further expand our storage capacity by roughly 5.000 pallet spaces. This means that, together with our customer, we can now grow his global distribution from Oevel. And because this expansion creates a physical link between the existing logistic warehouse and the external fine-picking warehouses, we were able to further optimise our processes considerably.

Dirk Liesens - Branch Manager CL&D - UTi Belgium

Peugeot
5.021 m²
Neerland 1 and 2
Wilrijk

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 Boomsesteenweg.

Jean-Marc Van Droogenbroeck - Manager - Peugeot Antwerpen, Deurne

Peugeot
5.021 m²
Neerland 1 and 2
Wilrijk

Divestments in 2013

Guldendelle in Kortenberg

Intervest Offices & Warehouses sold in 2013 its semi-industrial building Guldendelle located in Kortenberg, Jan-Baptist Vinkstraat 2 for an amount of € 14,2 million.

As the building is not intended for large-scale logistic activities, it fits insufficiently into the property investment fund's policy of investing in modern logistic buildings. With its specific function as storage space for archives, the building can rather be considered as a semi-industrial building and is consequently not strategic for the property investment fund. Furthermore, it is assumed that given the high rental price combined with the decreasing remaining rental period, the value of the building will probably evolve negatively in the coming years.

The property is a semi-industrial building consisting of storage space for archives (8.297 m² on ground level, comprising a mezzanine on 2 floors with a total surface area of 11.419 m²) with limited office space (724 m²). The entire building is let to the European Commission for a fixed period till 2022 at an indexed rent of € 1,1 million a year.

The transaction offered an opportunity for the property investment fund to sell the building for an attractive price. The sales price (after deduction of the sales costs, the remaining rental discounts and the VAT revision) was namely 11 % above the carrying amount on 31 December 2012 which amounted to € 12,4 million. The building represents approximately 2 % of the total fair value of the real estate portfolio of the property investment fund on 31 December 2012. The transaction was subject to registration rights. Herewith, the sale provided a gross initial yield of 7,1 %.

Peugeot Antwerp: progress of the works

1. demolishing of existing walls

2. removal existing facade cladding

3. erection of fire proof wall connecting adjacent areas

4. construction of flashover security element

5. installation support structure for new facade cladding

6. placing of sandwich panels new facade

7. realisation new exterior layout

8. erection fire proof wall between workshop and showroom

9. installation support structure for first floor offices

10. spraying of floor insulation in showroom

11. installation under floor heating system in showroom

12. placement floor tiles in showroom - finishing offices

13. installation of building techniques

14. positioning cable ducts in workshop

15. installation of lighting system and exhaust extraction system in workshop

16. installation bridges in workshop

Financial results[8]

Income statement

in thousands €	2013	2012
Rental income	39.914	41.207
Rental-related expenses	4	49
Property management costs and income	1.072	1.097
Property result	**40.990**	**42.353**
Property charges	-4.189	-4.759
General costs and other operating income and costs	-1.196	-1.577
Operating result before result on portfolio	**35.605**	**36.017**
Result on disposals of investment properties	1.947	140
Changes in fair value of investment properties	5.465	-13.953
Other result on portfolio	429	-730
Operating result	**43.446**	**21.474**
Financial result (excl. changes in fair value - IAS 39)	-11.004	-11.156
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	2.166	-3.128
Taxes	-27	-35
NET RESULT	**34.581**	**7.155**
Note:		
Operating distributable result[9]	24.574	24.826
Result on portfolio	7.841	-14.543
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	2.166	-3.128

Events modifying the perimeter of the company

During financial year 2013, the perimeter of the company has been modified by following events:

- sale of Guldendelle building in Kortenberg in May 2013
- extension of the logistic site in Oevel mid-2013
- redevelopment of the logistic site Neerland 1 in Wilrijk, generating rental income as from the fourth quarter of 2013.

The comparison of the data per share is influenced by the fact that the company, in the framework of the optional dividend, issued 225.124 new shares in May 2013.

8 Between brackets the comparable figures of financial year 2012.

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

Analysis of results

For financial year 2013, rental income of Intervest Offices & Warehouses amounts to € 39,9 million. The decrease of € 1,3 million or approximately 3 % compared to financial year 2012 (€ 41,2 million) results mainly from the new lease contract with PwC for lower rents with a fixed duration till end 2021 in the office building Woluwe Garden. The decrease in rental income through the divestment of the semi-industrial building in Kortenberg in May 2013 is compensated by the investment and extension of the logistic properties in Oevel and Wilrijk as well as through indexations in the existing real estate portfolio.

In 2013, property management costs and income show an income of € 1,1 million (€ 1,1 million) and comprise for € 0,6 million the received refurbishment compensations of leaving tenants (€ 0,8 million).

In financial year 2013, property charges of the property investment fund decrease by nearly 12 % or € 0,6 million to € 4,2 million (€ 4,8 million). This decrease comes mainly from reduced vacancy costs and lower other property charges in Herentals Logistics 1.

General costs and other operating income and costs amount to € 1,2 million and have thus decreased by € 0,4 million compared to previous year (€ 1,6 million) mainly through lower advisory costs.

The decrease in rental income is partly compensated by the decrease of property charges and general costs so that the operating result before result on portfolio only decreases by approximately 1 % or € 0,4 million to € 35,6 million (€ 36,0 million).

The changes in fair value of investment properties are positive in 2013 and amount to € 5,5 million compared to the negative changes of - € 14,0 million in 2012. The changes in 2013 are the combined effect of:

- the increase in fair value of the logistic portfolio of € 20,5 million or 9 % compared to the fair value on 31 December 2012, mainly through the demand for qualitative investment real estate.
- the decrease in fair value of the office portfolio of - € 15,0 million compared to the fair value of the office portfolio on 31 December 2012, mainly from the announced departure of tenant Deloitte in Diegem in 2016/2017 (decrease in fair value for these buildings of € 12,0 million in 2013), the general adjustment of the estimated rental value for offices in the Brussels periphery and the increased vacancy in offices in Antwerp.

The fair value of the logistic portfolio has increased in 2013 by € 20 million or 9 % and the fair value of the office portfolio has decreased by € 15 million or 4 %.

The financial result (excl. changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)) amounts in 2013 to - € 11,0 million (- € 11,2 million) and decreases herewith by € 0,2 million compared to 2012, mainly due to less credit withdrawal resulting from the sale of the semi-industrial building in Kortenberg in May 2013.

The operational margin of Intervest Offices & Warehouses is 89 % for financial year 2013 (87 %).

The average interest rate of the outstanding credit facilities amounts for financial year 2013 to 3,8 % including bank margins (3,7 %).

In 2013, the result on disposals of investment properties amounts to € 1,9 million (€ 0,1 million) and comprises the gain of € 1,3 million realised on the sale of the semi-industrial building in Kortenberg (after deduction of sales costs, VAT revision and remaining rental discounts) and the gain of € 0,6 million on the sale of a parcel of land located in Merchtem.

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

The net result of Intervest Offices & Warehouses for financial year 2013 amounts to € 34,6 million (€ 7,2 million) and may be divided into:

- the operating distributable result of € 24,6 million (€ 24,8 million). This result is due mainly to the decrease in rental income, partly compensated by reduced property charges, lower general costs and less financing costs
- the result on portfolio for an amount of € 7,8 million (- € 14,5 million) comprising the gain on disposals of investment properties and the increase in value of the real estate portfolio
- changes in fair value of the financial assets and liabilities (ineffective hedges - IAS 39) for an amount of € 2,2 million (- € 3,1 million)

Result per share	2013	2012
Number of shares entitled to dividend	14.424.982	14.199.858
Weighted average number of shares	14.335.677	14.084.425
Net result (€)	2,41	0,51
Operating distributable result (€)	1,70	1,75
Adjustment of dividend to changed valuation rule[10] (€)	0,00	0,01
Operating distributable result after adjustment (€)	**1,70**	**1,76**
Distribution percentage (%)	90 %	100 %
Gross dividend (€)	**1,53**	**1,76**
Net dividend (€)	1,1475	1,3200

For financial year 2013, the operating distributable result of Intervest Offices & Warehouses amounts to € 24,6 million (€ 24,8 million). Given the 14.424.982 shares this represents € 1,70 per share compared to € 1,75 previous year.

In the currently competitive environment it is essential that Intervest Offices & Warehouses can pursue the realisation of its strategy. Investments in quality and herewith in the leasability of its buildings is crucial to exploit in the long run the value potential of the property investment fund. Therefore Intervest Offices & Warehouses has concluded that it is essential to lower the pay-out ratio to 90 % to keep enough liquidity for investments in the portfolio. Compensations and refurbishment fees, received from terminated lease contracts, will therefore not be distributed but used for later refurbishment works as well as future investments in the real estate portfolio.

On the basis of a pay-out ratio of 90 % a gross dividend of € 1,53 per share compared to € 1,76 for 2012 will be proposed to the shareholders for financial year 2013. This gross dividend offers the shareholders of the property investment fund a gross dividend yield of 7,9 % based on the closing price of the share on 31 December 2013.

10 In financial year 2011 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 had still a positive effect of € 0,01 per share. For financial year 2013 this adjustment is no longer applicable.

Balance sheet

in thousands €	31.12.2013	31.12.2012
ASSETS		
Non-current assets	580.986	581.588
Current assets	7.876	12.489
TOTAL ASSETS	**588.862**	**594.077**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	**286.521**	**272.356**
Share capital	131.447	129.395
Share premium	65.190	63.378
Reserves	55.265	72.389
Net result of financial year	34.582	7.156
Minority interest	37	38
Liabilities	**302.341**	**321.721**
Non-current liabilities	226.171	260.659
Current liabilities	76.170	61.062
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**588.862**	**594.077**

Balance sheet data per share	31.12.2013	31.12.2012
Number of shares entitled to dividend	14.424.982	14.199.858
Net asset value (fair value) (€)	19,86	19,18
Net asset value (investment value) (€)	20,87	20,21
Net asset value EPRA[11] (€)	20,20	19,73
NNNet asset value EPRA[11] (€)	19,64	18,82
Share price on closing date (€)	19,48	20,12
Premium (+) / discount (-) to net asset value (fair value) (%)	-2 %	5 %
Debt ratio (max. 65 %)	48,7 %	51,2 %

11 Financial performance indicator calculated according to Best Practices Recommandations of EPRA (European Public Real Estate Assocation). See also www.epra.com. These data are not required by regulation regarding property investment funds and are not subject to a control by government authorities.

Assets

The fair value of the real estate portfolio amounts to € 581 million on 31 December 2013.

Thanks to a strict credit control, the number of days of outstanding customers credit is only 4 days.

Non-current assets consist mainly of the investment properties of Intervest Offices & Warehouses. In 2013, the fair value of the real estate portfolio of the property investment fund has remained stable and amounts on 31 December 2013 to € 581 million (€ 581 million on 31 December 2012). Underlying the fair value of the real estate portfolio has known following evolutions in 2013:

- on the one hand, the increase in fair value of the logistic portfolio of € 13,8 million or 6 % compared to the fair value on 31 December 2012, mainly for:
  - € 20,5 million or 9 % as a result of the increase in fair value of the existing real estate portfolio through the growing demand for qualitative investment real estate
  - € 5,6 million for the extension with 5.036 m² of the distribution centre of Estée Lauder and its logistic service provider UTi Belgium in Oevel and the redevelopment project in Neerland 1 in Wilrijk for the conversion/renovation to a showroom and garage of the front part for the French car builder Peugeot
  - - € 12,4 million through the sale of the non-strategic semi-industrial building Guldendelle located in Kortenberg
- on the other hand, the decrease in fair value of the office portfolio of € 14,3 million or 4 % compared to the fair value on 31 December 2012, mainly for:
  - € 15,0 million through the decrease in fair value of the office portfolio as a result of the announced departure of tenant Deloitte in Diegem in 2016/2017 (decrease in fair value of these buildings of € 12,0 million in 2013), the general adjustment of the estimated rental values for offices in the Brussels periphery and the increased vacancy in the buildings in Antwerp
  - € 0,7 million investments in the existing office portfolio.

Current assets amount to € 8 million and consist mainly of € 4 million in trade receivables (of which € 3 million for advance billing of rents for financial year 2014 for the logistic portfolio), of € 2 million in tax receivables and other current assets and of € 2 million in deferred charges and accrued income.

Ragheno
5.969 m²
Malines

Liabilities

Shareholders' equity of the property investment fund amounts on 31 December 2013 to € 287 million (€ 272 million).

The shareholders of Intervest Offices & Warehouses chose for 20,6 % 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 2012. This led on 23 May 2013 to a strengthening of € 3,9 million (capital increase and share premium) of shareholders' equity of Intervest Offices & Warehouses by means of the creation of 225.124 new shares, as a result of which the total number of shares of Intervest Offices & Warehouses as from 23 May 2013, amounts to 14.424.982. The newly created shares are entitled to the results of the property investment fund as from 1 January 2013. Total number of shares entitled to dividend amounts to 14.424.982 units on 31 December 2013 (14.199.858 units).

The share capital of the property investment fund has increased in 2013 through this capital increase by € 2,1 million to € 131 million (€ 129 million) and the share premium by € 1,8 million to € 65 million (€ 63 million).

The reserves of the company amount to € 55 million (€ 72 million) and consist mainly of:

- the reserve for the balance of changes in fair value of investment properties for € 57 million (€ 72 million) composed of the reserve for the balance of changes in the investment value of investment properties for € 72 million (€ 87 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 2013, this difference amounts to - € 15 million (- € 15 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 - € 0,2 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 - € 7 million (- € 4 million)
- results carried forward from previous financial years for € 5 million (€ 5 million) subject to distribution (see note 13 of the financial report).

On 31 December 2013, the net asset value (fair value) of the share is € 19,86 (€ 19,18). As the share price on 31 December 2013 of the Interest Offices & Warehouses' share (INTO) is € 19,48, the share is quoted on closing date with a discount of 2 % compared to the net asset value (fair value).

Non-current liabilities amount to € 226 million (€ 261 million) and comprise on the one hand non-current financial debts for an amount of € 221 million (€ 252 million), consisting of € 146 million long-term bank financings of which the expiry date falls after 31 December 2014 and of the bond loan of € 75 million issued in June 2010. On the other hand, non-current liabilities also comprise the other non-current financial liabilities representing the negative market value of € 4 million of the cash flow hedges which the property investment fund has concluded to hedge the variable interest rates of the non-current financial debts.

Current liabilities amount to € 76 million (€ 61 million) and consist mainly of € 62 million current financial debts, of € 3 million trade debts and of € 11 million accrued charges and deferred income.

Financial structure

Characteristics financial structure

On 31 December 2013, Intervest Offices & Warehouses has a thorough financial structure allowing it to continue to carry out its activities in 2014 and to meet its commitments.

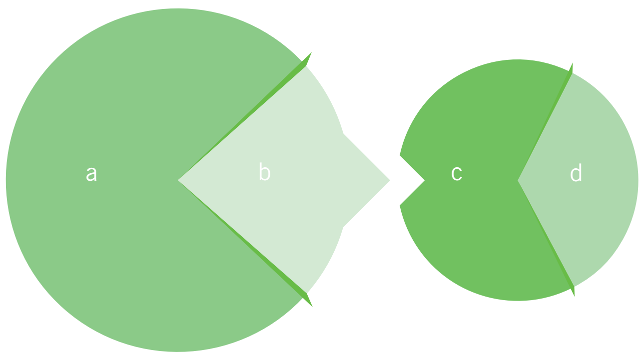
The most important characteristics of the financial structure at the end of 2013 are:

- amount of financial debts: € 283 million
- 77 % long-term financings with an average remaining duration of 2,1 years
- spread of expiry dates of credit facilities between 2014 and 2022
- spread of credit facilities over 5 European financial institutions and bondholders
- € 31 million available non-withdrawn credit lines
- 62 % of the credit lines have a fixed interest rate, 38 % have a variable interest rate. 69 % of the withdrawn credit facilities have a fixed interest rate and 31 % a variable interest rate
- interest rates are fixed for a remaining average period of 2,5 years
- market value of financial derivatives: € 5 million negative
- average interest rate for 2013: 3,8 % including bank margins (3,7 % in 2012)
- debt ratio of 48,7 % (legal maximum: 65 %) (51,2 % on 31 December 2012)

Balance between long-term and short-term financing

On 31 December 2013, 77 % of the available credit lines of Intervest Offices & Warehouses are long-term financings. 23 % of the credit lines are short-term financings, with 15 % consisting of financings with an unlimited duration (€ 47 million) and 8 % being a credit facility which expires mid-2014 (€ 25 million). Besides, there is also an instalment of € 0,5 million on an investment credit facility.

Balance between long-term and short-term financings



a	●	77 %	Long-term credit facilities
b	●	23 %	Short-term credit facilities
c	●	15 %	Credit facilities with indefinite duration
d	●	8 %	Credit facilities which expire within the year or have to be refinanced

77 % of the credit lines are long-term financings.

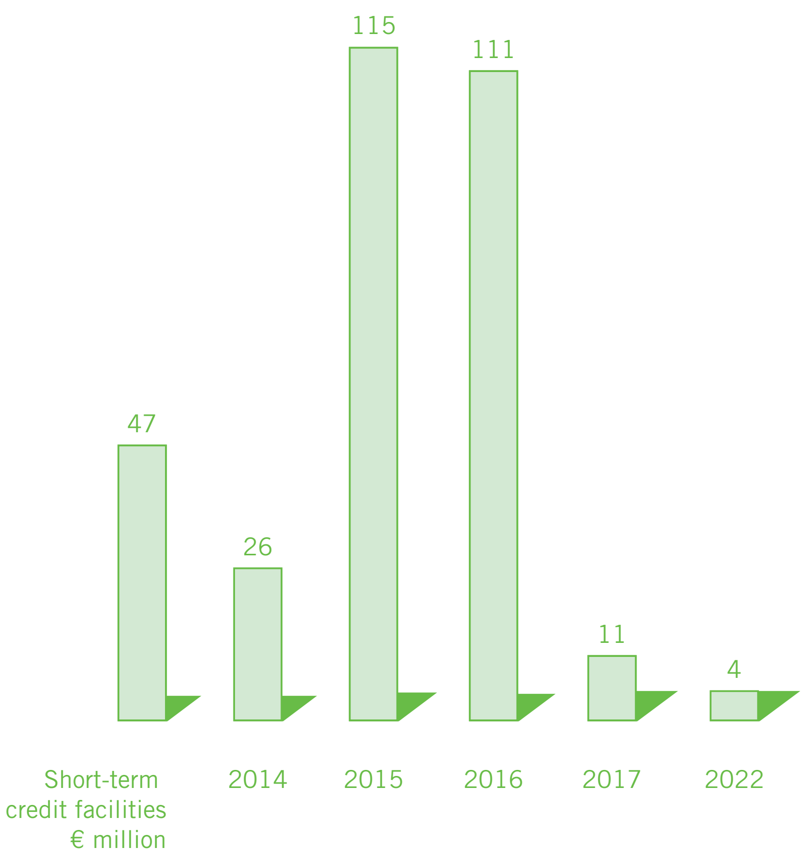
Duration and spread of expiry dates of long-term financings

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 2013, the expiry calendar of the available credit lines, 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 mid-2014 (€ 25 million). The weighted average remaining duration of the long-term credit facilities is herewith 2,1 years on 31 December 2013.
The credit facility portfolio of Intervest Offices & Warehouses is spread over 5 European financial institutions and bondholders.

In the fourth quarter of 2013 Intervest Offices & Warehouses has prolonged a financing of € 15 million for an average duration of 2,5 years of a credit facility expiring on 31 January 2014. The existing credit facility has been refinanced with the same bank at market rates.

Expiry calendar of credit lines



The weighted average remaining duration of the long-term credit facilities amounts to 2,1 years on 31 December 2013.

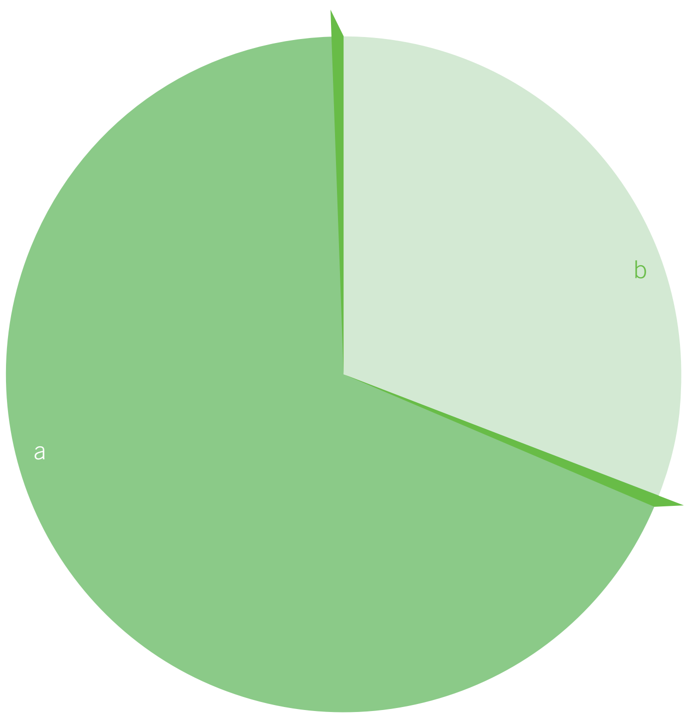
Available credit lines

On 31 December 2013, the property investment fund still has € 31 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 2013.

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 2013, 62 % of the credit lines of the property investment fund consist of financing with a fixed interest rate or fixed by interest rate swaps, 38 % have a variable interest rate. 69 % of the withdrawn financing has a fixed interest rate or is fixed by interest rate swaps and 31 % has a variable interest rate.

Percentage credit facilities with fixed and variable interest rate



a 69 % Fixed interest rate
b 31 % Variable interest rate

69 % 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.

In the fourth quarter of 2013 the property investment fund has bought forward interest rate swaps for a notional amount of € 20 million with a duration of 5 years. This interest cover has been concluded at 1,2725 % which is substantially lower than the interest rate of the current interest rate swap which amounts to 2,63 %.

On 31 December 2013 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 € 140 million.

The interest rates on credit facilities of the property investment fund are herewith fixed for an average remaining duration of 2,5 years.

Average interest rates

The total average interest rate of the financial debts of the property investment fund amounts to 3,8 % in 2013, including bank margins (2012: 3,7 %).

For 2013, the average interest rate for the non-current financial debts amounts to 4,1 % (2012: 4,0 %). For 2013, the average interest rate for the current financial debts amounts to 2,8 % (2012: 2,0 %).

Interest rate sensitivity

For financial year 2013, the effect on the operating distributable result of a (hypothetical) increase in interest rate by 1 % gives a negative result of approximately € 0,9 million (2012: € 0,8 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 3,24 for financial year 2013 (3,23 for the financial year 2012), 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 2013, the debt ratio of the property investment fund amounts to 48,7 % (51,2 % on 31 December 2012).

Details on the debt ratio evolution

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 2013 the consolidated debt ratio of Intervest Offices & Warehouses amounts to 48,7 % so that the threshold of 50 % is no longer exceeded. 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 decrease of the debt ratio of 2,5 % from 51,2 % on 31 December 2012 to 48,7 % on 31 December 2013 comes mainly from the sale of the semi-industrial building in Kortenberg (effect of 1,4 %), the value increase of the real estate portfolio in 2013 (effect of 0,6 %) and the payment of the dividend of financial year 2012, in May 2013 (effect of 0,6 %). The shareholders' equity of the property investment fund has at that moment been strengthened with approximately € 3,9 million as 20,6 % of the shareholders reinvested in new shares by means of the optional dividend.

On the basis of the current debt ratio of 48,7 % on 31 December 2013, Intervest Offices & Warehouses still has an additional investment capacity of approximately € 275 million[12], without exceeding herewith the maximum debt ratio of 65 %. The capacity for further investments amounts to approximately € 166 million before exceeding the debt ratio of 60 %.

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 pos-

12 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).

sible decrease in value of the investment properties by approximately € 148 million or 26 % compared to the real estate portfolio of € 581 million on 31 December 2013. In case of unchanged current rents, it means an increase of the yield, used for the valuation of the properties, of 2,5 % on average (from 7,3 % on average to 9,8 % on average). In case of unchanged yield used for the valuation of investment properties, it means a decrease of current rents of € 11,1 million or 26 %.

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

On the basis of the current financial plan it is supposed that the debt ratio of Intervest Offices & Warehouses will fluctuate in the course of 2014 between 48 % and 52 %, compared to 48,7 % on 31 December 2013.

This assessment takes into account the following elements:

- no investments and disinvestments in 2014.
- profit allocation which takes into account the expected profit for financial year 2013 and the dividend payment for financial year 2013.
- an optional dividend in May 2014 whereby the investment capacity herewith liberated is used for the strengthening of the balance sheet
- 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.

Hammer
919 m²
Intercity Business Park
Malines

Profit distribution 2013

The board of directors proposes to distribute the result for financial year 2013 of Intervest Offices & Warehouses as follows:

in thousands €	
Net result for financial year 2013[13]	**34.581**
ALLOCATION TO/TRANSFER FROM RESERVES	
○ Allocation to the reserves for the balance of changes in fair value[14] of real estate properties:	
● Financial year	-6.190
● Disposal real estate properties	-1.637
○ Allocation to the reserve of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-14
○ Allocation to the reserve for the balance of changes in fair value of authorised hedging instruments that are not subject to hedge accounting	-2.166
○ Allocation to results carried forward from previous years	-2.504
Remuneration of capital	**22.070**

At the general meeting of shareholders on 30 April 2014, it shall be proposed that a gross dividend of € 1,53 per share be distributed.

On the basis of a pay-out ratio of 90 % of the operating distributable result a gross dividend of € 1,53 per share will be proposed to the shareholders for financial year 2013. This offers a net dividend[15] of € 1,1475 after deduction of 25 % withholding tax.

Taking into account the 14.424.982 shares that will participate in the full result of the financial year, this means that a dividend of € 22.070.222 is available for distribution.

A pay-out of 90 % of the operating distributable result is pursuant to the Royal Decree of 7 December 2010 on the property investment funds which requires a minimum pay-out of 80 % of the operating distributable result.

The dividend is payable from 2 June 2014. As far as dematerialised shares are concerned, payments are done through dividend coupon no. 15.

13 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).

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

15 The withholding tax on dividends of public property investment funds increased from 15 % to 21 % for taxation year 2012 pursuant to the Act of 28 December 2011 containing miscellaneous provisions. Subsequently pursuant to the Finance Act of 27 December 2012 the withholding tax on dividends of public property investments funds increased as from taxation year 2013 from 21 % to 25 % (subject to certain exemptions).

EPRA Best Practices

In August 2011 the EPRA's Reporting and Accounting Committee published an update of the report entitled "Best Practices Recommendations (BPR)[16]. This BPR contains the recommendations for defining the main financial performance indicators applicable to the real estate portfolio. Intervest Offices & Warehouses supports the reporting standardisation approach designed to improve the comparability and the quality of information and supplies her investors and other users of the annual report with most of the EPRA recommendations. For this reason, Intervest Offices & Warehouses has decided to include the most important performance indicators in a separate chapter of the annual report.

The statutory auditor has checked whether the "EPRA earnings", "EPRA NAV" and "EPRA NNNAV" ratios have been calculated in accordance with the definitions given in the "EPRA Best Practices Recommendations" of August 2011 and whether the financial data used to calculate those ratios agree to the accounting data included in the consolidated financial statements.

EPRA Key performance indicators

Table	EPRA-indicators	Definitions EPRA[17]		31.12.2013	31.12.2012
1	EPRA Earnings	Recurring earnings from core operational activities	in thousands €	25.004	24.097
			€/share	1,74	1,71
2	EPRA NAV	Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallize in a long term investment property business model	in thousands €	291.385	280.098
			€/share	20,20	19,73
3	EPRA NNNAV	EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes	in thousands €	283.237	267.215
			€/share	19,64	18,82
4	(i) EPRA Net Initial Yield (NIY)	Annualised rental income based on the cash rents passing at the balance sheet date, less non recoverable property operating expenses, divided by the market value of the property, increased with estimated purchasers' costs		6,2 %	6,4 %
	(ii) EPRA Topped-up NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents)		6,7 %	6,9 %
5	EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio		16,1 %	15,6 %
6	EPRA Cost Ratio (including direct vacancy costs)	EPRA costs (including direct vacancy costs) divided by Gross Rental Income less ground rent costs		13,8 %	15,6 %
7	EPRA Cost Ratio (excluding direct vacancy costs)	EPRA costs (excluding direct vacancy costs) divided by Gross Rental Income less ground rent costs		11,9 %	13,3 %

16 The report is available on the EPRA website: www.epra.com.

17 Source: EPRA Best Practices (www.epra.com). The definitions remains in English, as defined originally by EPRA.

18 The annualised rental income is equivalent to the current rent at the closing date (plus future rent on leases signed as at 31 December 2013 as reviewed by the property experts).

Table 1: EPRA Earnings

in thousands €	31.12.2013	31.12.2012
Net result IFRS (group share)	**34.582**	**7.156**
Adjustments to calculate EPRA earnings		
To exclude:		
I. Changes in fair value of investment properties	-5.465	13.953
II. Result on disposal of investment properties	-1.947	-140
VI. Changes in fair value of financial assets and liabilities	-2.166	3.128
EPRA Earnings (group share)	**25.004**	**24.097**
Weighted average number of shares	14.335.677	14.084.425
EPRA Earnings (€/share) (group share)	**1,74**	**1,71**

Tables 2 and 3: EPRA NAV and EPRA NNNAV

in thousands €	31.12.2013	31.12.2012
Net asset value (group share)	**286.484**	**272.318**
Net asset value (€/share) (group share)	**19,86**	**19,18**
Effect of exercise of options, convertible debts and other equity interests	0	0
Diluted net asset value, after the exercise of options, convertible debts and other equity interests	**286.484**	**272.318**
To exclude:		
IV. Fair value of financial instruments	4.901	7.780
EPRA NAV (group share)	**291.385**	**280.098**
Number of shares at the end of the year	14.424.982	14.199.858
EPRA NAV (€/share) (group share)	**20,20**	**19,73**
To include:		
I. Fair value of financial instruments	-4.901	-7.780
I. Revaluations at fair value of financings with fixed interest rate	-3.247	-5.103
EPRA NNNAV (group share)	**283.237**	**267.215**
Number of shares at the end of the year	14.424.982	14.199.858
EPRA NNNAV (€/share) (group share)	**19,64**	**18,82**

Table 4: EPRA Net Initial Yield (NIY) and EPRA Topped-up NIY

in thousands €	31.12.2013	31.12.2012
Investment properties and properties held for sale	580.709	582.505
To include:		
Properties that are being constructed or developed for own account in order to be leased[19]	-5.461	-1.927
Properties held for sale	0	-1.225
Properties available for lease	**575.248**	**579.353**
To include:		
Estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	14.381	14.484
Investment value of properties available for lease (B)	**595.090**	**596.989**
Annualised gross rental income	40.587	42.319
To exclude:		
Property charges[20]	-3.731	-4.060
Annualised net rental income (A)	**36.856**	**38.259**
Adjustments:		
Rent expiration of rent free periods or other lease incentives	2.912	3.040
Annualised 'topped-up' net rental income (C)	**39.768**	**41.299**
(in %)		
EPRA NET INITIAL YIELD (A/B)	**6,2 %**	**6,4 %**
EPRA 'topped-up' NET INITIAL YIELD (C/B)	**6,7 %**	**6,9 %**

Table 5: EPRA Vacancy Rate

Segment	Leasable space in m²	Estimated rental value (ERV) on vacant spaces in thousands €	Estimated rental value (ERV) in thousands €	EPRA vacancy rate in %	EPRA vacancy rate in %
				31.12.2013	31.12.2012
Offices	229.669	5.791	28.772	20,1 %	17,4 %
Logistic properties	374.759	1.578	16.903	9,3 %	12,4 %
Total properties available for lease	**604.428**	**7.369**	**45.675**	**16,1 %**	**15,6 %**

(19) On 31 December 2013 the property investment fund has in Herentals on its site Herentals Logistics 3 available spare land of 32.100 m² for the future potential construction of a highly qualitative new logistic warehouse with a space of approximately 19.000 m² that can be subdivided. At the end of 2013 the available spare land has been valued as ready for building with building permit.

(20) The perimeter of the property charges to be excluded for the calculation are recorded in the EPRA Best Practices and does not correspond with the "Property charges" as presented in the consolidates IFRS accounts.

Table 6: EPRA Cost Ratios

in thousands €	31.12.2013	31.12.2012
General costs	1.243	1.628
Write-downs on trade receivables	79	54
Compensations for building rights and long-lease rights	21	16
Property charges	4.189	4.759
To exclude:		
Compensations for building rights and long-lease rights	-21	-16
EPRA costs (including vacancy costs) (A)	**5.511**	**6.441**
Vacancy costs	-777	-981
EPRA costs (excluding vacancy costs) (B)	**4.734**	**5.460**
Rental income less compensations for building rights and long-lease rights (C)	**39.893**	**41.191**
(in %)		
EPRA Cost Ratio (including vacancy costs) (A/C)	**13,8 %**	**15,6 %**
EPRA Cost Ratio (excluding vacancy costs) (B/C)	**11,9 %**	**13,3 %**

Peugeot
5.021 m²
Neerland 1 and 2
Wilrijk

Forecast for 2014

Occupancy rate and asset management

Because economic growth is expected to be quite limited in 2014, Intervest Offices & Warehouses anticipates that the volume of new lettings and expansions will be similar to that of 2013, provided that an active approach is taken towards the market. Intervest Offices & Warehouses also has a number of expansive companies in its portfolio - primarily in the biomedical sector - that might begin expanding operations again in 2014. On the whole, the fund expects the volume of new lettings and expansions to be in line with 2013.

The recovery in consumer confidence and the growth in e-commerce are both positive trends for rental transactions in the logistic segment. But the economic growth is still too early to expect a fundamental recovery of the rental market. The buildings of Intervest Offices & Warehouses are some of the best in the market, and because of this, the property investment fund is optimistic about its rental opportunities once the market recovers.

Intervest Offices & Warehouses is working to ensure that the occupancy rate again remains stable for 2014, and it will proactively attempt to renegotiate a number of important lease contracts.

The buildings located on Berkenlaan in Diegem, are currently occupied by Deloitte, which will begin gradually moving out in 2016. Even though it is still early, the property investment fund is going to begin this year the process of commercialisation.

Investments and divestments

Intervest Offices & Warehouses will continue to pursue its investment strategy unabated, the aim of which is to increase the percentage of logistics buildings in its portfolio. Efforts are being made to substantially increase the percentage of high-quality logistics buildings via new acquisitions or developments within the existing portfolio. There are new developments that still offer Intervest Offices & Warehouses a great deal of potential. A building permit has been obtained for the development of approximately 18.000 m² of logistic space on the Herentals Logistics site, and the property investment fund also expects that the leased space on some logistic sites can be expanded. However, Intervest Offices & Warehouses will only commence construction if a substantial number of these units are leased in advance.

As in 2013, the fund might sell a few atypical buildings in the logistic segment in 2014 if the terms of their sale are favourable enough. If market circumstances permit it, the property investment fund will divest some buildings in the office market. However offices remain an interesting investment allowing the realisation of good returns. Some office buildings will be renovated and adapted to the current expectations on the rental market.

Financing

The next expiring credit facility of the property investment fund is only in July 2014 (€ 25 million). Taking into account the market fact that banks wish to reduce further financing in real estate, Intervest Offices & Warehouses will study alternative sources of financing. The possibilities for refinancing the bond loan which will expire in June 2015 will also be analysed in 2014.

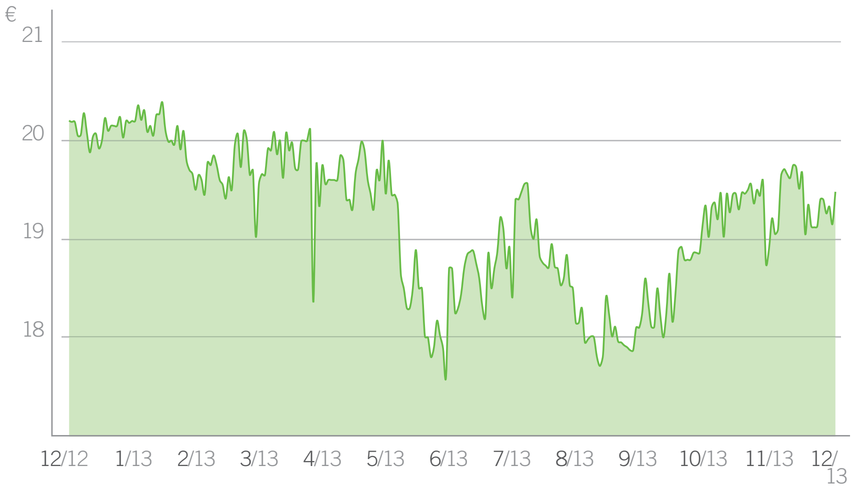
REPORT ON THE SHARE

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, EPRA/NAREIT Developed Europe, EPRA/NAREIT Belgium/Luxembourg REIT's and GPR 250 Europe.

INTO
LISTED
EURONEXT

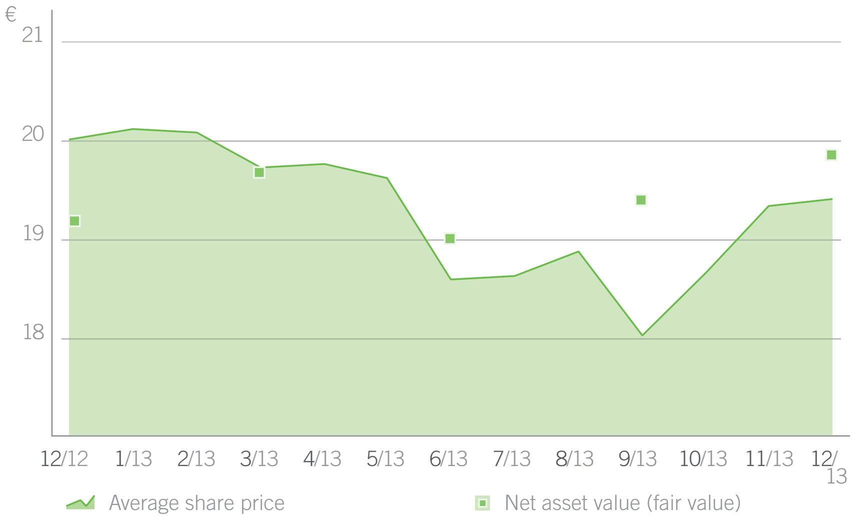
Share price evolution



The share price of Intervest Offices & Warehouses closed the financial year on 31 December 2013 at € 19,48 compared to € 20,12 on 31 December 2012. Consequently, the share price of the property investment fund decreased at year end by approximately 3 %.

The average share price of financial year 2013 amounts to € 19,22 compared to € 19,16 for financial year 2012. The lowest closing share price reaches € 17,60 (1 July 2013) and the highest closing share price € 20,39 (14 February 2013).

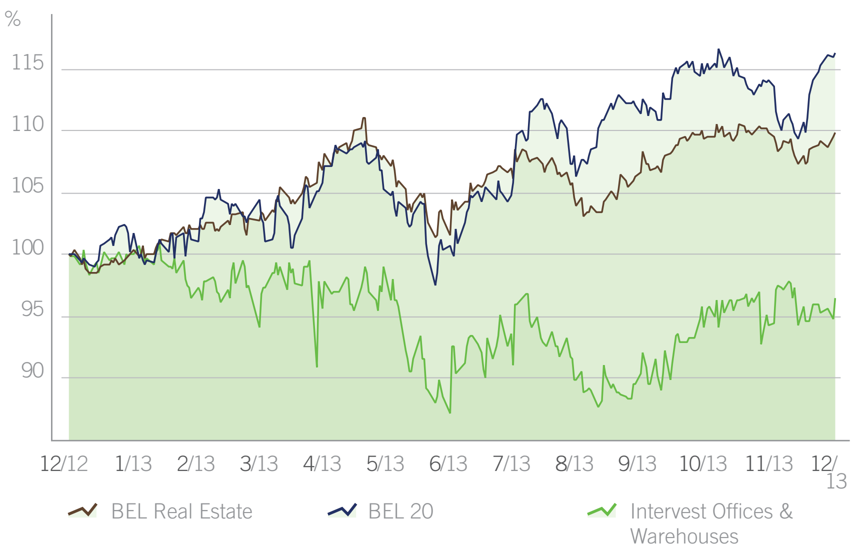
Premium/discount Intervest Offices & Warehouses share



During financial year 2013, the share of Intervest Offices & Warehouses quoted with a discount of 1 % on average compared to the net asset value (fair value).

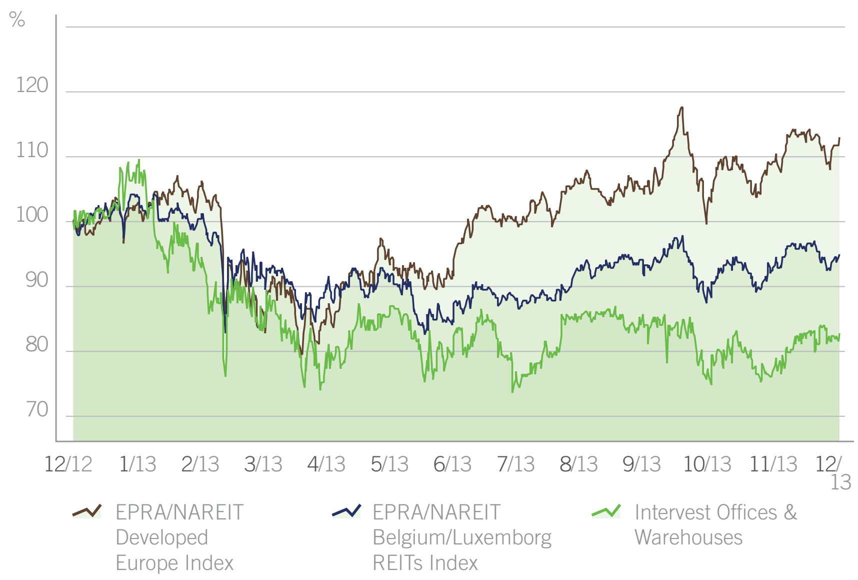
The net asset value of Intervest Offices & Warehouses includes the 2012 dividend up to the payment date on 24 May 2013.

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



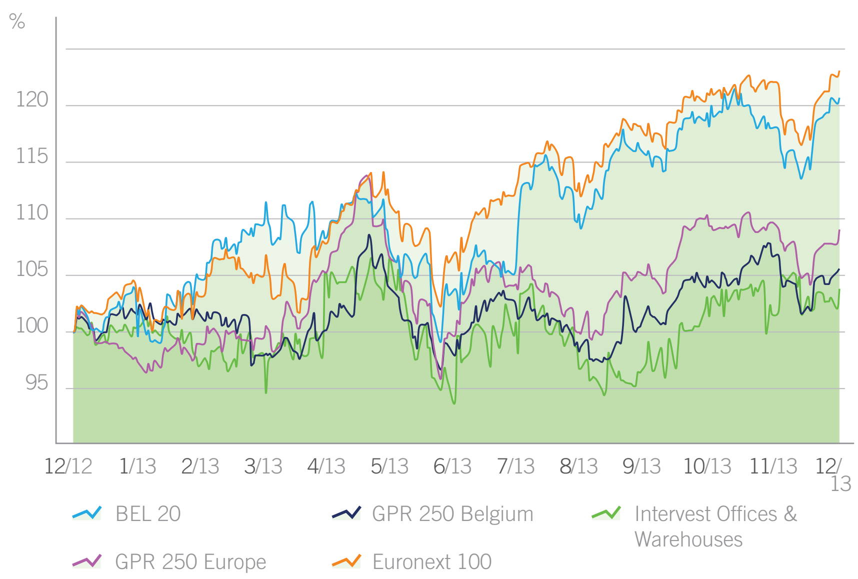
The share of Intervest Offices & Warehouses has performed lesser than the BEL 20 and the BEL Real Estate as a result mainly of the difficult market circumstances on the Belgian office market and the restriction of the dividend pay-out ratio of the property investment fund to 90 %. Nevertheless, the share provided the highest dividend yield of the Belgian property investment funds.

Comparison of Intervest Offices & Warehouses with EPRA/NAREIT index



During 2013, the share of Intervest Offices & Warehouses has performed lesser than the EPRA/ NAREIT Belgium/Luxembourg REITs-index as well as the EPRA/NAREIT Developed Europe-index, for the same reasons as mentioned above.

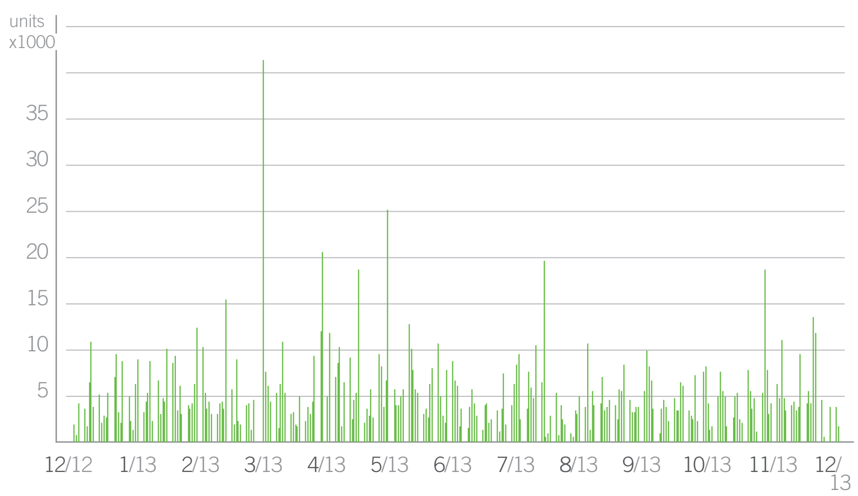
Comparison of Intervest Offices & Warehouses with GPR indexes



This graph shows that in 2013 Intervest Offices & Warehouses has performed on average lesser than 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 2013, the traded volumes, with an average of 5.362 shares per day, are higher than previous year (an average of 4.788 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.

Dividend and number of shares

Number of shares	31.12.2013	31.12.2012	31.12.2011
Number of shares at the end of the period	14.424.982	14.199.858	13.907.267
Number of shares entitled to dividend	14.424.982	14.199.858	13.907.267

Share price (in €)	31.12.2013	31.12.2012	31.12.2011
Highest closing share price	20,39	20,57	23,49
Lowest closing share price	17,60	17,29	17,42
Share price on closing date	19,48	20,12	18,15
Premium (+) / discount (-) to net asset value (fair value) (%)	-2 %	5 %	-11 %
Average share price	19,22	19,16	21,75

Data per share (in €)	31.12.2013	31.12.2012	31.12.2011
Net asset value (fair value)	19,86	19,18	20,42
Net asset value (investment value)	20,87	20,21	21,37
Net asset value EPRA	20,20	19,73	20,76
Gross dividend	1,53	1,76	1,73
Net dividend[21]	1,1475	1,3200	1,3667
Gross dividend yield (%)	7,9 %	8,7 %	9,5 %
Net dividend yield (%)	5,9 %	6,6 %	7,5 %

Park Station
8.782 m²
Diegem

On 31 December 2013, the share price of the Intervest Offices & Warehouses' share is € 19,48, offering its shareholders a gross dividend yield of 7,9 %.

(21) The withholding tax on dividends of public property investment funds increased from 15 % to 21 % for taxation year 2012 pursuant to the Act of 28 December 2011 containing miscellaneous provisions. Subsequently pursuant to the Finance Act of 27 December 2012 the withholding tax on dividends of public property investments funds increased as from taxation year 2013 from 21 % to 25 % (subject to certain exemptions).

Shareholders

On 31 December 2013, the following shareholders are known to the company:

Name	Voting rights directly held	% voting rights directly held
NSI Group	**7.787.927 shares**	**54,0 %**
NSI sa, Antareslaan 69-75, PO Box 3044, 2130 KA Hoofddorp - The Netherlands (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, Antareslaan 69-75, PO Box 3044, 2132 KA Hoofddorp - The Netherlands	7.763.321 shares	53,9 %
Belle Etoile sa, Uitbreidingstraat 18, 2600 Berchem-Antwerp - Belgium	24.606 shares	0,1 %
Public	**6.637.055 shares**	**46,0 %**
Total	**14.424.982 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.intervest.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 2013 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 2013:	Tuesday 11 February 2014
General meeting of shareholders:	Wednesday 30 April 2014 at 16.30 pm
Dividend payable:	
Ex dividend date 2013	Tuesday 6 May 2014
Record date dividend 2013	Thursday 8 May 2014
Dividend payment 2013	as from Tuesday 2 June 2014
Interim statement on the results as at 31 March 2014:	Tuesday 6 May 2014
Half-yearly financial statement as at 30 June 2014:	Tuesday 29 July 2014
Interim statement on the results as at 30 September 2014:	Tuesday 28 October 2014

Duffel
Notmeir
9.214 m²

Duffel
Stocletlaan
23.386 m²

PROPERTY REPORT

Composition of the portfolio

31 December 2013

Regions	Office space (m²)	Storage and other space (m²)	Fair value (€ 000)	Invest-ment value (€ 000)	Commercial rental income/ year (€ 000)	Commercial rental income + rent-vacancy/ year (€ 000)	Occupancy rate (%)
Offices							
Brussels	82.569	4.912	127.210	130.390	11.176	12.916	87 %
E 19 (incl. Malines)	99.674	14.549	170.166	174.420	12.366	15.764	78 %
Antwerp	26.219	1.746	40.127	41.130	3.360	4.013	84 %
Total offices	**208.462**	**21.207**	**337.503**	**345.940**	**26.902**	**32.693**	**82 %**
Logistic properties							
Antwerp (incl. Malines) (A12, E19)	7.684	162.208	107.905	110.602	6.918	8.183	85 %
Antwerp-Liège (E313)	12.585	160.696	116.392	119.302	8.285	8.448	98 %
Brussels	5.526	26.060	18.909	19.382	1.394	1.544	90 %
Total logistic properties	**25.795**	**348.964**	**243.206**	**249.286**	**16.597**	**18.175**	**91 %**
TOTAL INVESTMENT PROPERTIES	**234.257**	**370.171**	**580.709**	**595.226**	**43.499**	**50.868**	**86 %**

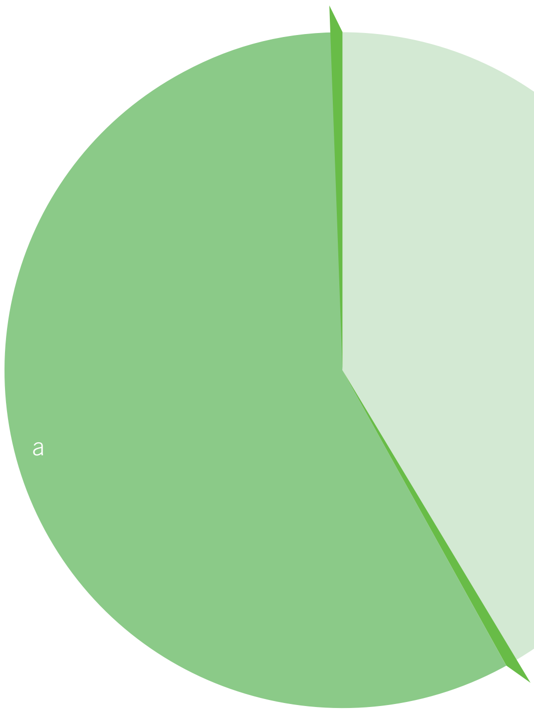
On 31 December 2013 the real estate portfolio has a surface area of 604.428 m².

The decrease of the total leasable space of 9.880 m² compared to the end of 2012 results on the one hand from the sale of the building in Kortenberg and on the other from some limited adjustments of the surface spaces of the buildings after new measurements of the entire portfolio.

Sky Building
5.727 m²
Antwerp

Oevel 1 - 28.919 m²

Nature of the portfolio

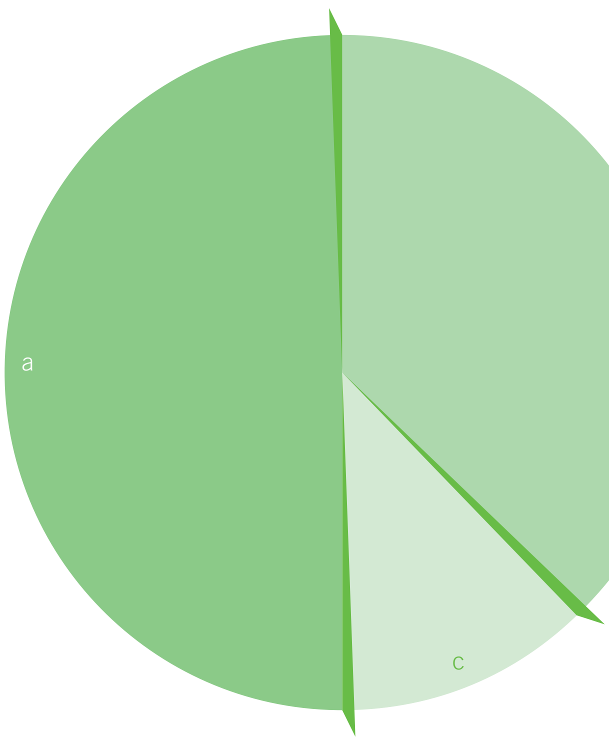


a 58 % Offices
b 42 % Logistic properties

On 31 December 2013, the portfolio consists of 58 % offices and 42 % logistic properties, which is a slight change compared to the situation on 31 December 2012 (61 % offices and 39 % logistic properties) through, on the one hand, the sale of the building in Kortenberg, largely compensated on the other hand by the decrease in fair value of the office portfolio and on the other hand an increase in fair value of the logistic portfolio.

Geographic spread of the portfolio

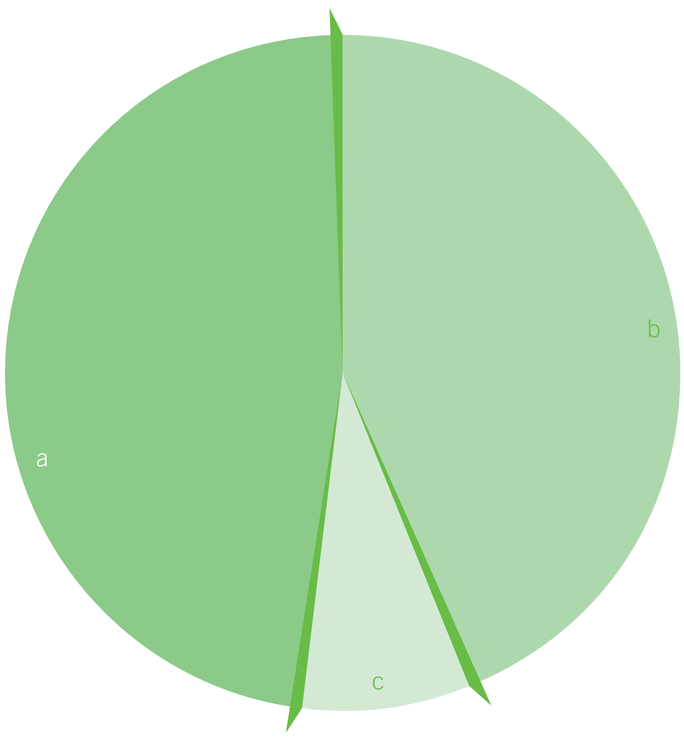
Offices



a 50 % E19 (incl. Malines)
b 38 % Brussels
c 12 % Antwerp

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



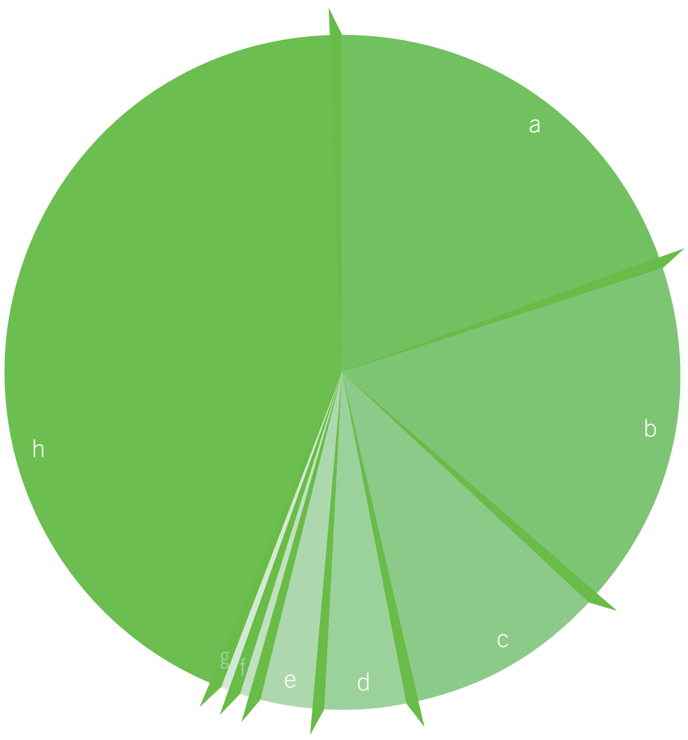
a 48% Antwerp-Liège (E313,E34,E314)
b 44% Antwerp-Malines (A12,E19)
c 8 % Brussels

92 % of the logistic portfolio is located on the Antwerp-Malines axis (primarily the E19 and A12) and Antwerp-Liège (E313) which are the most important logistic axes in Belgium. 8 % of the properties are in the centre of the country, in the area of Brussels.

Herentals Logistics 2
50.912 m²

Sectoral spread of the portfolio

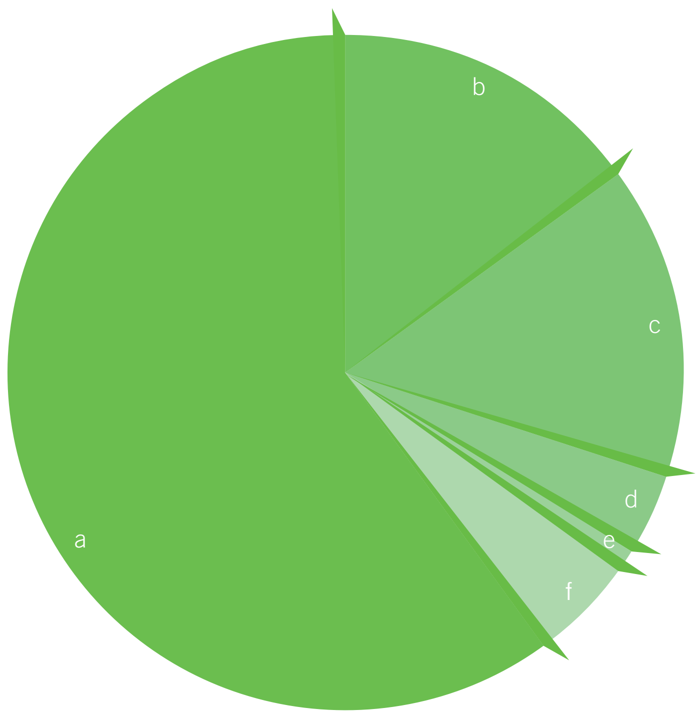
Offices



a	●	20%	Technology, research & development
b	●	17%	Healthcare
c	●	10 %	Trade
d	●	4 %	Automobile industry
e	●	3 %	Financial services
f	●	1 %	Construction
g	●	1 %	Mail & Telecommunication
h	●	44%	Other services

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.

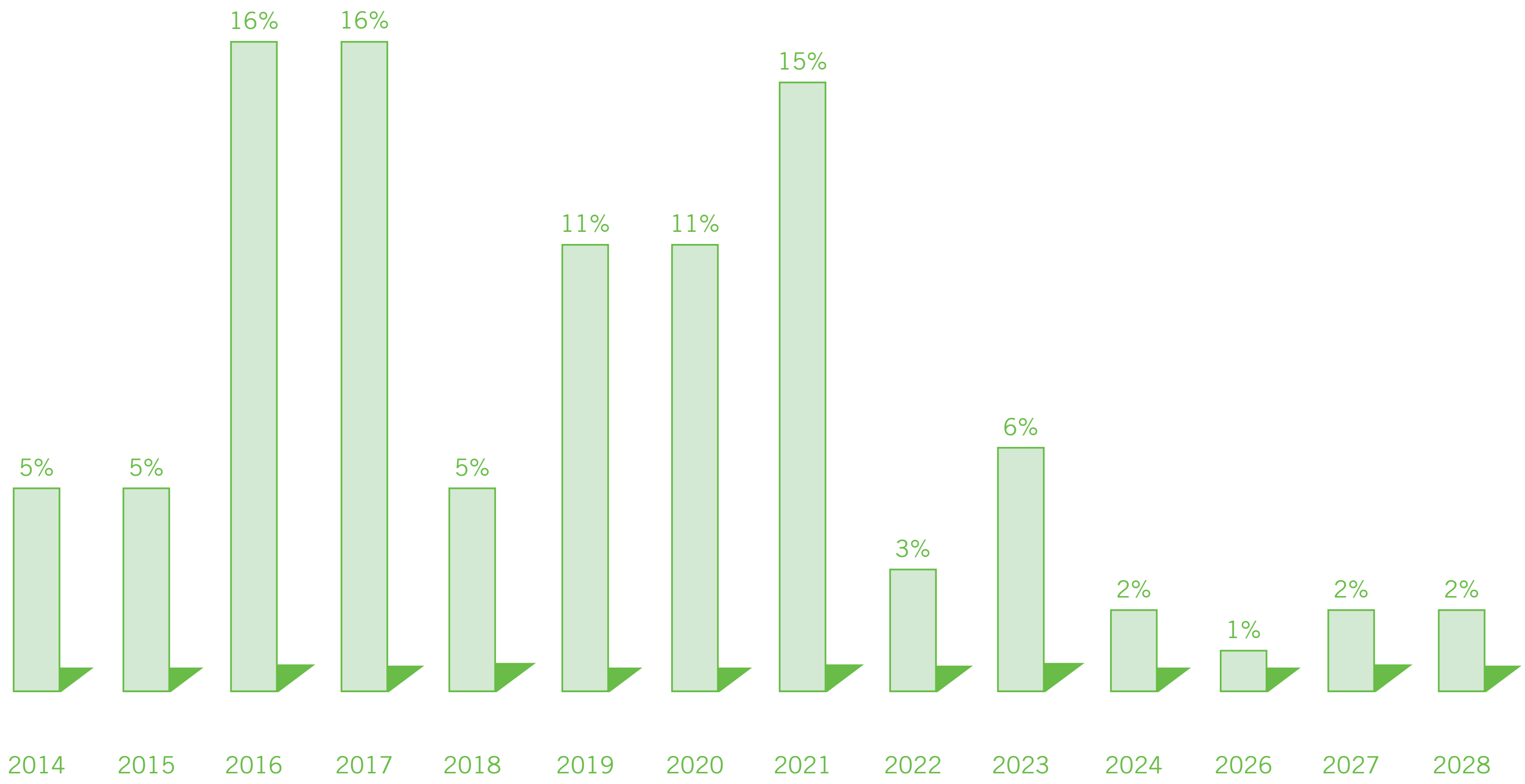
Logistic properties



a	●	60 %	Logistics
b	●	15 %	Trade
c	●	15 %	Production
d	●	4 %	Automobile Industry
e	●	1 %	Mail & Telecommunication
d	●	5 %	Other services

Approximately 40 % 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

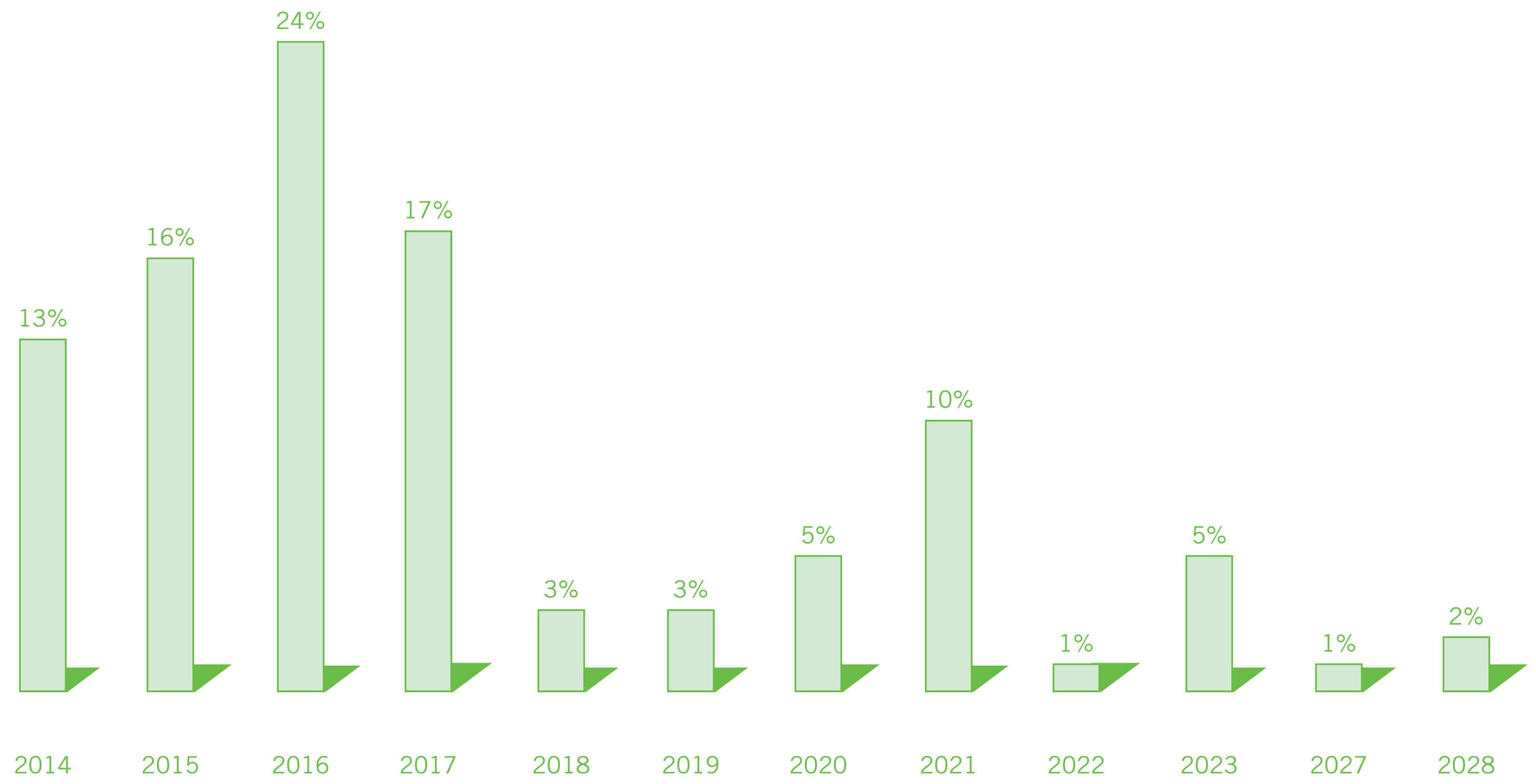


The expiry dates are well spread over the coming years. Only 10 % of the lease contracts has an expiry date in the coming 2 years. In 2016, 16 % reach the expiry date, mainly through the expiry of one of the contracts of Deloitte in Diegem (4 %), through the expiry of Hewlett- Packard Belgium in Malines (6 %) and of Neovia in Houthalen (3 %). In the first quarter of 2014 a new lease agreement has been concluded with Hewlett-Packard Belgium taking effect at the end of the existing property lease in March 2016. The new lease contract runs until 2025 so that currently only 10 % of the agreements expire in 2016 and 6 % in 2025.

In 2017 also 16 % reach the expiry date as a result of the termination of the second contract of Deloitte in Diegem (4 %) and through the expiry of Fiege in Puurs (5 %) and PGZ in Wommelgem (3 %). With most of these tenants discussions and negotiations are ongoing regarding the prolongation of the agreements.

Exiten
3.628 m²
Zellik

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

This graph shows the hypothetical scenario on 31 December 2013 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.

Furthermore, the property investment fund has prolonged in the first quarter of 2014 the lease agreements with three important tenants resulting in a shift of the first interim expiry date of the agreements in the entire portfolio.

- Hewlett-Packard Belgium (6 %) has concluded a lease agreement taking effect at the end of the existing property lease in March 2016. The new agreement runs until 2025, with break options in 2019 and 2022.

- Nike Europe (5 %) in Herentals Logistics 2 has concluded an agreement to cancel the interim expiry date so that the agreement currently has a fixed duration partly till 31 August 2018 and partly till 31 January 2019.

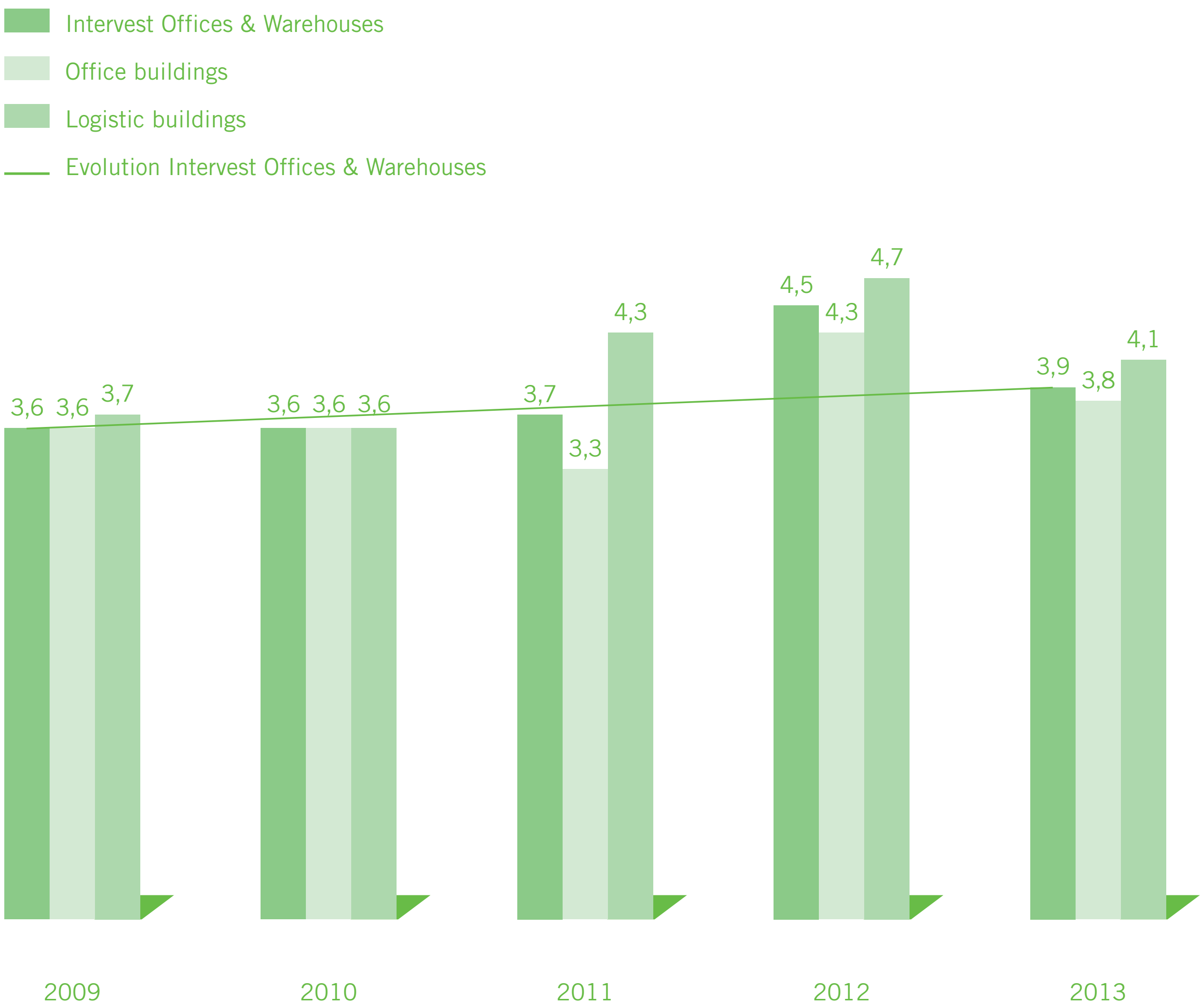
- CEVA Logistics Belgium (3 %) in Boom Krekelenberg has concluded an agreement to cancel an interim expiry date in 2014 so that the next interim expiry date falls on 31 December 2016.

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.

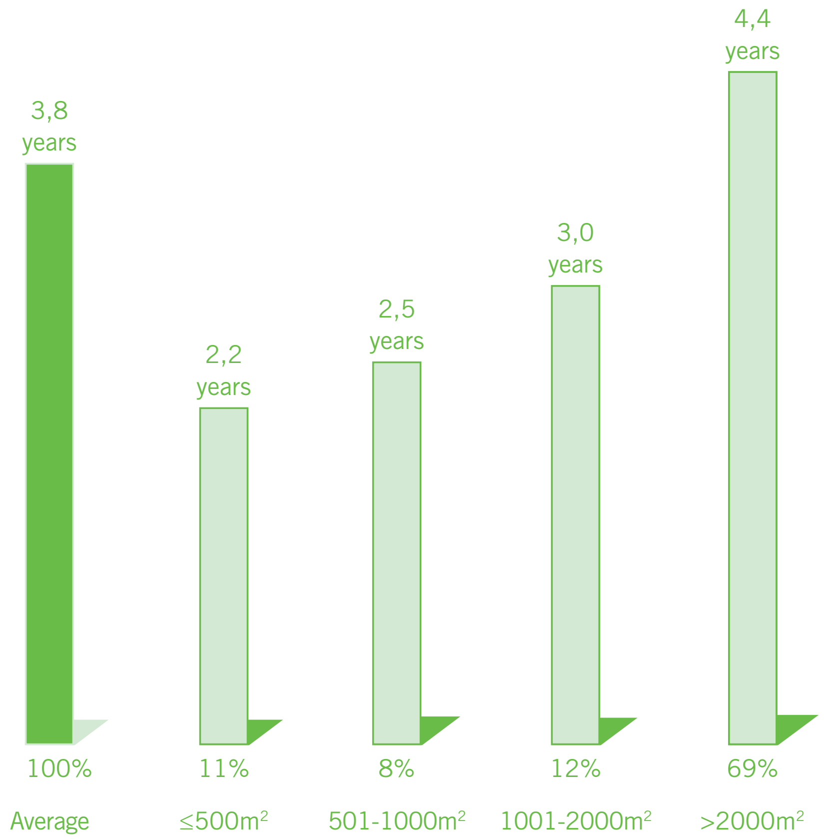
On 31 December 2013, the average remaining duration till the next expiry date is 3,9 years (4,5 years on 31 December 2012), mainly because the next expiry date is coming closer and through the sale of the building in Kortenberg. For offices there is a decrease from 4,3 years to 3,8 years and for the logistic properties from 4,7 years to 4,1 years, also because the next expiry date of a number of contracts, not yet prolonged, is coming closer.

Through the prolongation of the lease agreements with three important tenants (Hewlett-Packard Belgium in Malines, Nike Europe in Herentals and CEVA Logistics Belgium in Boom) in the first quarter of 2014, the average duration of the lease contract till the next expiry date increases from 3,9 years on 31 December 2013 to 4,3 years. For the office portfolio the prolongation of the contract with Hewlett-Packard Belgium represents an increase of the average duration from 3,8 years on 31 December 2013 to 4,1 years. For the logistic real estate the average duration of the lease contracts increases from 4,1 years on 31 December 2013 to 4,7 years.



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

On 31 December 2013, the average remaining duration of the lease contracts in the office portfolio is 3,8 years compared to 4,3 years on 31 December 2012. For spaces above 2.000 m² it is 4,4 years (compared to 5,0 years on 31 December 2012).

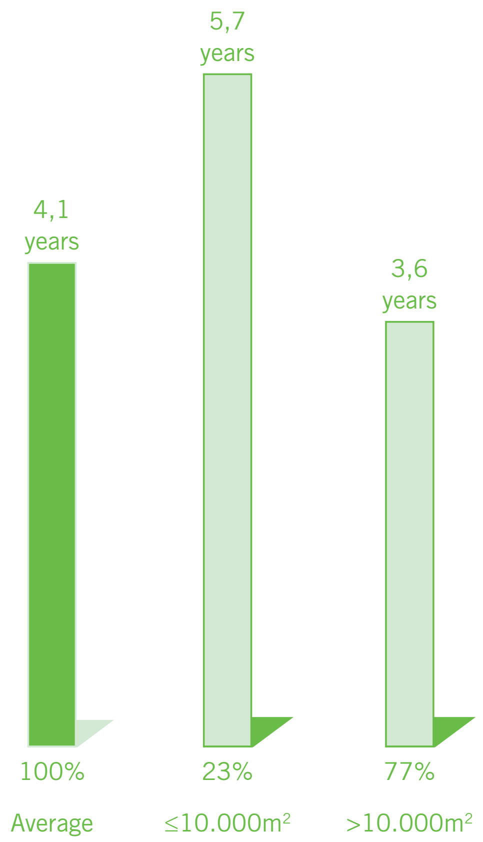


For offices, the average rental period until the next expiry date is 3,8 years on 31 December 2013 compared to 4,3 years on 31 December 2012. The graph shows clearly that the average rental period increases as the tenant leases a bigger space. For large office tenants (above 2.000 m²) comprising 69 % of the office portfolio and having a great impact on the recurring rental income, the next expiry date is only in 4,4 years.

Through the prolongation of the agreement with Hewlett-Packard Belgium in the first quarter of 2014 the average duration increases from 3,8 years on 31 December 2013 to 4,1 years. For office space of more than 2.000 m² the average duration of the lease contracts becomes 4,8 years compared to 4,4 years on 31 December 2013.

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

For the logistic portfolio, the average remaining duration of the lease contracts is 4,1 years.

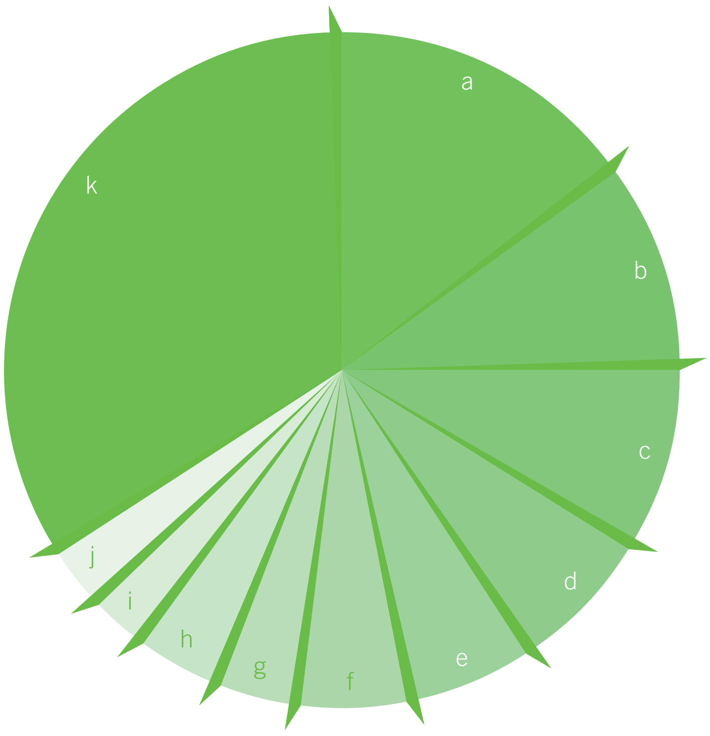


For the logistic properties the average duration of the lease contracts until the next expiry date is 4,1 years on 31 December 2013 compared to 4,7 years on 31 December 2012. This decrease is due mainly to the sale of the building in Kortenberg.

For important tenants (above 10.000 m² in storage halls) the next expiry date is within 3,6 years (4,9 years on 31 December 2012). The share of these tenants (above 10.000 m²) has decreased from 81 % on 31 December 2012 to 77 % on 31 December 2013. This is also due to the sale of the building in Kortenberg.

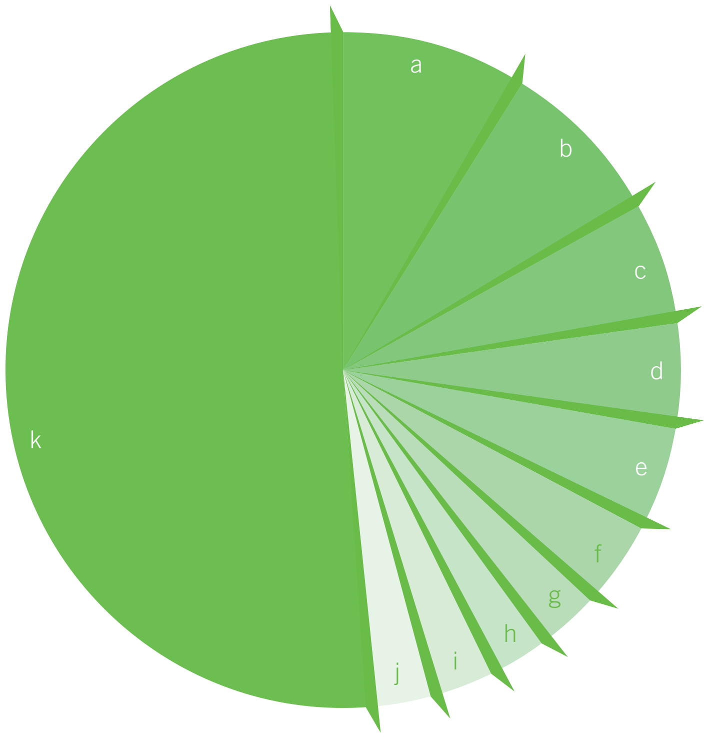
Due to the prolongations with Nike Europe and CEVA Logistics Belgium in the first quarter of 2014, the average duration of the lease contracts goes from 4,1 years on 31 December 2013 to 4,7 years. For important tenants (above 10.000 m² in storage halls) the average duration increases due to these two prolongations from 3,6 years on 31 December 2013 to 4,4 years.

Risk spread of buildings by size[22]



a	15 %	Mechelen Campus
b	10 %	Intercity Business Park
c	9 %	Herentals Logistics 1 & 2
d	7 %	Woluwe Garden
e	6 %	Oevel 1, 2 & 3
f	5 %	Puurs Logistic Center
g	4 %	Mechelen Business Tower
h	4 %	Wilrijk Neerland 1 & 2
i	3 %	Gateway House
j	3 %	Wommelgem Koralenhoeve
k	34 %	Other

Risk spread by tenants[23]



a	9 %	Deloitte
b	8 %	PricewaterhouseCoopers
c	6 %	Hewlett-Packard Belgium
d	5 %	Nike Europe
e	5 %	Fiege
f	4 %	UTi Belgium
g	3 %	Pharma Logistics
h	3 %	PGZ Retail Concept
i	3 %	Biocartis
j	3 %	Ceva Logistics Belgium
k	51%	Other

Intervest Offices & Warehouses has 17 office locations and 21 logistic properties in portfolio.

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 58.107 m² and eleven buildings. Woluwe Garden and Intercity Business Park are also complexes consisting of different buildings that can be sold separately.

Tenants a, b, c and i (26 %) are part of the office segment. Tenant d till h and j (23 %) are part of the logistic segment.

The rental income of Intervest Offices & Warehouses is spread over 174 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 49 % of the rental income and are all prominent companies in their sector and part of international groups.

22 Classification according to the value of the buildings.

23 Classification according to the annual rental income.

Average duration of the portfolio - risk management

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

Specifically for 2013, 31 contracts reached their first date of maturity. Of these, only 39 % have been terminated (i.e. 12 tenants out of a total of 31 tenants). This is higher than in 2012 (6 on 26 tenants or 24 %). The proportion, calculated in rental income, of tenants that terminated their lease contract is only 26 % compared to 40 % in 2012.

In 2013, 41 contracts of more than € 50.000 annual rental income reached their date of maturity (end of contract or interim date of maturity). Of these, 26 contracts have been prolonged (63 %), which is a slight decrease compared to 2012 (68 %). The proportion, calculated again in rental income, of prolongations is notably higher and reaches 83 % compared to only 65 % in 2012.

The above figures indicate that the market has behaved in a more or less stable manner in 2013 as compared to 2011 and 2012, 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 2013, Intervest Offices & Warehouses has assisted in some cases new and existing tenants 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 15 people, are of central importance.

Inter Access Park
6.391 m²
Dilbeek

Overview of the portfolio

Total portfolio	31.12.2013	31.12.2012[24]	31.12.2011	31.12.2010	31.12.2009
Fair value of investment properties (€ 000)	580.709	581.280	581.305	526.680	540.817
Investment value of investment properties (€ 000)	595.226	595.812	595.919	539.929	554.423
Current rents (€ 000)	43.499	45.359	43.651	39.453	42.043
Yield on investment value (%)	7,3 %	7,6 %	7,3 %	7,3 %	7,6 %
Current rents, including estimated rental value of vacant properties (€ 000)	50.868	52.674	50.576	46.586	47.835
Yield if fully let on investment value (%)	8,5 %	8,8 %	8,5 %	8,6 %	8,6 %
Total leasable space (m^2)	604.428	614.308	627.096	535.420	540.770
Occupancy rate (%)	86 %	86 %	86 %	85 %	88 %

Per segment

Offices	31.12.2013	31.12.2012[25]	31.12.2011	31.12.2010	31.12.2009
Fair value of investment properties (€ 000)	337.503	351.854	370.410	363.356	378.683
Investment value of investment properties (€ 000)	345.940	360.650	379.670	372.440	388.150
Current rents (€ 000)	26.902	28.344	27.450	28.186	30.862
Yield on investment value (%)	7,8 %	7,9 %	7,2 %	7,6 %	8,0 %
Current rents, including estimated rental value of vacant properties (€ 000)	32.693	33.544	32.805	33.178	34.358
Yield if fully let on investment value (%)	9,5 %	9,3 %	8,6 %	8,9 %	8,9 %
Total leasable space (m^2)	229.669	231.109	231.109	231.109	236.459
Occupancy rate (%)	82 %	85 %	84 %	85 %	90 %

Logistic properties	31.12.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009
Fair value of investment properties (€ 000)	243.206	229.426	210.895	163.324	162.134
Investment value of investment properties (€ 000)	249.286	235.162	216.249	167.489	166.273
Current rents (€ 000)	16.597	17.015	16.201	11.267	11.181
Yield on investment value (%)	6,7 %	7,2 %	7,5 %	6,7 %	6,7 %
Current rents, including estimated rental value of vacant properties (€ 000)	18.175	19.130	17.771	13.408	13.477
Yield if fully let on investment value (%)	7,3 %	8,1 %	8,2 %	8,0 %	8,1 %
Total leasable space (m^2)	374.759	383.199	395.987	304.311	304.311
Occupancy rate (%)	91 %	89 %	91 %	84%	83 %

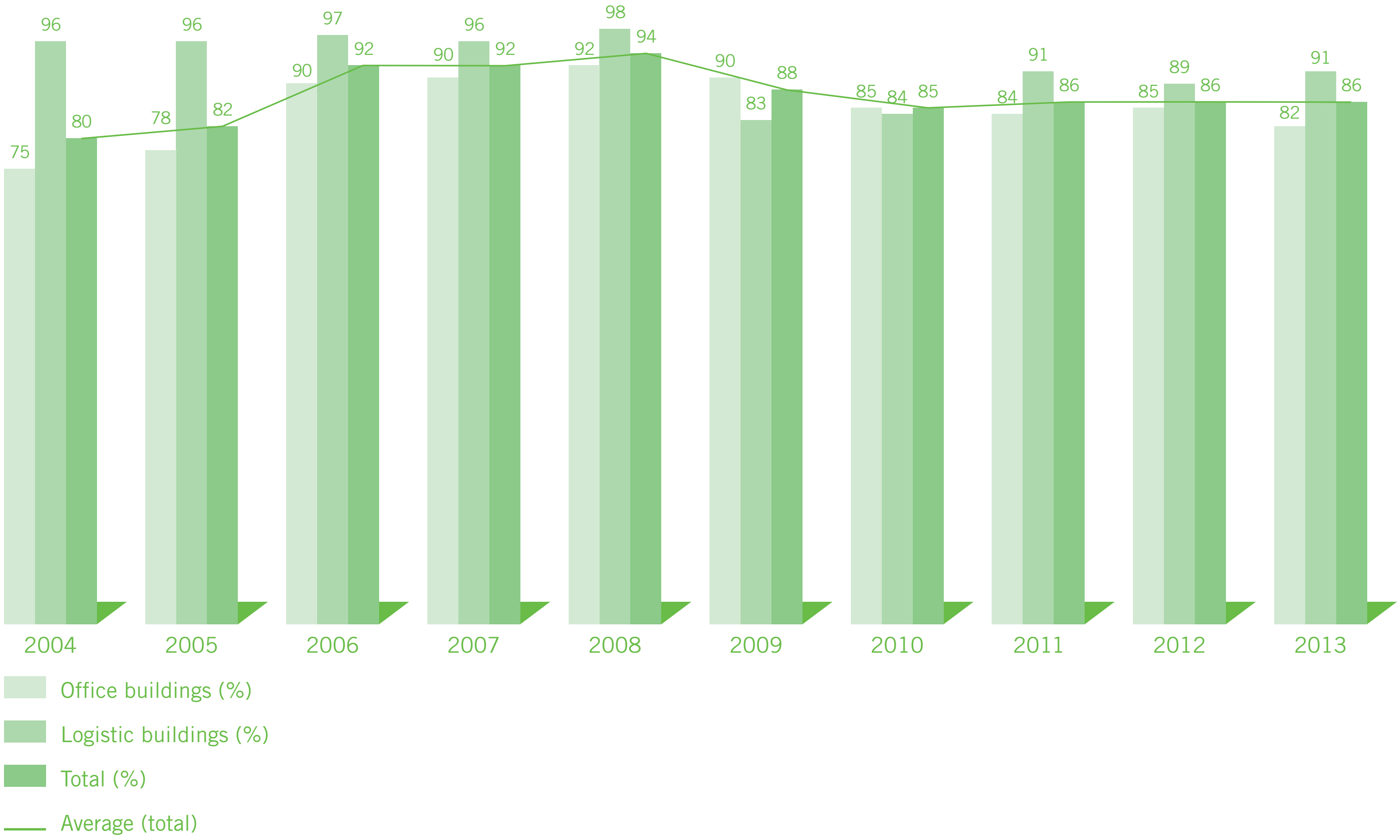
24 This table is a snapshot on 31 December of each financial year. On 31 December 2012 the new lease contract with PwC in Woluwe Garden was incorporated in the investment value of investment properties, but not yet in the current rents as the lease contract only started on 1 January 2013. Current rents, adjusted for the new lease contract would amount to € 44,7 million so that the yield of the real estate portfolio would amount to 7,5 % on 31 December 2012. Current rents including the estimated rental value of vacant properties, would after the adjustment for the new lease contract amount to € 52,0 million, generating a yield if fully let of 8,7 % on 31 December 2012.

25 This table is a snapshot on 31 December of each financial year. On 31 December 2012 the new lease contract with PwC in Woluwe Garden was incorporated in the investment value of investment properties, but not yet in the current rents as the lease contract only started on 1 January 2013. Current rents for the office segment, adjusted for the new lease contract would amount to € 27,7 million so that the yield of the real estate portfolio would amount to 7,7 % on 31 December 2012. Current rents in the office segment, including the estimated rental value of vacant properties, would after the adjustment for the new lease contract amount to € 32,9 million, generating a yield if fully let of 9,1 % on 31 December 2012.

Occupancy rate

The occupancy rate of the real estate portfolio of Intervest Offices & Warehouses has remained unchanged compared to 31 December 2012 and amounts to 86 %. The average occupancy rate of the real estate portfolio of Intervest Offices & Warehouses over the past ten years from 2004 till 2013 is 87 % with a maximum of 94 % (on 31 December 2008) and with a minimum of 80 % (on 31 December 2004).

Occupancy rate on 31 December



Sensitivity analysis

On 31 December 2013 the rental yield of the total portfolio amounts to 7,3 %.

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 7,3 % to 8,3 % on average), the fair value of the real estate portfolio would decrease by € 70 million or 12 %. That would increase the debt ratio of the property investment fund by 7 % to approximately 55 %.

In the opposite case of a hypothetical positive adjustment of this yield by 1 % (from 7,3 % to 6,3 % on average), the fair value of the real estate portfolio would increase by € 92 million or 16 %. That would reduce the debt ratio of the property investment fund by 7 % to approximately 42 %.

Valuation of the portfolio by property experts

On 31 December 2013, 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
- Stadim, represented by Philippe Janssens

Valuer	Valued properties	Fair value (€ 000)	Investment value (€ 000)
Cushman & Wakefield	Office buildings	337.503	345.940
Stadim	Logistic properties	243.206	249.286
TOTAL		**580.709**	**595.226**

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

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

The investment value is calculated on the basis of the actualised value of the future net rental income of each property. For each property the annual expected costs and provisions, the current lease contracts, the realisation period for renovation or construction works, their repercussion on the effective collection term of rents are taken into account. This rental income, as well as the resale value less transaction costs, is actualised (discounted cash flow) on the basis of the capital market interest rates, increased by a margin that is specific to investment property (liquidity margin). The impact of the changing interest rates and the expected inflation are thus adjusted on a conservative way in the valuation.

Krekelenberg
24.721 m²
Boom

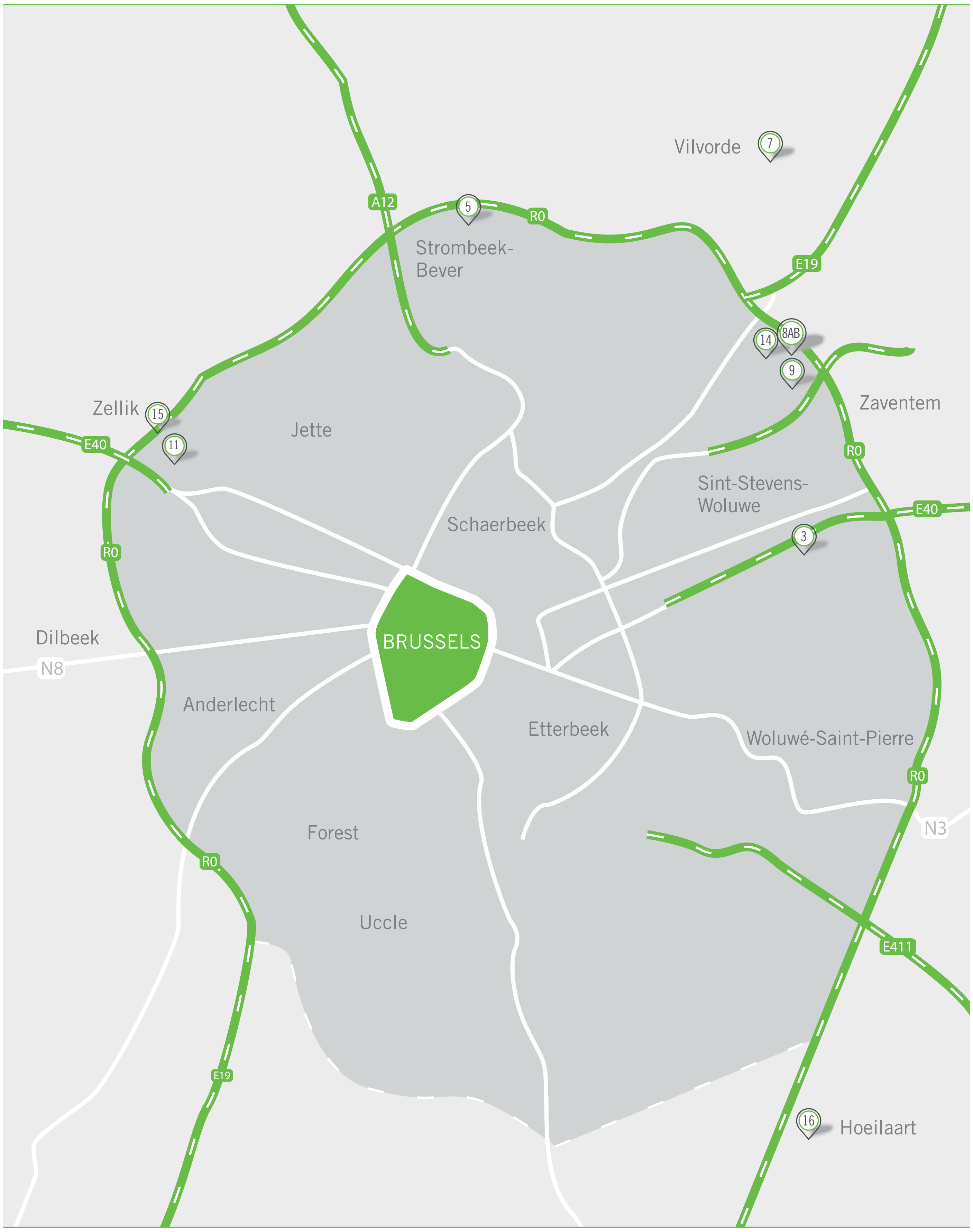
Description of the office portfolio[26]

Office locations in Belgium

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

(26) Classification according to the surface area of the buildings.

Office locations in the Brussels periphery



3 Woluwe Garden
5 Brussels 7
7 3T Estate
8A Diegem Campus 2
8B Diegem Campus 1
9 Park Station
11 Inter Acces Park
14 Hermes Hills
15 Exiten
16 Park Rozendal

1

Mechelen Campus

Schaliënhoevedreef 20 A - J and T
2800 Malines

SPACE	58.107 m²
YEAR OF CONSTRUCTION	2000 - 2007

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

2

Intercity Business Park

Generaal De Wittelaan 9 - 21
2800 Malines

SPACE	42.542 m²
YEAR OF CONSTRUCTION	1993 - 2000

MAIN TENANTS
Biocartis, SGS Belgium, Galapagos, LabCorp, Fanuc Robotics Benelux, Electro Rent Europe, Hammer Belgium, PAB Benelux, Logins, SMA Benelux, 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

3

Woluwe Garden

Woluwedal 18-22
1932 Sint-Stevens-Woluwe

SPACE	24.460 m²
YEAR OF CONSTRUCTION	2000

TENANT
PricewaterhouseCoopers


←F-G-H
←I-J-T
C-D-E→

4 Mechelen Business Tower

Blarenberglaan 2C
2800 Malines

SPACE	13.574 m²
YEAR OF CONSTRUCTION	2001

Property lease with Hewlett-Packard Belgium till 31 March 2016

5 Brussels 7

Nijverheidslaan 1 - 5 / Ringlaan 39
1853 Strombeek-Bever

SPACE	11.182 m²
YEAR OF CONSTRUCTION	1999 - 2002

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

6 Gateway House

Brusselstraat 59 /
Montignystraat 80
2018 Antwerp

SPACE	11.171 m²
YEAR OF CONSTRUCTION	1993 - 1994
YEAR OF RENOVATION	2003

TENANTS
Kuwait Petroleum, DLA Piper, Apcoa Belgium, Karel de Grote Hogeschool

7

3T Estate

Luchthavenlaan 25
1800 Vilvorde

SPACE	8.904 m²
YEAR OF CONSTRUCTION	1998

TENANTS
Ingram Micro, Fleet Logistics Belgium, Tempo-Team Projects, SD Worx, Health Connect

8A

Diegem Campus 2

Berkenlaan 8 a
1831 Diegem

SPACE	8.840 m²
YEAR OF CONSTRUCTION	2000

Property lease with Deloitte till 1 January 2016

8B

Diegem Campus 1

Berkenlaan 8 b
1831 Diegem

SPACE	8.792 m²
YEAR OF CONSTRUCTION	2001 - 2002

Property lease with Deloitte till 1 January 2017


Deloitte

9 Park Station

Woluwelaan 148 - 150
1831 Diegem

SPACE	8.782 m²
YEAR OF CONSTRUCTION	2000

TENANTS
EURid, CED International, RAM Mobile Data

10 De Arend

Prins Boudewijnlaan 45 - 49
2650 Edegem

SPACE	6.929 m²
YEAR OF CONSTRUCTION	1997

TENANTS
Technicolor, Euromex, Cheops Technology, Nedelko Belgium

11 Inter Access Park

Pontbeekstraat 2 & 4
1700 Dilbeek (Groot-Bijgaarden)

SPACE	6.391 m²
YEAR OF CONSTRUCTION	2000

TENANTS
Edwards Lifesciences, Mitiska Ventures, KBC Bank, Commercial Finance Group, Phadia, Allegion, Systech, Rooryck & Co, Amplifon, Sabre


technicolor

12

Sky Building

Uitbreidingstraat 66
2600 Berchem

SPACE	5.727 m²
YEAR OF CONSTRUCTION	1988
YEAR OF RENOVATION	2006

TENANTS
Givi, LeasePlan Fleet Management, Nationale Borg Maatschappij, Carlson Wagonlit Belgium, VTG Benelux, RSA Global, SKS, Bruidmedia

13

Aartselaar

Kontichsesteenweg 54
2630 Aartselaar

SPACE	4.138 m²
YEAR OF CONSTRUCTION	2000

Property lease with Invensys Systems till 30 November 2015

14

Hermes Hills

Berkenlaan 6
1831 Diegem

SPACE	3.672 m²
YEAR OF CONSTRUCTION	1990

TENANT
Deloitte

15

Exiten

Zuiderlaan 91
1731 Zellik

SPACE	3.628 m²
YEAR OF CONSTRUCTION	2002

TENANTS
Gras Savoye Belgium, Rexel Belgium, IFM Electronic Belgium

16

Park Rozendal

Terhulpsesteenweg 6A
1560 Hoeilaart

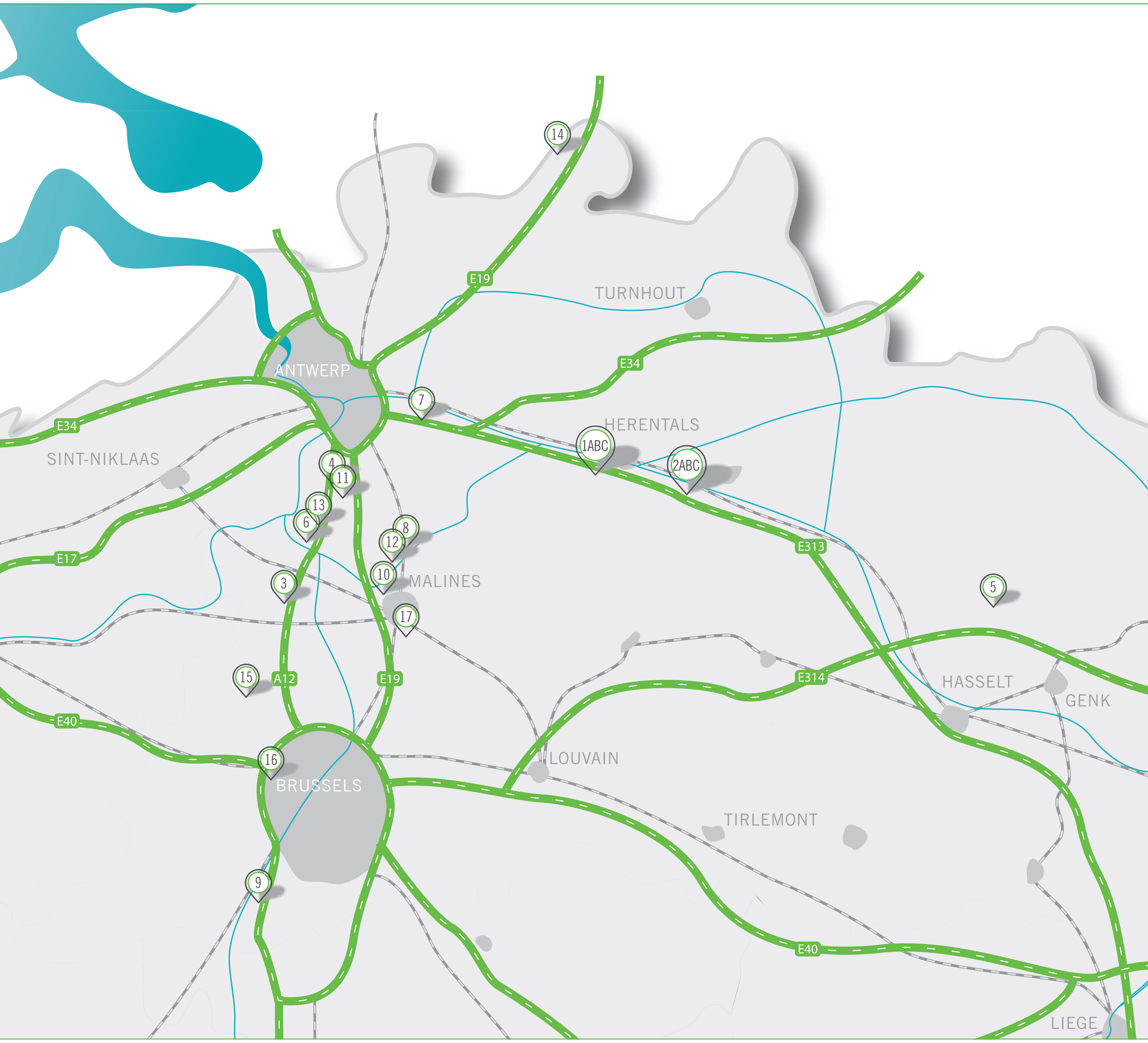
SPACE	2.830 m²
YEAR OF CONSTRUCTION	1994
YEAR OF RENOVATION	2006

TENANTS
Mylan, Sysmex


GRAS SAVOYE

Description of the logistic properties[27]

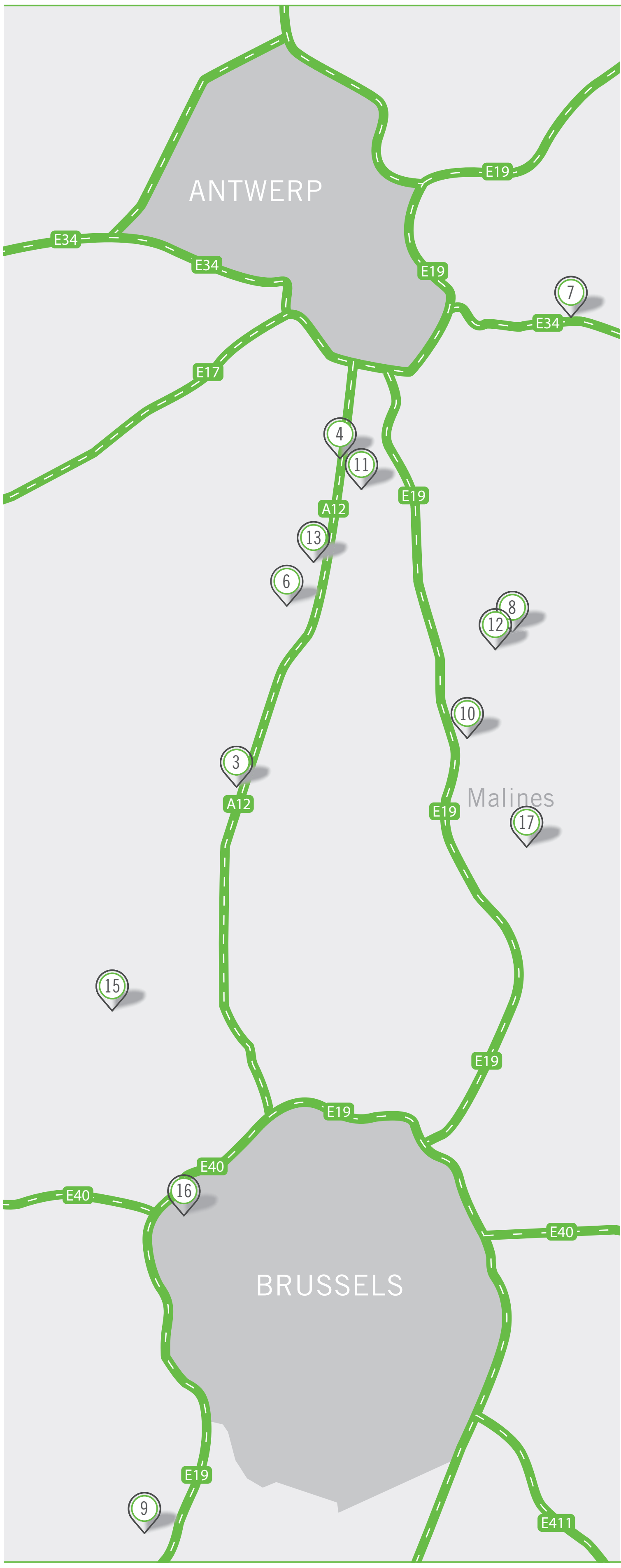
Location of the logistic properties in Belgium



1A	Herentals Logistics 1	4	Wilrijk Neerland 1 and 2	11	Aartselaar
1B	Herentals Logistics 2	5	Houthalen	12	Duffel Notmeir
1C	Herentals Logistics 3	6	Krekelenberg	13	Schelle
2A	Oevel 1	7	Koralenhoeve	14	Transportzone Meer
2B	Oevel 2	8	Duffel Stocletlaan	15	Merchtem
2C	Oevel 3	9	Huizingen	16	Berchem Technology Center
3	Puurs Logistic Center	10	Oude Baan	17	Ragheno

(27) Classification according to the surface area of the buildings.

Location of the logistic properties on the axis Antwerp - Brussels



3	Puurs Logistic Center	11	Aartselaar
4	Wilrijk Neerland 1 and 2	12	Duffel Notmeir
6	Krekelenberg	13	Schelle
7	Koralenhoeve	15	Merchtem
8	Duffel Stocletlaan	16	Berchem Technology Center
9	Huizingen	17	Ragheno
10	Oude Baan		

1A

Herentals Logistics 1

Atealaan 34
2200 Herentals

SPACE OFFICES	2.338 m²
SPACE STORAGE HALL	15.008 m²
YEAR OF CONSTRUCTION	1977
YEAR OF RENOVATION	2010-2012

TENANTS
Yusen Logistics, Kreate

1B

Herentals Logistics 2

Atealaan 34c
2200 Herentals

SPACE OFFICES	2.136 m²
SPACE STORAGE HALL	48.776 m²
YEAR OF CONSTRUCTION	2008 and 2011

TENANT
Nike Europe

1C

Herentals Logistics 3

Atealaan 34b
2200 Herentals

SPARE LAND	32.100 m²

The 3D image is an artist impression of the future potential project.


SCHENKER

2A

Oevel 1

Nijverheidsstraat 11
2260 Oevel

SPACE OFFICES	2.044 m²
SPACE STORAGE HALL	26.875 m²
YEAR OF CONSTRUCTION	2007

TENANTS
UTi Belgium, Seal For Life Industries

2B

Oevel 2

Nijverheidsstraat 9
2260 Oevel

SPACE OFFICES	3.233 m²
SPACE STORAGE HALL	8.946 m²
YEAR OF RENOVATION	2004

TENANT
Estée Lauder

2C

Oevel 3

Nijverheidsstraat 9a
2260 Oevel

SPACE STORAGE HALL	5.036 m²
YEAR OF CONSTRUCTION	2013

TENANT
UTi Belgium


ESTÉE LAUDER

3

Puurs Logistic Center

Veurtstraat 91
2870 Puurs

SPACE OFFICES	1.657 m²
SPACE STORAGE HALL	41.877 m²
YEAR OF CONSTRUCTION	2001

TENANT
Fiege

4

Wilrijk Neerland 1 and 2

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

SPACE OFFICES	1.116 m²
SPACE STORAGE HALL	28.423 m²
YEAR OF CONSTRUCTION	1986 and 1989
YEAR OF RENOVATION	2013 (Neerland 1)

TENANTS
Peugeot, Post NL, Transport Cordier

5

Houthalen

Europark 1026
3530 Houthalen

SPACE OFFICES	740 m²
SPACE STORAGE HALL	26.255 m²
YEAR OF CONSTRUCTION	2001

TENANT
Neovia Logistic Services International


FIEGE


PEUGEOT
OPEN


CAT
← Entrance
↑ Visitor
Parking

6

Krekelenberg

Industrieweg 18
2850 Boom

SPACE OFFICES	787 m²
SPACE STORAGE HALL	23.934 m²
YEAR OF CONSTRUCTION	2000

TENANT
CEVA Logistics

7

Koralenhoeve

Koralenhoeve 25
2160 Wommelgem

SPACE OFFICES	1.811 m²
SPACE STORAGE HALL	22.369 m²
YEAR OF CONSTRUCTION	1998

TENANT
PGZ Retail Concept

8

Duffel Stocletlaan

Stocletlaan 23
2570 Duffel

SPACE OFFICES	226 m²
SPACE STORAGE HALL	23.160 m²
YEAR OF CONSTRUCTION	1998

TENANTS
Iron Mountain Belgium, Sofidel


PGZ
SAM
Massive


zczecin - Poland

9

Huizingen

Gustave Demeurslaan 69/71
1654 Huizingen

SPACE OFFICES	2.105 m²
SPACE STORAGE HALL	15.373 m²
YEAR OF CONSTRUCTION	1987 - 1993
	(afterwards several renovations)

TENANT
Pharma Logistics (DHL)

10

Intercity Industrial Park / Oude Baan

Oude Baan 12
2800 Malines

SPACE OFFICES	411 m²
SPACE STORAGE HALL	14.930 m²
YEAR OF CONSTRUCTION	1999
YEAR OF RENOVATION	2004

TENANT
Pharma Logistics (DHL)

11

Aartselaar

Dijkstraat 1A
2630 Aartselaar

SPACE OFFICES	939 m²
SPACE STORAGE HALL	8.926 m²
YEAR OF CONSTRUCTION	1994

TENANT
Party Rent / Expo Rent


PHARMA LOGISTICS

12

Duffel Notmeir

Walemstraat 94
2570 Duffel

SPACE OFFICES	228 m²
SPACE STORAGE HALL	8.986 m²
YEAR OF CONSTRUCTION	1995

13

Schelle

Molenberglei 8
2627 Schelle

SPACE OFFICES	1.728 m²
SPACE STORAGE HALL	6.595 m²
YEAR OF CONSTRUCTION	1993

TENANTS
Meiko, Trafuco, Vereniging voor Verkeersveiligheid, SD Worx

14

Transportzone Meer

Riyadhstraat
2321 Meer

SPACE OFFICES	283 m²
SPACE STORAGE HALL	7.431 m²
YEAR OF CONSTRUCTION	1990

TENANT
VPK Packaging


Vos Logistics
Vos Logistics

15

Merchtem

Preenakker 20
1785 Merchtem

SPACE OFFICES	1.075 m²
SPACE STORAGE HALL	6.193 m²
YEAR OF CONSTRUCTION	1992 (extension in 2002)

TENANT
WAMO (ZEB)

16

Berchem Technology Center

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

SPACE OFFICES	2.346 m²
SPACE STORAGE HALL	4.494 m²
YEAR OF CONSTRUCTION	1992

TENANTS
Brico Belgium, Vlaamse Gemeenschapscommissie, Jiholabo, Galy Sport

17

Ragheno

Dellingstraat 57
2800 Malines

SPACE OFFICES	592 m²
SPACE STORAGE HALL	5.377 m²
YEAR OF CONSTRUCTION	1998 (extension in 2010)

TENANT
ThyssenKrupp Otto Wolff


Logistiek

FINANCIAL REPORT

INDEX

Consolidated income statement

in thousands €	Note	2013	2012
Rental income	4	39.914	41.207
Rental-related expenses	4	4	49
NET RENTAL INCOME		**39.918**	**41.256**
Recovery of property charges	4	1.269	1.408
Recovery of rental charges and taxes normally payable by tenants on let properties	4	8.880	8.992
Costs payable by tenants and borne by the landlord for rental damage and refurbishment		-379	-652
Rental charges and taxes normally payable by tenants on let properties	4	-8.880	-8.992
Other rental-related income and expenses	4	182	341
PROPERTY RESULT		**40.990**	**42.353**
Technical costs	5	-721	-840
Commercial costs	5	-188	-286
Charges and taxes on unlet properties	5	-777	-981
Property management costs	5	-2.400	-2.293
Other property charges	5	-104	-359
PROPERTY CHARGES		**-4.189**	**-4.759**
OPERATING PROPERTY RESULT		**36.801**	**37.594**
General costs	6	-1.243	-1.628
Other operating income and costs		47	51
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		**35.605**	**36.017**
Result on disposals of investment properties	8	1.947	140
Changes in fair value of investment properties	9	5.465	-13.953
Other result on portfolio	10	429	-730
OPERATING RESULT		**43.446**	**21.474**
Financial income		209	20
Net interest charges	11	-11.207	-11.165
Other financial charges		-6	-11
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	20	2.166	-3.128
FINANCIAL RESULT		**-8.838**	**-14.284**
RESULT BEFORE TAXES		**34.608**	**7.190**
TAXES	12	**-27**	**-35**
NET RESULT		**34.581**	**7.155**
Note:			
Operating distributable result	13	24.574	24.826
Result on portfolio	8-10	7.841	-14.543
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	20	2.166	-3.128
Attributable to:			
Equity holders of the parent company		34.582	7.156
Minority interests		-1	-1

RESULT PER SHARE	Note	2013	2012
Number of shares entitled to dividend	13	14.424.982	14.199.858
Weighted average number of shares	13	14.335.677	14.084.425
Net result (€)	13	2,41	0,51
Diluted net result (€)	13	2,41	0,51
Operating distributable result (€)	13	1,70	1,75

Consolidated statement of comprehensive income

in thousands €	Note	2013	2012
NET RESULT		**34.581**	**7.155**
Other components of comprehensive income (recyclable through income statement)			
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	20	472	32
Transfer to result of hedging instruments becoming ineffective		241	0
COMPREHENSIVE INCOME		**35.294**	**7.187**
Attributable to:			
Equity holders of the parent company		35.295	7.188
Minority interests		-1	-1

Consolidated balance sheet

in thousands €	Note	31.12.2013	31.12.2012
NON-CURRENT ASSETS		**580.986**	**581.588**
Intangible assets		34	45
Investment properties	14	580.709	581.280
Other tangible assets		228	248
Trade receivables and other non-current assets		15	15
CURRENT ASSETS		**7.876**	**12.489**
Assets held for sale	15	0	1.225
Trade receivables	15	3.800	4.860
Tax receivables and other current assets	15	1.654	3.211
Cash and cash equivalents		691	753
Deferred charges and accrued income	15	1.731	2.440
TOTAL ASSETS		**588.862**	**594.077**

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	Note	31.12.2013	31.12.2012
SHAREHOLDERS' EQUITY		**286.521**	**272.356**
Shareholders' equity attributable to the shareholders of the parent company		**286.484**	**272.318**
Share capital	16	131.447	129.395
Share premium	16	65.190	63.378
Reserves		55.265	72.389
Net result of the financial year		34.582	7.156
Minority interests	23	**37**	**38**
LIABILITIES		**302.341**	**321.721**
Non-current liabilities		**226.171**	**260.659**
Non-current financial debts		221.251	252.253
Credit institutions	19	*146.467*	*177.617*
Bond loan		*74.775*	*74.625*
Financial lease		*9*	*11*
Other non-current financial liabilities		4.384	7.780
Other non-current liabilities	20	536	626
Current liabilities		**76.170**	**61.062**
Provisions	17	172	172
Current financial debts	19	61.720	48.018
Credit institutions		*61.712*	*48.012*
Financial lease		*8*	*6*
Other current financial liabilities	20	517	0
Trade debts and other current debts	18	2.921	2.822
Other current liabilities	18	173	354
Accrued charges and deferred income	18	10.667	9.696
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**588.862**	**594.077**

DEBT RATIO in %	Note	31.12.2013	31.12.2012
Debt ratio (max. 65 %)	21	48,7 %	51,2 %

NET ASSET VALUE PER SHARE in €	31.12.2013	31.12.2012
Net asset value (fair value)	19,86	19,18
Net asset value (investment value)	20,87	20,21
Net asset value EPRA	20,20	19,73

Statement of changes in consolidated equity

in thousands €	Share ccapital	Share premium	Legal reserves	Reserve for the balance of changes in fair value of real estate properties	
				Reserve for the balance of changes of investment value of real estate properties	Reserve for the impact on the fair value*
Balance at 31 December 2011	**126.729**	**60.833**	**90**	**85.584**	**-13.248**
Comprehensive income of 2012					
Transfers through result allocation 2011:					
Transfer 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 authorized 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**
Comprehensive income of 2013					
Transfers through result allocation 2012:					
Transfer to the reserves for the balance of changes in investment value of real estate properties				-14.625	
Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties					82
Transfer of changes in fair value of financial assets and liabilities to the reserve for the balance of changes in fair value of authorized hedging instruments not subject to hedge accounting					
Transfer from results carried forward from previous years					
Issue of shares for optional dividend financial year 2012	2.051	1.812			
Dividend financial year 2012					
Balance at 31 December 2013	**131.447**	**65.190**	**90**	**72.204**	**-14.531**

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

	RESERVES								
	Reserve for the balance of changes in fair value of authorized 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**	Net result of the financial year	Minority interests	**TOTAL SHARE-HOLDERS' EQUITY**
	-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**
	713				713	34.582	-1	35.294
					-14.625	14.625		0
					82	-82		0
		-3.128			-3.128	3.128		0
				-23	-23	23		0
								3.863
				-142	-142	-24.850		-24.992
	-180	**-6.888**	**650**	**3.921**	**55.265**	**34.582**	**37**	**286.521**

Consolidated cash flow statement

in thousands €	Note	2013	2012
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		**753**	**407**
1 Cash flow from operating activities		**28.696**	**23.151**
Operating result		**43.446**	**21.474**
Interests paid		**-10.893**	**-10.433**
Other non-operating elements		**2.342**	**-3.154**
Adjustment of result for non-cash flow transactions		**-9.599**	**17.100**
o Depreciations on intangible and other tangible assets		167	159
o Result on disposals of investment properties	8	-1.947	-140
o Changes in fair value of investment properties	9	-5.465	13.953
o Spread of rental discounts and rental benefits granted to tenants	10	243	-730
o Other result on portfolio	10	-429	730
o Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	20	-2.166	3.128
o Other non-cash flow transactions		-2	0
Change in working capital		**3.400**	**-1.836**
Movement of assets			
o Trade receivables		1.456	-28
o Tax receivables and other current assets		1.557	-6
o Deferred charges and accrued income		710	-597
Movement of liabilities			
o Trade debts and other current debts		-555	181
o Other current liabilities		-180	-209
o Accrued charges and deferred income		412	-1.177
2. Cash flow from investment activities		**9.912**	**-11.108**
Acquisitions of investment properties	14	0	-7.966
Investments in existing investment properties	14	-2.565	-5.198
Extensions of existing investment properties	14	-3.145	-1.849
Income/costs from the disposal of investment properties	8	15.759	4.005
Acquisitions of intangible and other tangible assets		-137	-100
3. Cash flow from financing activities		**-38.670**	**-11.697**
Repayment of loans	19	-17.450	-38.033
Drawdown of loans	19	0	45.000
Repayment/recognition of financial lease liabilities	19	-1	-6
Receipts from non-current liabilities as guarantee		-90	191
Dividend paid	13	-21.129	-18.849
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**691**	**753**

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 2013 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 12 March 2014 and will be submitted for approval to the general meeting of shareholders on 30 April 2014.

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 2013.

New and amended standards and interpretations effective in 2013

The IFRS 13 standard - Fair Value Measurement became effective for financial years taking effect on 1 January 2013 or later. This standard has modified the disclosure obligations of the Group as mentioned in note 14 and 20.

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: IAS 27 - Separate Financial Statements (1/1/2013); IAS 28 - Investments in Associates and Joint Ventures (1/1/2013); Amendment IAS 1 - Presentation of Items of Other Comprehensive Income (1/7/2012); Amendments IFRS 7 - Disclosures - Offsetting financial assets and financial liabilities (1/1/2013); Amendment IFRS 1 - Government loans (1/1/2013); Amendment IAS 19 - Employee Benefits (1/1/2013); Improvement of IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34 as a result of the annual improvement project 2009-2011 (1/1/2013); IFRIC 20 - Stripping costs in the production phase of a surface mine (1/1/2013).

New or amended standards and interpretations not yet effective in 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: Amendment IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets (1/1/2014); Amendment IAS 39 Financial instruments - Novation of Derivatives and Continuation of Hedge Accounting (1/1/2014); IFRS 10 - Consolidated Financial Statements (1/1/2014); IFRS 11 - Joint Arrangements (1/1/2014); IFRS 12 - Disclosures of Involvement with Other Entities (1/1/2014); Amendment IAS 19 Employee Benefits - Defined Benefit Plans: Employee Contributions (1/7/2014); Amendment IAS 32 Offsetting financial assets and financial liabilities (1/1/2014); IFRS 9 Financial instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39) (not earlier than 1/1/2017); Amendment IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities en IAS 27 Separate Financial Statements (1/1/2014); Improvement IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and 38, IAS 24 as a result of the annual improvement project project 2010 -2012 (1/7/2014); Improvement IFRS 1, IFRS 3, IFRS 13, IAS 40 as a result of the annual improvement project 2011 -2013 (1/7/2014); IFRIC 21 - Levies (1/1/2014).

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 recognised in the results and first allocated in reduction of the possible goodwill and then to the other assets of the unit, proportional to their carrying amount. An impairment loss recognised on goodwill is not reversed during a subsequent year.

In 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 changes in fair value of investment properties

The result from the disposal of investment properties is equal to the difference between the selling price and the 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 recognised on the balance sheet at fair value. This value is equal to the amount for which a building might be exchanged between knowledgeable, willing parties in normal competitive conditions. From the perspective of the seller, it should be understood as being subject to the deduction of registration taxes.

The Belgian Association of Asset Managers (BEAMA) published a press release on 8 February 2006 with respect to the amounts of these registration fees (see also www.beama.be - publications - press release: “First application of IFRS accounting rules”).

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

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

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

The difference between the fair value of the property and 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 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. Such speical impairment loss is recognised in profit or loss when there is the objective evidence that an asset is impaired. 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 recognised 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 recognised immediately in the income statement.

i. Own shares

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

Provisions

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

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

Post-employment benefits

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

Dividend distribution

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

Events after the balance sheet date

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

Significant valuations and main sources of uncertainty regarding valuations

a. Fair value of investment properties
The fair value of the investment properties of Intervest Offices & Warehouses is valued on a quarterly basis by independent property experts. This valuation of the property experts is meant to determine the market value of a building on a certain date according to the evolution of the market and the characteristics of the relevant buildings. The property experts use the principles described in the chapter "Valuation of the portfolio by property experts" in the Property report and in "Note 14: Non-current assets: investment properties" of the Financial report. The real estate portfolio is recorded in the consolidated annual accounts at fair value determined by the property experts.

b. Financial derivatives
The fair value of the financial derivatives of Intervest Offices & Warehouses is valued on a quarterly basis by the issuing financial institute. A comprehensive description can be found in "Note 20. Financial instruments" in the Financial report.

c. Disputes
The company is, and may in the future be, involved in legal procedures. Intervest Offices & Warehouses is involved on 31 December 2013 in a procedure before the Court of First Instance (see Note 25. Off-balance sheet obligations of the Financial report"). The company estimates that this procedure will not have a significant impact on the results of the property investment fund.

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 properties” 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		Logisitc properties		Corporate		TOTAL	
in thousands €	2013	2012	2013	2012	2013	2012	2013	2012
Rental income	24.502	26.099	15.412	15.108			39.914	41.207
Rental-related expenses	58	-44	-54	93			4	49
NET RENTAL RESULT	**24.560**	**26.055**	**15.358**	**15.201**			**39.918**	**41.256**
Property management costs and income	787	801	285	296			1.072	1.097
PROPERTY RESULT	**25.347**	**26.856**	**15.643**	**15.497**			**40.990**	**42.353**
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**22.579**	**24.005**	**14.361**	**13.766**	**-1.335**	**-1.754**	**35.605**	**36.017**
Result on disposals of investment properties	0	0	1.947	140			1.947	140
Changes in fair value of investment properties	-15.048	-21.788	20.513	7.835			5.465	-13.953
Other result on portfolio	15	-631	414	-99			429	-730
OPERATING RESULT OF THE SEGMENT	**7.546**	**1.586**	**37.235**	**21.642**	**-1.335**	**-1.754**	**43.446**	**21.474**
Financial result					-8.838	-14.284	-8.838	-14.284
Taxes					-27	-35	-27	-35
NET RESULT	**7.546**	**1.586**	**37.235**	**21.642**	**-10.200**	**-16.073**	**34.581**	**7.155**

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

Key figures by segment

BUSINESS SEGMENT	Offices		Logisitc properties		TOTAL	
in thousands €	2013	2012	2013	2012	2013	2012
Fair value of real estate properties	337.503	351.854	243.206	229.426	580.709	581.280
Investments during the financial year (fair value)	697	3.342	5.669	11.671	6.366	15.013
Divestment during the financial year (fair value)	0	0	12.402	1.085	12.402	1.085
Investment value of real estate properties	345.940	360.650	249.286	235.162	595.226	595.812
Total leasable space (m²)	229.669	231.109	374.759	383.199	604.428	614.308
Occupancy rate (%)	82 %	85 %	91 %	89 %	86 %	86 %

Brussels 7
11.182 m²
Strombeek - Bever

04 Note Property result

Rental income

in thousands €	2013	2012
Rents	43.390	43.772
Rental discounts	-2.728	-1.907
Rent-free periods	-700	-821
Rental benefits ('incentives')	-108	-156
Compensation for early termination of lease contracts	60	319
Total rental income	**39.914**	**41.207**

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. 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.

Rental income of Intervest Offices & Warehouses is spread over 174 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 49 % (48 % in 2012) of the rental income, and are often prominent companies in their sector and often part of international groups. On 31 December 2013, the most important tenant represents 9 % of the rental income (10 % in 2012). In 2013, there are 5 tenants whose rental income on an individual basis represents more than 5 % of the total rental income of Intervest Offices & Warehouses (5 tenants in 2012).

The decrease in rental income in 2013 of € 1,3 million or approximately 3 % compared to financial year 2012 (€ 41,2 million) results mainly from the new lease contract with PwC for lower rents with a fixed duration till end 2021 in the office building Woluwe Garden. The decrease in rental income through the divestment of the semi-industrial building in Kortenberg in May 2013 is compensated by the investment and extension of the logistic properties in Oevel and Wilrijk as well as through indexations in the existing real estate portfolio.

For new lease contracts negotiated in financial year 2013 no rent-free periods have been granted. For financial year 2012, this figure was on 7 % of the contract value with an average rent-free period of 1,3 months. In 2013, for 27 % of the new lease contracts rental discounts have been granted (2012: 26 %) of 16 % on average of annual rental income (2012: 28 %).

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 he chooses to terminate the contract at the contract's first break option.

For lease contracts that are expanded and/or extended during financial year 2013, also on 4 % of the contract value a rent-free period has been granted (2012: 7 %). In this case, the rent-free period amounts to an average of 0,4 month for each year of the lease contract (2012: 2,5 months).
For lease contracts that are expanded and/or extended during financial year 2013, also on 9 % on average of the contract value a rent-free period has been granted (2012: 53 % due to the contract with PwC in Woluwe Garden) of 10 % on average (2012: 19 %).

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 €	2013	2012
Receivables with a remaining duration of:		
Less than one year	38.831	37.186
Between one and five years	68.621	80.322
More than five years	24.038	31.157
Total of future minimum rental income	**131.490**	**148.665**

The decrease of the future minimum rental income of € 17 million compared to 31 December 2012 is due for € 11 million to the sale of the semi-industrial property in Kortenberg of which the lease contract with European Commission is effective till 2022 and also due to the fact that the next expiry date of some lease contracts is coming nearer.

Rental-related expenses

in thousands €	2013	2012
Rent for leased assets and land rents	-21	-16
Write-downs on trade receivables	-79	-54
Reversal of write-downs on trade receivables	104	119
Total rental-related expenses	**4**	**49**

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

Recovery of property charges

in thousands €	2013	2012
Compensations on rental damage	645	805
Management fee received from tenants	624	603
Total recovery of property charges	**1.269**	**1.408**

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 €	2013	2012
Rebilling of rental charges borne by the landlord	5.204	5.648
Rebilling of advance levies and taxes on let properties	3.676	3.344
Total recovery of rental charges and taxes normally payable by tenants on let properties	**8.880**	**8.992**

Rental charges and taxes normally payable by tenants on let properties

in thousands €	2013	2012
Rental charges borne by the landlord	-5.204	-5.648
Advance levies and taxes on let properties	-3.676	-3.344
Total rental charges and taxes normally payable by tenants on let properties	**-8.880**	**-8.992**
Total net amount of recovered rental charges and taxes	**0**	**0**

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 €	2013	2012
Indemnities for rental charges and other costs received from tenants	0	119
Other various income	182	222
Total other rental-related income and expenses	**182**	**341**

The other rental-related income and expenses decrease compared to 2012 through the profit taking of € 0,1 million in 2012 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 €	2013	2012
Recurrent technical costs	**-723**	**-834**
Maintenance	-710	-797
Insurance premiums	-13	-37
Non-recurrent technical costs	**2**	**-6**
Claims	-86	-69
Compensation of claims from insurers	88	63
Total technical costs	**-721**	**-840**

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 €	2013	2012
Brokers' fees	0	-3
Publicity	-106	-167
Lawyers' fees and legal costs	-82	-116
Total commercial costs	**-188**	**-286**

Commercial costs a.o. 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 €	2013	2012
Vacancy charges of the financial year	-809	-958
Vacancy charges of previous financial year	83	113
Property tax on vacant properties	-656	-697
Recovery of property tax on vacant properties	605	561
Total charges and taxes on unlet properties	**-777**	**-981**

Charges and taxes on unlet properties decrease during the financial year 2013 by approximately € 0,2 million, mainly as a result of the decrease in vacancy in Herentals Logistics 1 after the completion of the renovation project. Vacancy costs for financial year 2013 represent approximately 1,9 % of total rental income of the property investment fund (financial year 2012: 2,4 %).

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 €	2013	2012
External property management fees	-36	-84
Internal property management fees	-2.364	-2.209
Employee benefits	*-1.587*	*-1.421*
Property experts	*-147*	*-169*
Other costs	*-630*	*-619*
Total property management costs	**-2.400**	**-2.293**

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 2013, the increase of the management costs is mainly due to an enhanced number of employees.

Other property charges

in thousands €	2013	2012
Charges borne by the landlord	-67	-305
Other property charges	-37	-54
Total other property charges	**-104**	**-359**

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 2013 these commercial interventions amount to approximately € 67.000 on an annual basis or 0,2 % of total rental income of the property investment fund (financial year 2012: € 300.000 or 0,7 % of total rental income, due mainly to a specific issue in one particular logistic building).

06

Note

General costs

in thousands €	2013	2012
ICB tax	-263	-227
Auditor's fee	-78	-95
Directors' remunerations	-30	-29
Liquidity provider	-15	-15
Financial services	-29	-28
Employee benefits	-558	-635
Advice costs	-17	-291
Other costs	-253	-308
Total general costs	**-1.243**	**-1.628**

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 € 1,2 million and have decreased by € 0,4 million compared to 2012 (€ 1,6 million) mainly through decreased personnel and advice costs.

07 Note

Employee benefits

in thousands €	2013			2012		
	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	**1.300**	**319**	**1.619**	**1.236**	**395**	**1.631**
Salary and other benefits paid within 12 months	838	227	1.065	865	213	1.078
Pensions and postemployment benefits	33	7	40	29	9	38
Social security	221	47	268	195	58	253
Variable remunerations	97	15	112	63	19	82
Dismissal indemnities	15	3	18	0	71	71
Other charges	96	20	116	84	25	109
Remuneration of the management committee	**287**	**239**	**526**	**185**	**240**	**425**
Chairman of the management committee	97	97	194	95	95	190
Fixed remuneration	*91*	*91*	*182*	*89*	*89*	*178*
Variable remuneration	*6*	*6*	*12*	*6*	*6*	*12*
Other members of the management committee	190	142	332	90	145	235
Fixed remuneration	*180*	*108*	*288*	*90*	*116*	*206*
Variable remuneration	*10*	*18*	*28*	*0*	*12*	*12*
Retirement obligations	*0*	*16*	*16*	*0*	*17*	*17*
Total employees benefits	**1.587**	**558**	**2.145**	**1.421**	**635**	**2.056**

The number of employees and self-employed personnel at year-end 2013, expressed in FTE is 16 staff members for the internal management of the patrimony (2012: 15) and 5 staff members for the management of the fund (2012: 5). 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 Vandenbroucke act on pensions. The compulsory contributions are recognised in the income statement for the period that they relate to. For financial year 2013 these contributions amount to € 56.000 (2012: € 55.000). The insurance company confirmed on 31 December 2013 that the deficit to guarantee the minimum return is not material.

08

Note

Result on disposals of investment properties

in thousands €	2013	2012
Acquisition value	10.840	1.300
Accumulated gains and extra-ordinary impairment losses	1.562	-215
Carrying amount (fair value)	**12.402**	**1.085**
Sales price	14.845	1.300
Sales cost	-496	-75
Net result of sale	**14.349**	**1.225**
Total result on disposals of investment properties	**1.947**	**140**

Intervest Offices & Warehouses sold in 2013 its semi-industrial building Guldendele located in Kortenberg, Jan-Baptist Vinkstraat 2 for an amount of € 14,2 million. The sales price (after deduction of the sales costs, the remaining rental discounts and the VAT revision) was 11 % above the carrying amount on 31 December 2012 which amounted to € 12,4 million (fair value as determined by the independent property expert of the property investment fund). Consequently the result on disposals of investment properties consists in 2013 of the gain of € 1,3 million resulting from this sale as well as a gain of € 0,6 million on the sale of a land parcel located in Merchtem.

09

Note

Changes in fair value of investment properties

in thousands €	2013	2012
Positive changes of investment properties	26.561	12.732
Negative changes of investment properties	-21.096	-26.685
Total changes in fair value of investment properties	**5.465**	**-13.953**

The changes in fair value of investment properties are positive in 2013 and amount to € 5,5 million compared to the negative changes of - € 14,0 million in 2012. The changes in 2013 are the combined effect of:

- the increase in fair value of the logistic portfolio of € 20,5 million or 9 % compared to the fair value on 31 December 2012, mainly through the demand for qualitative investment real estate.
- the decrease in fair value of the office portfolio of - € 15 million or 4 % compared to the fair value of the office portfolio on 31 December 2012, mainly from the announced departure of tenant Deloitte in Diegem in 2016/2017 (decrease in fair value for these buildings of € 12,0 million in 2013), the general adjustment of the estimated rental value for offices in the Brussels periphery and the increased vacancy in offices in Antwerp.

10 Note Other result on portfolio

in thousands €	2013	2012
Changes spread rental discounts and benefits granted to tenants	243	-730
Taking into result of the future spread of rental discounts and benefits granted to tenants through the sale of investment properties	186	0
Total other result on portfolio	**429**	**-730**

11 Note Net interest charges

in thousands €	2013	2012
Net interest charges with fixed interest rate	-7.115	-7.141
Net interest charges with variable interest rate	-4.092	-4.024
Total net interest charges	**-11.207**	**-11.165**

The average credit facility withdrawal of the property investment fund has decreased in 2013 on an annual basis by approximately € 6 million compared to 2012, due to sale of the semi-industrial building in Kortenberg for an amount of € 14 million, partly invested in logistics projects in Oevel and Wilrijk.

Net interest charges classified by credit line expiry date

in thousands €	2013	2012
Net interest charges on non-current financial debts	-9.311	-10.325
Net interest charges on current financial debts	-1.896	-840
Total net interest charges	**-11.207**	**-11.165**

For 2013, the total average interest rate amounts to 3,8 % including bank margins, compared to 3,7 % in 2012. The average interest rate for the non-current financial debts for 2013 amounts to 4,1 % including bank margins (2012: 4,0 %). The average interest rate for the current financial debts for 2013 amounts to 2,8 % including bank margins (2012: 2,0 %).

The (hypothetical) future cash outflow for 2014 of the interest charges from the loans drawn at 31 December 2013 at a fixed interest rate or a variable interest rate of 31 December 2013 amounts to € 10,5 million (2012: € 10,7 million).

For financial year 2013, the effect on the operating distributable result of a (hypothetical) increase in interest rate by 1 % gives a negative result of approximately € 0,9 million (2012: € 0,8 million).

12 Note — Taxes

in thousands €	2013	2012
Corporate income tax	-27	-35
Total taxes	**-27**	**-35**

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.

13 Note — Number of shares and result per share

Movement of the number of shares

	2013	2012
Number of shares at the beginning of the financial year	14.199.858	13.907.267
Number of shares issued	225.124	292.591
Number of shares at the end of the financial year	14.424.982	14.199.858
Number of shares entitled to dividend	14.424.982	14.199.858
Adjustments for the calculation of the weighted average numbers of shares	-89.305	-115.433
Weighted average number of shares	14.335.677	14.084.425

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 €	2013	2012
Net result according to statutory annual accounts	**34.581**	**7.155**
Adjustment for non-cash flow transactions included in the net result:		
○ Depreciations and reversal of depreciations	167	159
○ Impairment losses and withdrawals on trade receivables	-25	-65
○ Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-2.166	3.128
○ Result on portfolio	-7.841	14.543
Corrected result for mandatory distribution	**24.716**	**24.920**
Mandatory distribution: 80 %	**19.773**	**19.935**
Operating distributable result (statutory annual accounts)	24.574	24.826
Operating distributable result (consolidated annual accounts)	24.574	24.826

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 %.

Calculation of result per share

in €	2013	2012
Ordinary net result per share	2,41	0,51
Diluted net result per share	2,41	0,51
Operating distributable result per share	1,70	1,75

Proposed dividend per share

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 already decided in 2012 to modify the distribution policy of the dividend 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 estimates that it is essential to lower the pay-out ratio for financial year 2013 to 90 % to keep enough liquidity from operating activities to continue investing in the portfolio.

On the basis of a pay-out ratio of 90 % of the statutory annual result, a gross dividend of € 1,53 per share for financial year 2013 compared to € 1,76 for 2012 will be proposed to the shareholders.

	2013	2012
Operating distributable result per share (€)	1,70	1,75
Adaptation of dividend because of changed valuation rule[28] (€)	0,00	0,01
Operationing distributable result after adjustment (€)	1,70	1,76
Dividend as a percentage of consolidated operating distributable result (%)	90 %	101 %
Gross dividend per share (€)	**1,53**	**1,76**
Remuneration of share capital (€ 000)	22.070	24.992

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 30 April 2014 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.

28 In financial year 2011 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 had still a positive effect of € 0,01 per share. For financial year 2013 this adjustment is no longer applicable.

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 €	2013	2012
Non-distributable elements of shareholders' equity for profit distribution		
Paid-up capital	131.447	129.395
Share premium, unavailable according to the articles of association	65.190	63.378
Reserve for the positive balance of changes in investment value of investment properties	71.552	86.177
Reserve for the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-14.307	-14.389
Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	-180	-893
Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	-6.888	-3.760
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 reserve		
Result on portfolio	7.841	-14.543
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	2.166	-3.128
Total non-distributable shareholders' equity	**256.911**	**242.327**
Statutory shareholders' equity	**286.521**	**272.356**
Planned dividend distribution	22.070	24.992
Number of shares	14.424.982	14.199.858
Operating distributable result per share	1,70	1,76
Shareholders' equity after dividend distribution	**264.451**	**247.364**
Remaining reserves after distribution	**7.540**	**5.037**

By decreasing the pay-out ratio to 90 %, € 1,53 per share is distributed for financial year 2013 compared to € 1,70 operating distributable result per share. Herewith the remaining reserve after distribution increases by € 2,5 million compared to previous financial year.

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Note

Non-current assets: investment properties

Investment and revaluation table

in thousands €	2013			2012		
	Offices	Logistic buildings	TOTAL	Offices	Logistic buildings	TOTAL
Balance sheet on 1 January	**351.854**	**229.426**	**581.280**	**370.410**	**210.895**	**581.305**
Acquisitions of investment properites	0	0	0	0	7.966	7.966
Investments in existing investment properties	697	2.524	3.221	3.342	1.856	5.198
Extensions of existing investment properties	0	3.145	3.145	0	1.849	1.849
Disposals of investment properties	0	-12.402	-12.402	0	-1.085	-1.085
Changes in fair value of investment properties	-15.048	20.513	5.465	-21.898	7.945	-13.953
Balance sheet on 31 December	**337.503**	**243.206**	**580.709**	**351.854**	**229.426**	**581.280**
OTHER INFORMATION						
Investment value of real estate properties	345.940	249.286	595.226	360.650	235.162	595.812

In 2013, the fair value of the real estate portfolio of the property investment fund has remained stable and amounts on 31 December 2013 to € 581 million (€ 581 million on 31 December 2012). Underlying the fair value of the real estate portfolio has known following evolutions in 2013:

- on the one hand, the increase in fair value of the logistic portfolio of € 13,8 million or 6 % compared to the fair value on 31 December 2012, mainly for:
  - € 20,5 million or 9 % as a result of the increase in fair value of the existing real estate portfolio through the growing demand for qualitative investment real estate
  - € 5,6 million for the extension with approximately 5.036 m² of the distribution centre of Estée Lauder and its logistic service provider UTi Belgium in Oevel and the redevelopment project in Neerland 1 in Wilrijk for the conversion/renovation to a showroom and garage of the front part for the French car builder Peugeot
  - - € 12,4 million through the sale of the non-strategic semi-industrial building Guldendelle located in Kortenberg
- on the other hand, the decrease in fair value of the office portfolio of € 14,3 million or 4 % compared to the fair value on 31 December 2012, mainly for:
  - - € 15,0 million through the decrease in fair value of the office portfolio as a result of the announced departure of tenant Deloitte in Diegem in 2016/2017 (decrease in fair value of these buildings of € 12,0 million in 2013), the general adjustment of the estimated rental values for offices in the Brussels periphery and the increased vacancy in the buildings in Antwerp
  - € 0,7 million investments in the existing office portfolio.

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

On 31 December 2013, the property investment fund has in Herentals on its site Herentals Logistics 1, a land bank of 32.100 m² for the future potential construction of a highly qualitative logistic warehouse in the form of a logistic hall with a space of approximately 19.000 m² that can be subdivided.

At the end of 2013 this land bank is valued as ready for construction with building permit.

On 31 December 2013, there are no investment properties mortgaged as security for withdrawn loans and credit facilities at financial institutions.For the description of the legal mortgage established in order to guarantee the outstanding tax debt on the logistics property located in Aartselaar on Dijkstraat, please refer to note 25.

IFRS 13

IFRS 13 applies to financial years beginning on or after 1 January 2013. It introduces a standardised framework for measuring fair value and a disclosure requirement regarding fair value measurement when this valuation principle is required or permitted by virtue of other IFRS standards. IFRS 13 specifically defines fair value as the price that would be received for the sale of an asset or that would have to be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The disclosure requirement in IFRS 13 regarding fair value measurements also serves to replace or expand upon the requirements imposed by other IFRS standards, including IFRS 7 Financial Instruments: Disclosures.

Investment properties are recognised at fair value. The fair value is determined on the basis of one of the following levels of the hierarchy:

- Level 1: measurement is based on quoted market prices in active markets
- Level 2: measurement is based on (externally) observable information, either directly or indirectly
- Level 3: measurement is based either fully or partially on information that is not (externally) observable

IFRS 13 classifies investment properties as Level 3.

Valuation of investment properties

The fair value of all of the property investment fund's investment properties are valued each quarter by independent property experts. The fair value is based on the market value (i.e. adjusted for the 2,5% purchasing fees as described in the 'Principles of financial reporting - Investment properties' - see above), which is the estimated amount for which an investment property can be sold at the measurement date by a seller to a willing buyer in a business-like, objective transaction preceded by sound negotiations among knowledgeable and willing parties.

If no current market prices are available in an active market, the measurements are made on the basis of a calculation of gross returns in which the gross market rents are capitalised. The measurements obtained are adjusted for the present value (NPV) of the difference between the current actual rent and the estimated rental value at the date of valuation for the period up to the first opportunity to give notice under the current lease contracts. Rent discounts and rent-free periods are also taken into consideration. For buildings that are partially or completely vacant, the measurement is made on the basis of the estimated rental value minus the vacancy and the costs (rental costs, publicity costs, etc.) for the vacant portions.

The yields used are specific to the type of property, location, state of maintenance and the leasability of each property. The basis used to determine the yields is formed by comparable transactions and supplemented with knowledge of the market and of specific buildings. Comparable transactions in the market are also taken into account for the valuation of properties.

The yields described in the property report are calculated by dividing the (theoretical) gross rent of the real estate by the investment value of the investment properties expressed as a percentage. The average gross yield of the total real estate portfolio as per 31 December 2013 comes to 8,5 % (31 December 2012: 8,8 %).

Assumptions are made per property, per tenant and per vacant unit concerning the likelihood of lease/re-lease, number of months vacant, incentives and rental costs.

The most important hypotheses regarding the valuation of the investment properties are:

	31.12.2013	31.12.2012
Average gross market rent per m² (in €)		
Offices	142	145
Logistic properties	49	50
Average gross yield (in %)		
Offices	9,5 %	9,3 %
Logistic properties	7,3 %	8,1 %
Average net yield (in %)		
Offices	8,4 %	8,3 %
Logistic properties	6,7 %	7,2 %
Vacancy rate (in %)	14,5 %	13,9 %

In the case of a hypothetical negative adjustment of 1 % (from 7,3 % to 8,3 % on average) to the yield used by property experts for valuing the real estate portfolio of the property investment fund (yield or capitalisation rate), the fair value of the real estate would decrease by € 70 million or 12 %. This would raise the debt ratio of the property investment fund by 7 % to around 55 %. If this is reversed, and a hypothetical positive adjustment of 1 % (from 7,3 % to 6,3 % on average) is made to this yield, the fair value of the real estate would increase by € 92 million or 16 %. This would lower the debt ratio of the property investment fund by 7 % to around 42 %.

In the case of a hypothetical decrease in the current rents of the property investment fund (assuming a constant yield) of € 1 million (from € 43,4 million to € 42,4 million), the fair value of the real estate would decrease by € 13 million or 2 %. This would raise the debt ratio of the property investment fund by 1 % to around 50 %. In the reverse case of a hypothetical increase of the current rents of the property investment fund (assuming a constant yield) of € 1 million (from € 43,4 million to € 44,4 million), the fair value of the real estate would increase by € 13 million or 2 %. This would lower the debt ratio of the property investment fund by 1% to around 48%.

A correlation exists between changes in the current rents and the yields that are used to value the real estate, but this was not factored into the above sensitivity analysis.

Valuation process for investment properties

Investment properties are recorded in the accounts on the basis of valuation reports drawn up by independent and expert property assessors. These reports are based on:

- Information supplied by the property investment fund, such as current rents, periods and conditions of lease contracts, service charges, investments, etc. This information comes from the property investment fund's financial and management system and is subject to the generally applicable verification system of the company.
- The assumptions and valuation models used by the property experts. These assumptions relate mainly to the market situation, such as yields and discount rates. They are based on their professional assessment and observation of the market.

For a detailed description of the valuation method used by the property experts, please refer to the section of the Property Report entitled 'Valuation of the portfolio by property experts'.

The information provided to the property experts, as well as the assumption and the valuation models, are checked by the company's business analyst and also by the management committee of the property investment fund. This involves an examination of the changes in fair value during the relevant period.

15 Note Current assets

Assets held for sale

in thousands €	2013	2012
Antwerp, Kaaien 218-220	0	1.225
Total assets held for sale	**0**	**1.225**

Trade receivables

in thousands €	2013	2012
Trade receivables	495	1.284
Advance billing of rents	2.797	3.145
Invoices to issue	369	400
Doubtful debtors	443	382
Provision doubtful debtors	-443	-382
Other trade receivables	139	31
Total trade receivables	**3.800**	**4.860**

Thanks to a strict credit controls, the number of days of outstanding customers' credit is only 4 days.

Aging analysis of trade accounts receivable

in thousands €	2013	2012
Receivables < 30 days	191	328
Receivables 30-90 days	63	485
Receivables > 90 days	241	471
Total outstanding trade receivables	**495**	**1.284**

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 €	2013	2012
Recoverable corporate tax	215	215
Recoverable exit tax	459	248
Recoverable withholding tax on liquidation boni from mergers	878	2.652
Other receivables	102	96
Total tax receivables and other current assets	**1.654**	**3.211**

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

In financial year 2013 the property investment fund recovered an amount of € 1,8 million on the liquidation bonus from the merger with West-Logistics sa and MGMF Limburg sa on 27 October 2011.

Deferred charges and accrued income

in thousands €	2013	2012
Recoverable property tax	1.329	1.580
Other deferred charges	402	627
Charges related to loans	*265*	*416*
Other charges to be deferred	*137*	*211*
Accrued income	0	233
Total deferred charges and accrued income	**1.731**	**2.440**

Intervest Offices & Warehouses largely recovers the property tax that is charged on vacant parts of buildings through objections submitted to Flanders Tax Administration. During financial year 2013 the property investment fund recovered property taxes for an amount of € 0,7 million for taxation years 2008 till 2012. For taxation years 2011 till 2013 some files are currently still treated by 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 financial year 2011	2.666	129.395	292.591	14.199.858
23.05.2013	Capital increase through optional dividend financial year 2012	2.051	**131.447**	225.124	**14.424.982**

On 31 December 2013, the share capital amounts to € 131.446.507,79 and is divided among 14.424.982 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 share 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 24 April 2013, i.e. from 26 June 2013 onwards. This authorisation is valid until 26 juni 2018. 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 26 juni 2016. This authorisation is renewable.

For every capital increase, the board of directors shall set the price, any share 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 premium, the amount of this issue premium must be recorded in a special unavailable account, named "share 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 2013, 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 authorisation is valid for three years from the publication of the minutes of the general meeting of 24 April 2013, i.e. from 26 June 2013. This permission is valid till 26 June 2016 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 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 premiums

Share premiums 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
23.05.13	Capital increase through optional dividend	2.051	0	3.863	1.812
Total share premiums					**65.190**

Reserves

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

in thousands €	2013	2012
Amount at the end of the preceding financial year	-14.613	-13.248
Changes in investment value of investment properties	-27	-187
Acquisitions of investment properties of the preceding financial year	0	-1.276
Disposals of investment properties of the preceding financial year	109	98
Total reserve for the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	**-14.531**	-14.613

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 2013, please see the statement of changes in equity.

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Note

Provisions

in thousands €	2013	2012
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.

18
Note

Current liabilities

Trade debts and other current debts

in thousands €	2013	2012
Trade debts	277	297
Advances received from tenants	225	402
Invoices to be received	1.514	1.368
VAT payable	314	309
Other current debts	591	446
Total trade debts and other current debts	**2.921**	**2.822**

Other current liabilities

in thousands €	2013	2012
Dividends payable	173	354
Total other current liabilities	**173**	**354**

Accrued charges and deferred income

in thousands €	2013	2012
Received indemnities for refurbishment	952	1.027
Deferred compensations for early termination of lease contracts	1.200	1.200
Other accrued charges	3.774	2.984
Pre-billed rental income	3.544	3.148
Other deferred income	1.197	1.337
Total accrued charges and deferred income	**10.667**	**9.696**

On 31 December 2013, 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 by Tibotec-Virco in 2010 in Intercity Business Park in Malines.

The other accrued charges comprise, among others, the interest on the bond loan due on 29 June 2014.

The pre-billed rental income for the first quarter of next financial year has increased by € 0,4 million compared to 2012.

Peugeot
5.021 m²
Neerland 1 and 2
Wilrijk

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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 €	2013					2012				
	Debts with a remaining duration of			Total	Percent-age	Debts with a remaining duration of			Total	Percent-age
	< 1 year	> 1 year and < 5 years	> 5 years			< 1 year	> 1 year and < 5 years	> 5 years		
Credit institutions: withdrawn credit facilities	61.712	142.200	4.267	**208.179**	**74 %**	48.012	169.950	7.667	**225.629**	**75 %**
Bond loan	0	74.775	0	**74.775**	**26 %**	0	74.625	0	**74.625**	**25 %**
Financial lease	8	9	0	**17**	**0 %**	6	11	0	**17**	**0 %**
TOTAL	**61.720**	**216.984**	**4.267**	**282.971**	**100 %**	**48.018**	**244.586**	**7.667**	**300.271**	**100 %**
Percentage	**22 %**	**77 %**	**1 %**	**100 %**		**16 %**	**82 %**	**2 %**	**100 %**	

Guarantees regarding financing

In addition to the requirement to maintain the property investment fund's status and to comply with financial ratios as enforced by the Royal Decree of 7 December 2010 relating to property investment funds, the bank credit agreements of Intervest Offices & Warehouses are subject to compliance with financial ratios, which are primarily related to the property investment 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.

For the purpose of the financing of the property investment fund, no mortgage registrations are made and no mortgage authorisations ere permitted as per 31 December 2013.

For most financings, 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).

These ratios are respected on 31 December 2013. 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 €	2013					2012				
	Debts with a remaining duration of			Total	Percent-age	Debts with a remaining duration of			Total	Percent-age
	< 1 year	> 1 year and < 5 years	> 5 years			< 1 year	> 1 year and < 5 years	> 5 years		
Credit institutions: withdrawn credit facilities	61.712	142.200	4.267	**208.179**	**66 %**	48.012	169.950	7.667	**225.629**	**70 %**
Not-withdrawn credit lines	11.300	19.450	0	**30.750**	**10 %**	10.000	13.700	0	**23.700**	**7 %**
Bond loan	0	74.775	0	**74.775**	**24 %**	0	74.625	0	**74.625**	**23 %**
TOTAL	**73.012**	**236.425**	**4.267**	**313.704**	**100 %**	58.012	258.275	7.667	323.954	100 %
Percentage	**23 %**	**76 %**	**1 %**	**100 %**		18 %	80 %	2 %	100 %	

The above table "Classification by expiry date of credit lines" comprises an amount of € 31 million of not-withdrawn credit lines (€ 24 million on 31 December 2012). 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 €	2013		2012	
	Total	Perentage	Total	Percentage
Credit facilities with variable interest rate	88.179	**31 %**	105.629	**35 %**
Credit facilities with fixed interest rate or covered by interest rate swaps	194.775	**69 %**	194.625	**65 %**
TOTAL	**282.954**	**100 %**	300.254	100 %

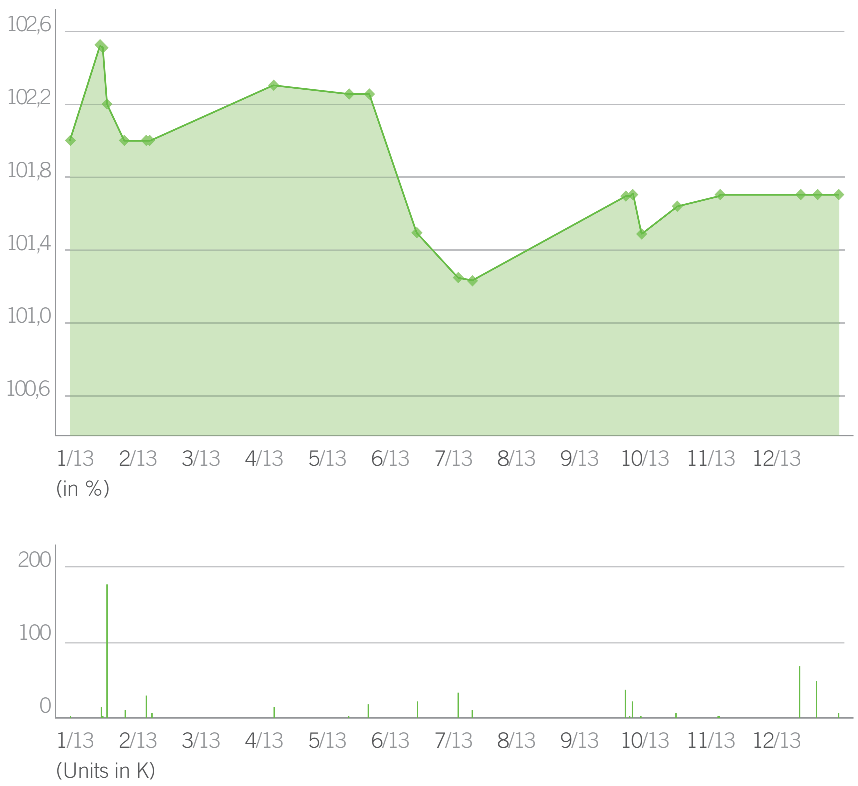
In the above table "Classification by variable or fixed character of withdrawn credit facilities at financial institutions and of the bond loan" the part in terms of percentage is calculated as the relation of each component to the sum of withdrawn credit facilities.

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.

	2013	2012
Share price (%)		
Share price on closing date	101,71	102,51
Average share price	101,86	102,21
Highest share price	102,51	107,27
Lowest share price	101,25	99,37
Number of stocks	**75.000**	**75.000**
Number of traded stocks	549	425

Share price bond loan



20 Note

Financial instruments

The major financial instruments of Intervest Offices & Warehouses consist of financial and commercial receivables and debts, cash and cash equivalents as well as financial instruments of the interest rate swap type (IRS).

Summary financial instruments			2013		2012	
in thousands €	Categories	Level	Carrying amout	Fair value	Carrying amout	Fair value
Financial instruments (assets)						
Non current assets						
Trade receivables and other non-current assets	A	2	15	15	15	15
Current assets						
Trade receivables	A	2	3.800	3.800	4.860	4.860
Tax receivables and other current assets	A	2	1.654	1.654	3.211	3.211
Cash and cash equivalents	B	2	691	691	753	753
Financial instruments (liabilities)						
Non-current liabilities						
Non-current financial debts (interest-bearing)	A	2	221.251	224.498	252.253	257.356
Other non-current financial liabilities	C	2	4.384	4.384	7.780	7.780
Other non-current liabilities	A	2	536	536	626	626
Current liabilities						
Current financial debts (interest-bearing)	A	2	61.720	61.720	48.018	48.018
Other current financial liabilities	C	2	517	517	0	0
Trade debts and other current debts	A	2	2.921	2.921	2.822	2.822
Other current liabilities	A	2	173	173	354	354

The categories correspond to the following financial instruments:

A. Financial assets or liabilities (including receivables and loans) held to maturity and measured at amortised cost.
B. Investments held to maturity and measured at amortised cost.
C. Assets and liabilities held at fair value through the income statement, with the exception of financial instruments defined as hedging instruments.

Financial instruments are recognised at fair value. The fair value is determined based on one of the following levels of the fair value hierarchy:

- Level 1: measurement is based on quoted market prices in active markets
- Level 2: measurement is based on (externally) observable information, either directly or indirectly
- Level 3: measurement is based either fully or partially on information that is not (externally) observable

The financial instruments of Intervest Offices & Warehouses correspond to Level 2 of the fair value hierarchy. The following techniques are used to measure the fair value of Level 2 financial instruments:

- For the items 'Other non-current financial liabilities' and 'Other current financial liabilities' (which apply to the interest rate swaps), the fair value is determined by means of observable data, namely the forward interest rates that apply to active markets, which are generally supplied by financial institutions.
- The fair value of the remaining Level 2 financial assets and liabilities is practically the same as their carrying amount, either because they have a short-term maturity (such as trade receivables and debts) or because they carry a variable interest rate. When the fair value of the interest-bearing financial liabilities is calculated, the financial liabilities with a fixed interest rate are taken into account, and the future cash flows (interest and capital redemption) are discounted with a market-based yield. Financial debts that carry a variable interest rate or which are hedged by a financial derivative are not taken into account.

Intervest Offices & Warehouses employs interest rate swaps to hedge potential changes in the interest charges on a portion of the financial liabilities that have a variable interest rate (the short-term Euribor rate). These interest rate swaps are classified as a cash flow hedge, with the effectiveness or ineffectiveness of the hedges determined in the process.

- The effective part of the changes in the fair value of derivatives designated as cash flow hedges is recognised in the comprehensive income on the line 'Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting'. As a result, hedge accounting is applied to these swaps, and it is on this basis that changes in the 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 on the line 'Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)' in the financial result.

Fair value of financial derivatives

On 31 December 2013, the company has following financial derivatives.

in thousands €		Start date	Expiry date	Interest rate	Contractual notional amount	Hedge accounting	Fair value	
						Yes/No	2013	2012
1	IRS	11.09.2009	11.09.2014	2,8150 %	10.000	Yes	-179	-446
2	IRS	11.09.2009	11.09.2014	2,8150 %	10.000	No	-179	-446
3	IRS	30.04.2009	30.04.2014	2,6300 %	10.000	No	-79	-327
4	IRS	30.04.2009	30.04.2014	2,6300 %	10.000	No	-80	-327
Other current financial liabilities							**-517**	
5	IRS	02.01.2012	02.01.2017	2,3350 %	50.000	No	-2.646	-3.815
6	IRS	02.01.2012	01.01.2017	2,1400 %	10.000	No	-470	-684
7	IRS	02.01.2012	01.01.2018	2,3775 %	10.000	No	-612	-886
8	IRS	02.01.2012	01.01.2018	2,3425 %	10.000	No	-600	-849
9	IRS	30.04.2014	30.04.2019	1,2725 %	10.000	No	-28	0
10	IRS	30.04.2014	30.04.2019	1,2725 %	10.000	No	-28	0
Other non-current financial liabilities							**-4.384**	**-7.780**
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							-180	-893
○ In shareholders' equity: Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting							-6.888	-3.760
○ In the income statement: Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)							2.166	-3.128
Total fair value financial derivatives							**-4.901**	**-7.780**

On 31 December 2013, these interest rate swaps have a negative market value of - € 4,9 million (contractual notional amount € 140 million), which is determined on a quarterly basis by the issuing financial institute.

On 31 December 2013, Intervest Offices & Warehouses classifies the interest rate swap 1 as cash flow hedge, determining that this interest rate swap is effective. IRS 2 was on 31 December 2012 an effective interest rate swap but in the fourth quarter of 2013 the hedge relationship was broken so that this IRS became ineffective on 31 December 2013. The market value of this interest rate swap has been recycled in the statement of comprehensive income for financial year 2013. The fluctuations in value of the interest rate swaps 3 to 10 are recognised directly in the income statement.

Management of financial risks

The major financial risks of Intervest Offices & Warehouses are the financial risk, liquidity risk and the interest rate risk.

- Financial risk

For the description of this risk and its management is referred to chapter "Financial risk" in the description of the Major risk factors and internal control and risk management systems of the Report of the board of directors.

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 agreements as on 31 December 2013 is 2,1 years. Intervest Offices & Warehouses has also diversified its funding sources through the use of five European financial institutions and the issue of a bond loan of € 75 million.

More information on the composition of the credit portfolio of Intervest Offices & Warehouses can be found in the section entitled "Financial structure" in the Report of the Management Committee and also in 'Note 19. Non-current and current financial debts' in the financial report.

- Liquidity risk

For the description of this risk and the way it is managed, please refer to the section entitled "Liquidity risk" in the description of the major risk factors and internal control and risk management systems in the Report of the board of directors.

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. In order to avail itself of this credit margin, the conditions of credit facilities must be complied with on a continuous basis. On 31 December 2013, the property investment fund still had € 31 million in non-withdrawn credit lines with its lenders for the purpose of absorbing fluctuations in liquidity requirements.

More information on the composition of the credit portfolio of Intervest Offices & Warehouses can be found in the section entitled 'Financial structure' in the Report of the Management Committee as well in "Note 19. Non-current and current financial debts" of the Financial report.

- Interest rate risk

For the description of this risk and the way it is managed, please refer to the section entitled "Interest rate risk" in the description of the major risk factors and internal control and risk management systems in the Report of the board of directors.

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, a 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. The interest rates on the credits of the property investment fund remain fixed for a remaining average duration of 2,5 years.

More information on the composition of the credit portfolio of Intervest Offices & Warehouses can be found in the section entitled "Financial structure"in the Report of the Management Committee and also in 'Note 19. Non-current and current financial debts' and 'Note 11. Net interest charges' in the Financial report.

21 Note — Calculation of consolidated debt ratio

in thousands €	Note	2013	2012
Non-current financial debts	19	221.251	252.253
Other non-current liabilities		536	626
Current financial debts	19	61.720	48.018
Trade debts and other current debts	18	2.921	2.822
Other current liabilities	18	173	354
Total liabilities for calculation of debt ratio		**286.601**	**304.073**
Total assets		**588.862**	**594.077**
Debt ratio		**48,7 %**	**51,2 %**

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.

22 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 €	2013	2012
Interests paid on current account	5	4

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). More details of the composition of the remuneration of the members of the management committee can be found in "Note 7. Employees benefits".

in thousands €	2013	2012
Directors	61	57
Members of the management committee	526	424
Total	**587**	**481**

Sprl Luc Feyaerts, represented permanently by Luc Feyaerts, chief operating officer, is member of the management committee as from 1 July 2012.
The directors and members of the management committee do not receive additional benefits on the account of the company.

23 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	
				2013	2012
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 %	35	36
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				**37**	**38**

24 Note

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

in thousands €	2013	2012
Including non-deductible VAT		
Fee statutory auditor for audit mandate	78	95
Fee for exceptional activities or special assignments within the company by the statutory auditor regarding other control assignments	0	18
Fee for exceptional activities or special assignments within the company by persons affiliated with statutory auditor regarding other tax advice	0	0
Total fee of the statutory auditor and the entities affiliated with the statutory auditor	**78**	**113**

25 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 securisation premium remains subject to company tax. Tax assessments based on the securisation premium should therefore be owed. Intervest Offices & Warehouses contests this interpretation and has still open appeals for an amount of around € 4 million.

Currently the 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.

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.

During 2013 the tax authorities have rejected one of the appeals and the property investment fund has introduced an appeal before the Court of First Instance, whereby the pleading date is set in the first quarter of 2015. The settlement of other appeals is deferred in th expectation of the decision of the Court of First Instance.

26

Note

Treatment of conflicts of interest

In the case of a possible conflict of interest with a major shareholder of the company the procedure stipulated in article 524 of the Belgian Companies Code shall be applied. Reference must also be made here to the Royal Decree of 7 December 2010, articles 17 to 19 regarding prevention of conflicts of interest.

NSI sa (through its subsidiary VastNed Offices Benelux Holding BV), controlling shareholder in the company, submitted a request to the board of directors in July 2013 to make certain information not available to the public regarding the company available to it in the framework of a legal, financial and accounting due diligence by potential investors in the company.

The board of directors consequently appointed a committee of three independent directors by decision of 11 July 2013, in the persons of Paul Christiaens, Nick van Ommen and EMSO sprl, permanently represented by Chris Peeters, who appointed an expert in their turn, in the person Kris Verdoodt of Linklaters LLP. That committee then, in consultation with and assisted by Kris Verdoodt, formulated a recommendation, the conclusion of which stated:

> *"The committee is of the opinion that it is justified on the grounds of the interests of the company to comply with the request of VastNed Offices Benelux Holding B.V., and that the company cannot thereby be damaged, on condition that this information is released under the conditions and according to the terms stipulated under [4.2 - see below, text repeated in the conclusion of the board of directors]."*

The board of directors subsequently decided on 11 July 2013:

> *"Due diligence of the company in the framework of the procedure is authorised, as it can be justified in principle on the grounds of the interests of the company. Nevertheless the board of directions is of the opintion that this authorisation is subject to strict conditions and modalities.*

1. *Contractual guarantees in the field of confidentiality*
   Takeover candidates must agree to keep the confidentiality of information not available to the public they received regarding the company, in the framework of the due diligence, and not to use this information for other purposes than these of the procedure.

2. *Phased availability of 'commercially sensitive information'*
   Commercially sensitive information cannot be released immediately. Some information may only be made available as the prospect of an agreement with a certain takeover candidate is more concrete. It is not excluded that certain information is so sensitive that it may not be made available at all.

   The evaluation of whether certain information is commercial too sensitive (in a certain stage of the procedure) to be disclosed, is a practical (de facto) consideration that must be made on a case-by-case basis. The board of directors consequently grants the chairman of the management committee of the company the authority to make this judgement. The guideline is given here that the following information is commercially sensitive in principle: (i) financial or fiscal information individualised per building, (ii) individualised information concerning the duration and termination conditions of lease agreements, (iii) employment or management contracts with staff and (iv) any information that contains financial or commercial prognoses. The chairman of the management committee shall report on the progress of the process at the first request of the board of directors in the way and form reasonably set by the board.

3. *No availability of 'foreknowledge'*
   If the company should have any foreknowledge during the procedure, and should decide in accordance with the applicable rules concerning abuse of the market to postpone the disclosure of this foreknowledge, then this information withheld may not be disclosed to takeover candidates without the explicit and specific approval of the board of directors, which besides can only be given if sufficient guarantees are granted that the receiver of such information shall not be guilty of market abuse regarding this information."

The board of directors also requested the company auditor, Deloitte Réviseurs d'entreprises SC, represented by Kathleen De Brabander, company auditor, pursuant to article 524 § 3 of the Belgian Companies Code, to give a judgement on the reliability of the data stated in the recommendation of the committee of the three independent directors, assisted by the independent expert. The company auditor's opinion was as follows:

> *"On the basis of the above mentioned activities, we can conclude that the information mentioned in the opinion of the committee and the in the minutes of the board of directors are reproduced faithfully. This does not mean that we have judged the transaction value or that we have expressed an opportunity judgment on the opinion of the committee and the decision of the board."*

NSI sa (through its subsidiary VastNed Offices Benelux Holding BV) submitted subsequently a new request to the board of directors in October 2013 to make certain information not available to the public regarding the company available to it in the framework of a legal, financial and accounting due diligence by potential investors in the NSI sa.

The board of directors consequently appointed a committee of three independent directors by decision of 2 October 2013, in the persons of Paul Christiaens, Nick van Ommen and EMSO sprl, permanently represented by Chris Peeters, who appointed an expert in their turn, in the person Filip Lecoutre of Linklaters LLP. That committee then, in consultation with and assisted by Filip Lecoutre, formulated a recommendation, the conclusion of which stated:

> *"The committee is of the opinion that it is justified on the grounds of the interests of the company to comply with the request of VastNed Offices Benelux Holding B.V., and that the company cannot thereby be damaged, on condition that this information is released under the conditions and according to the terms stipulated under [4.2 - see below, text repeated in the conclusion of the board of directors]."*

Inter Access Park
6.391 m²
Dilbeek

The board of directors subsequently decided on 2 October 2013:

"Due diligence of the company in the framework of the procedure is authorised, as it can be justified in principle on the grounds of the interests of the company. Nevertheless the board of directions is of the opintion that this authorisation is subject to strict conditions and modalities.

1. *Contractual guarantees in the field of confidentiality*
   Candidates-Investors must agree to keep the confidentiality of information not available to the public they received regarding the company, in the framework of the due diligence, and not to use this information for other purposes than these of the procedure.

2. *Phased availability of 'commercially sensitive information'*
   Commercially sensitive information cannot be released immediately. Some information may only be made available as the prospect of an agreement with a certain takeover candidate is more concrete. It is not excluded that certain information is so sensitive that it may not be made available at all.

   The evaluation of whether certain information is commercial too sensitive (in a certain stage of the procedure) to be disclosed, is a practical (de facto) consideration that must be made on a case-by-case basis. The board of directors consequently grants the chairman of the management committee of the company the authority to make this judgement. The guideline is given here that the following information is commercially sensitive in principle: (i) financial or fiscal information individualised per building, (ii) individualised information concerning the duration and termination conditions of lease agreements, (iii) employment or management contracts with staff and (iv) any information that contains financial or commercial prognoses. The chairman of the management committee shall report on the progress of the process at the first request of the board of directors in the way and form reasonably set by the board.

3. *No availability of 'foreknowledge'*
   If the company should have any foreknowledge during the procedure, and should decide in accordance with the applicable rules concerning abuse of the market to postpone the disclosure of this foreknowledge, then this information withheld may not be disclosed to candidates-investors without the explicit and specific approval of the board of directors, which besides can only be given if sufficient guarantees are granted that the receiver of such information shall not be guilty of market abuse regarding this information."

The board of directors also requested the company auditor, Deloitte Bedrijfsrevisoren, Burgl. Venn. ovv CVBA, represented by Kathleen De Brabander, company auditor, pursuant to article 524 § 3 of the Belgian Companies Code, to give a judgement on the reliability of the data stated in the recommendation of the committee of the three independent directors, assisted by the independent expert. The company auditor's opinion was as follows:

"On the basis of the above mentioned activities, we can conclude that the information mentioned in the opinion of the committee and the in the minutes of the board of directors are reproduced faithfully. This does not mean that we have judged the transaction value or that we have expressed an opportunity judgment on the opinion of the committee and the decision of the board."

The board also states that the procedure imposed by article 18 of the Royal Decree of 7 December 2010 in relation to real estate investment companies has been respected.

27
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 2013.

Woluwe Garden
24.460 m²
Sint-Stevens-Woluwe

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 2013 TO THE SHAREHOLDERS' MEETING

To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2013, 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.

Report on the consolidated financial statements - Unqualified opinion

We have audited the 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.

The consolidated statement of financial position shows total assets of 588,862 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 34,582 (000) EUR.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) 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 (ISA). 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 statutory 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 group'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 2013, 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.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Antwerp, 12 March 2014
The statutory auditor

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

Kathleen De Brabander

Statutory annual accounts Intervest Offices & Warehouses sa

The statutory annual accounts of Intervest Offices & Warehouses sa are prepared according to the IRFSstandards and in accordance with the Royal Decree of 7 December 2010. The entire version of the statutory annual accounts of Intervest 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.intervest.be) or on demand at the registered office.

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

Income statement

in thousands €	2013	2012
Rental income	39.914	41.207
Rental-related expenses	4	49
NET RENTAL INCOME	**39.918**	**41.256**
Recovery of property charges	1.269	1.408
Recovery of rental charges and taxes normally payable by tenants on let properties	8.880	8.992
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-379	-652
Rental charges and taxes normally payable by tenants on let properties	-8.880	-8.992
Other rental-related income and expenses	182	341
PROPERTY RESULT	**40.990**	**42.353**
Technical costs	-721	-840
Commercial costs	-188	-286
Charges and taxes on unlet properties	-777	-981
Property management costs	-2.400	-2.293
Other property charges	-102	-358
PROPERTY CHARGES	**-4.188**	**-4.758**
OPERATING PROPERTY RESULT	**36.802**	**37.595**
General costs	-1.238	-1.624
Other operating income and costs	47	51
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**35.611**	**36.022**
Result on disposals of investment properties	1.947	140
Changes in fair value of investment properties	5.465	-13.953
Other result on portfolio	429	-730
OPERATING RESULT	**43.452**	**21.479**

Income statement (continued)

in thousands €	2013	2012
OPERATING RESULT	**43.452**	**21.479**
Financial income	390	193
Net interest charges	-11.207	-11.165
Other financial charges	-6	-11
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	2.166	-3.128
Changes in fair value of financial fixed assets	-187	-178
FINANCIAL RESULT	**-8.844**	**-14.289**
RESULT BEFORE TAXES	**34.608**	**7.190**
TAXES	**-27**	**-35**
NET RESULT	**34.581**	**7.155**
Note:		
Operating distributable result	24.574	24.826
Result on portfolio	7.841	-14.543
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other elements	2.166	-3.128

RESULT PER SHARE	2013	2012
Number of shares entitled to dividend	14.424.982	14.199.858
Net result (€)	2,41	0,51
Diluted net result (€)	2,41	0,51
Operating distributable result (€)	1,70	1,75

Statement of comprehensive income

in thousands €	2013	2012
NET RESULT	**34.581**	**7.155**
Other components of comprehensive income (recycable in income statement)		
Changes in the effective part of the fair value of authorised hedging instruments subject to hedge accounting	472	32
Transfer to result of hedging instruments becoming ineffective	241	0
COMPREHENSIVE INCOME	**35.294**	**7.187**

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

in thousands €	2013	2012
A. NET RESULT	**34.581**	**7.155**
B. ALLOCATION TO/TRANSFER FROM RESERVES		
1. Allocation to/transfer from the reserves for the balance of changes in fair value[29] of real estate properties:		
○ Financial year	-6.190	14.656
○ Realisation real estate properties	-1.637	-31
2. Allocation to the reserve of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-14	-82
3. Allocation to/transfer from the reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	-2.166	3.128
11. Transfer from results carried forward from previous financial years	-2.504	166
C. REMUNERATION OF CAPITAL pursuant to article 27, § 1, paragraph 1	**22.070**	**24.992**

Balance sheet

ASSETS in thousands €	31.12.2013	31.12.2012
NON-CURRENT ASSETS	**580.990**	**581.590**
Intangible assets	34	45
Investment properties	571.782	572.354
Other tangible assets	228	248
Financial fixed assets	8.931	8.928
Trade receivables and other non-current assets	15	15
CURRENT ASSETS	**7.871**	**12.486**
Assets held for sale	0	1.225
Trade receivables	3.800	4.860
Tax receivables and other current assets	1.654	3.211
Cash and cash equivalents	686	750
Deferred charges and accrued income	1.731	2.440
TOTAL ASSETS	**588.861**	**594.076**

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

Balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	31.12.2013	31.12.2012
SHAREHOLDERS' EQUITY	**286.521**	**272.356**
Share capital	131.447	129.395
Share premium	65.190	63.378
Reserves	55.303	72.428
Net result of the financial year	34.581	7.155
LIABILITIES	**302.340**	**321.720**
Non-current liabilities	**226.171**	**260.659**
Non-current financial debts	221.251	252.253
Credit institutions	*146.467*	*177.617*
Bond loan	*74.775*	*74.625*
Financial lease	*9*	*11*
Other non-current financial liabilities	4.384	4.685
Other non-current liabilities	536	626
Current liabilities	**76.169**	**61.061**
Provisions	172	172
Current financial debts	61.720	48.018
Credit institutions	*61.712*	*48.012*
Financial lease	*8*	*6*
Other current financial liabilities	517	0
Trade debts and other current debts	2.920	2.821
Other current liabilities	173	354
Accrued charges and deferred income	10.667	9.696
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**588.861**	**594.076**

DEBT RATIO	31.12.2013	31.12.2012
Debt ratio (max. 65%)	48,7 %	51,2 %

NET ASSET VALUE PER SHARE in €	31.12.2013	31.12.2012
Net asset value (fair value)	19,86	19,18
Net asset value (investment value)	20,85	20,19
Net asset value EPRA	20,20	19,73

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”. By deed executed before Eric de Bie, civil-law notary in Antwerpen-Ekeren on 27 October 2011, and published in the Appendices to the Belgian Official Gazette on 21 November 2011 under number 2011-11-21/0174565, the name changed into “Intervest Offices & Warehouses”.

The articles of association were last amended by deed executed before Eric De Bie, civil-law notary in Antwerp-Ekeren on 23 May 2013, as published in the Appendices to the Belgian Official Gazette of 10 June 2013 under number 2013-06-10/0086866.

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 Act 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 Act of 3 August 2012.
The company draws publicly on the savings system in the sense of article 438 of the Belgian Companies Code.

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.intervest.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 association

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 3 August 2012 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 149 of the Act of 3 August 2012 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 registered on the list referred to in article 149 of the Act of 3 August 2012 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 3 August 2012 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 association[30]

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 authorization 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 authorization is only related to the amount of the nominal capital and not to the share 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 dematerialised form. The already issued shares in the sense of article 460, first paragraph of the Belgian Companies Code, which are bearer shares on a securities account, are dematerialized form.

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.

30 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.intervest.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 Act 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-today 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 on certain forms of the collective management of investment portfolios, and its implementating decrees.

Article 17 - Conflicts of interest

The directors, the persons charged with day-today 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 authorized 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 dematerialised 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 24 April 2013, Deloitte Réviseurs d'Entreprises SC under the form of a SCRL, which is represented by Kathleen De Brabander, 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 2016.

The remuneration of the statutory auditor amounts to € 60.000 (excl. VAT, incl. costs) as from the financial year started on 1 January 2013 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 2013, the property experts of the property investment fund are:

- Cushman & Wakefield, 1000 Brussels, avenue des Arts 56. The company is represented by Matthias Gerits.
- Stadim, 2600 Berchem, Uitbreidingstraat 10 - 16, represented by Philippe Janssens.

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 2013, Mechelen Campus is managed by the external manager Quares Asset Management. DTZ has managed the logistic building in Houthalen till 31 December 2013, whereafter it is managed internally by the property investment fund.

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 526ter 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), EMSO sprl, permanently represented by Chris Peeters, Nick van Ommen, Thomas Dijksman, Johan Buijs and Daniel van Dongen, declares that according to its knowledge:

1. 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
2. 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.

RE:flex
370 m²
Mechelen Campus

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.

Gross market rent

The gross market rent comprises the current rents increased by the estimated rental value of vacant properties.

Gross yield

The gross yield is calculated as the relation between gross market rent and the investment value of investment properties.

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 divided 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.

Net yield

The net yield is calculated as the relation between the gross market rent, less the allocated property charges, and the investment value of investment properties.

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.

Vacancy rate

The vacancy rate is calculated as the relation between the estimated rental value of the vacant properties increased by commercial rental income.

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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