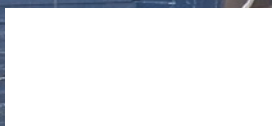
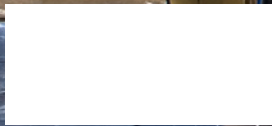
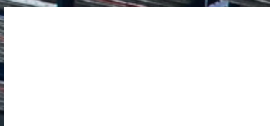
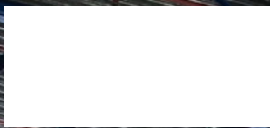
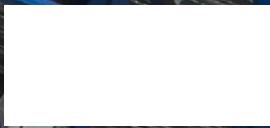
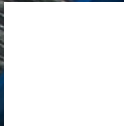
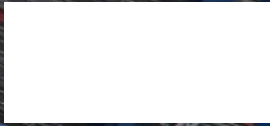


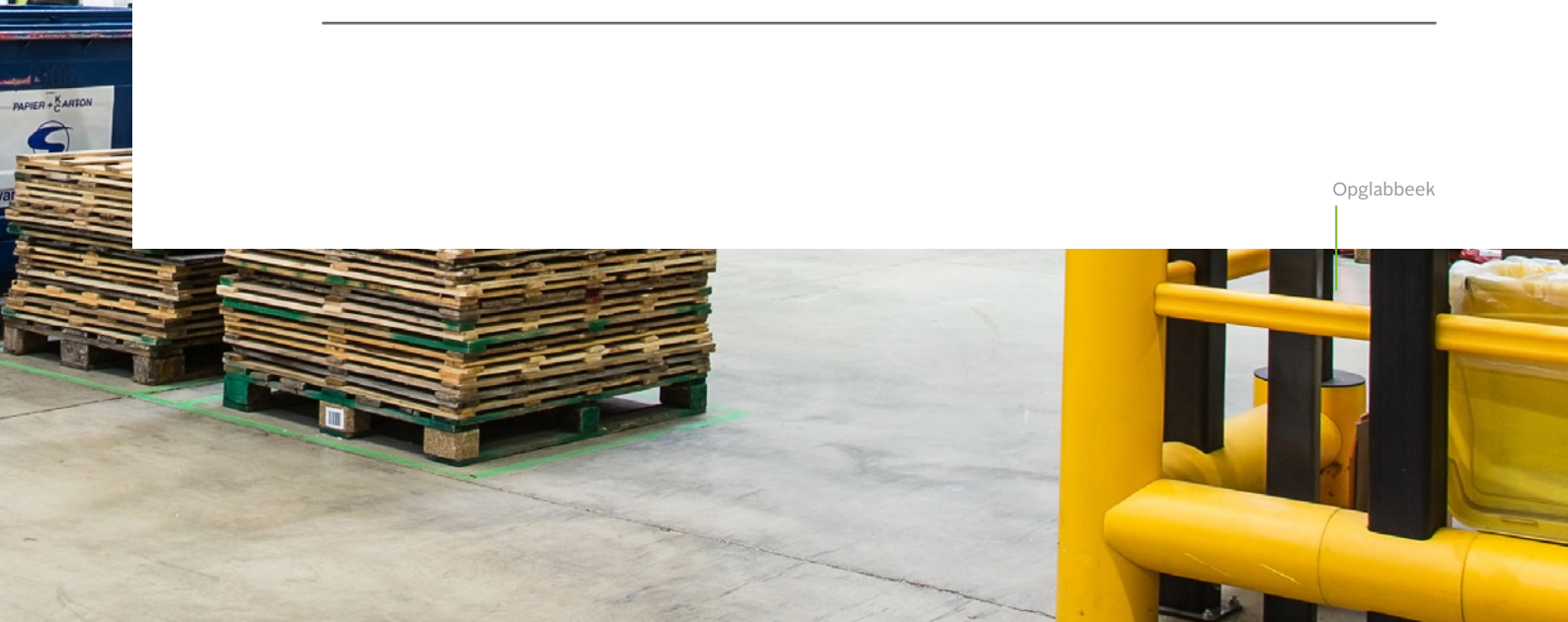
ANNUAL REPORT 2014





INTERVEST OFFICES & WAREHOUSES

- a public regulated real estate company (RREC) under Belgian law
 - shares are listed on Euronext Brussels (INTO)
 - specialises in investments in high-quality office buildings and logistics 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 in the real estate portfolio based on building type as well as geographic spread
 - enjoys a high dividend yield
 - has a sound financial structure
-

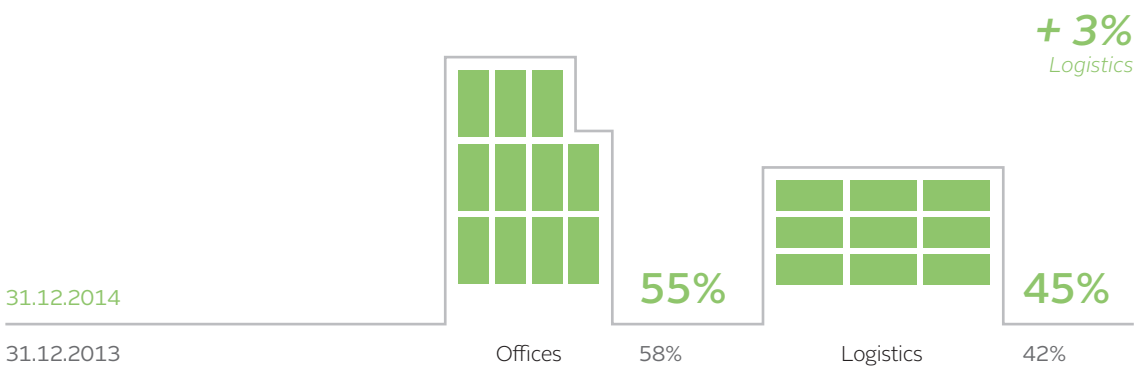


RISK SPREAD OF THE REAL ESTATE PORTFOLIO

NATURE OF THE REAL ESTATE PORTFOLIO

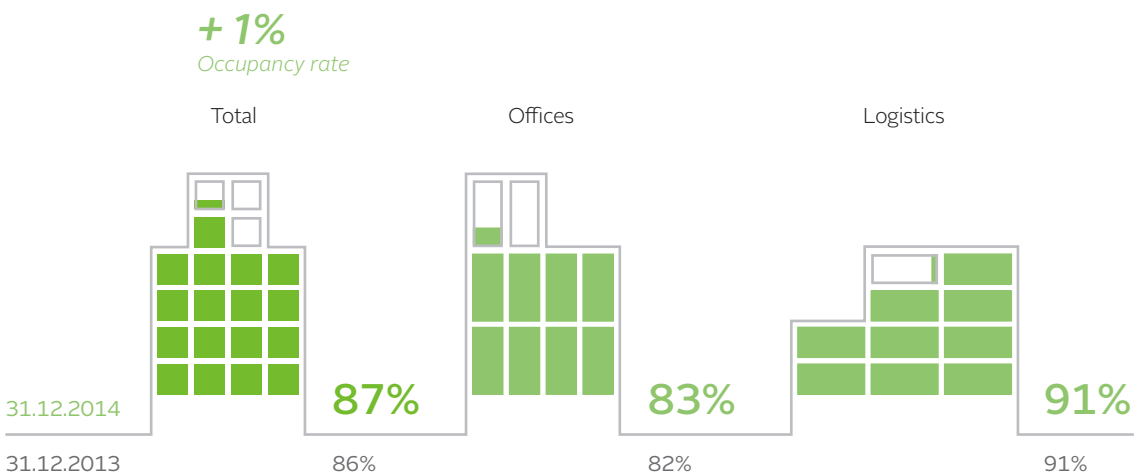
Strategic shift in the portfolio towards logistics real estate: at year-end 2014, 55% of the portfolio consists of offices and 45% of logistics real estate.

After the acquisition of the logistics site in Liège, at the beginning of 2015, logistics represents 48% of the entire real estate portfolio.

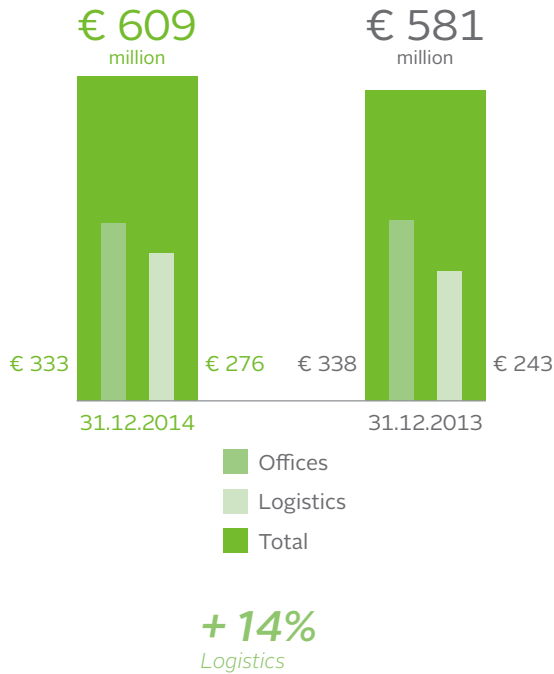


OCCUPANCY RATE

Improved occupancy rate in 2014: 87% as at 31 December 2014 (86% as at 31 December 2013); the occupancy rate of the office portfolio increases by 1% in 2014 to 83%, while the occupancy rate of the logistics portfolio remains stable at 91%.



FAIR VALUE



As at 31 December 2014, the fair value of the total real estate portfolio amounts to € 609 million.

The logistics portfolio expands by 14% in 2014 through the acquisition of a logistics site of approximately 77.000 m² in Limburg for € 33 million.

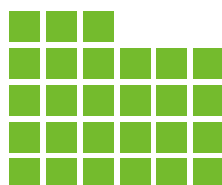
Excluding the investments and divestments realised in the course of 2014, the fair value of the standing real estate portfolio decreases by 1% in 2014, whereby the logistics segment records a 1% appreciation and the office segment depreciates by 2%.

TOTAL LEASABLE SPACE

The total leasable space has increased by 11% to 674.156 m² on 31 December 2014.

674.156 m²

2013: 604.428 m²

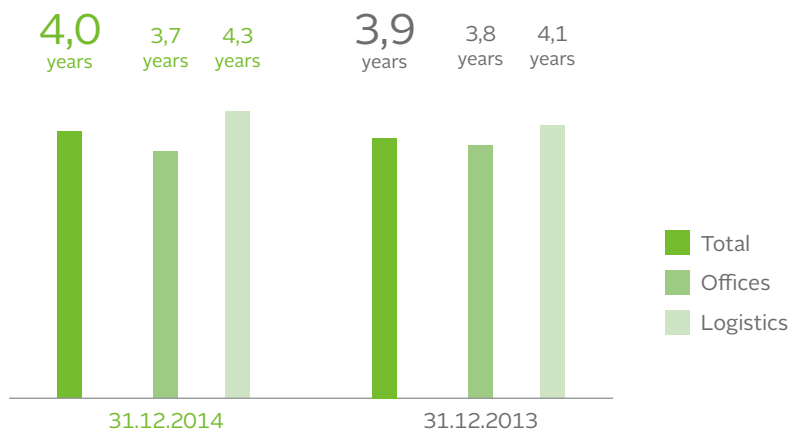


 = 25.000 m²

+ 11%
Leasable space

AVERAGE REMAINING DURATION OF THE LEASE AGREEMENTS

Renewal of lease agreements representing 20% of the total annual rental income of the company, including those with three important tenants (Hewlett-Packard Belgium, Nike Europe and CEVA Logistics Belgium). In addition, lease agreements are concluded in 2014 with new tenants representing 2% of the total annual rental income.



TURN-KEY SOLUTIONS

In the “turn-key solutions” concept, 2.745 m² of office space is fitted out in 5 projects. The further finishing of 2.700 m² for Cochlear at Mechelen Campus is in progress.

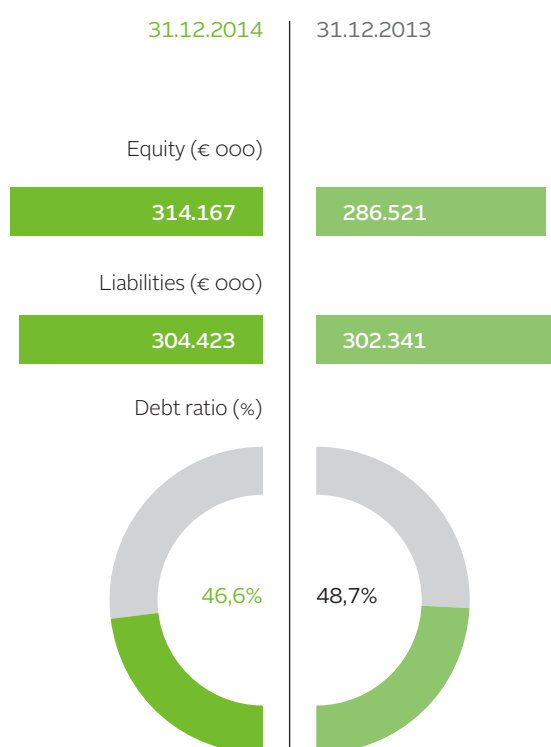
14
Projects
11.000 m²



Cochlear, Mechelen Campus

BALANCE SHEET DATA

+ € 33 million
Equity



-2,1%
Debt ratio

Strengthening of the equity by a € 26 million capital increase in December 2014 and an optional dividend for financial year 2013 in May 2014 of € 7 million, with 42,7% of the shareholders opting for shares.

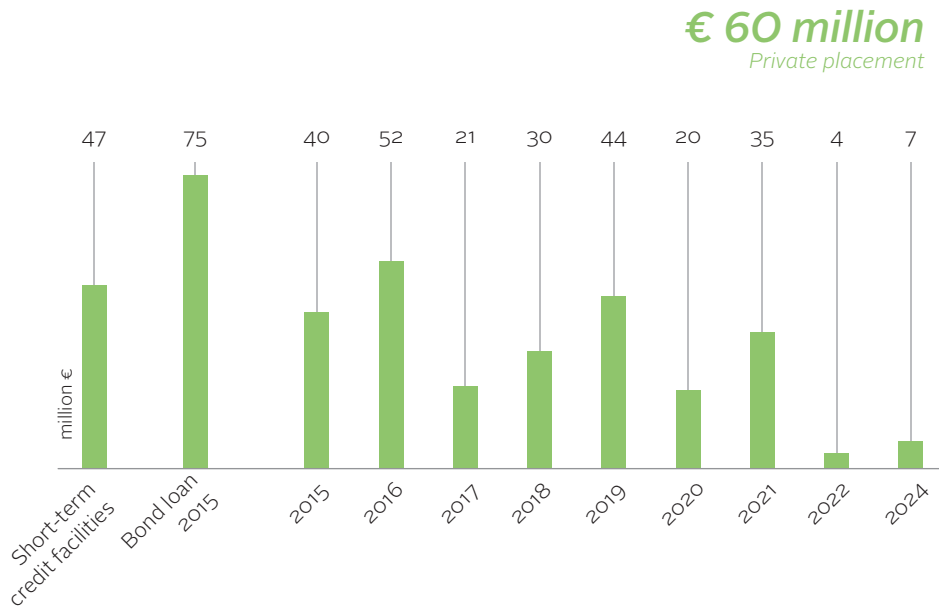
Reduction in the debt ratio to 46,6% as at 31 December 2014 through strengthening of the shareholders' equity.

Key figures per share	31.12.2014	31.12.2013
Number of shares at year-end	16.143.906	14.424.982
Number of shares entitled to dividend ¹	14.777.342	14.424.982
Net value (fair value) (€)	19,46	19,86
Net value (investment value) (€)	20,36	20,87
Share price on closing date (€)	22,50	19,48
Premium (+)/discount (-) to net value (fair value) (%)	16%	-2%

¹ The 1.366.564 new shares issued at the capital increase in December 2014 are entitled to dividend as from 1 January 2015.

EXPIRY CALENDAR FINANCING

In 2014, Intervest Offices & Warehouses has continued the process of diversifying its sources of funding and spreading the due dates of its credit lines. Refinancing for financial year 2015 has already been completely finalised.



Successful private placement of bonds in March 2014 of € 60 million with a term of 5 years and 7 years.

RESULTS 2014

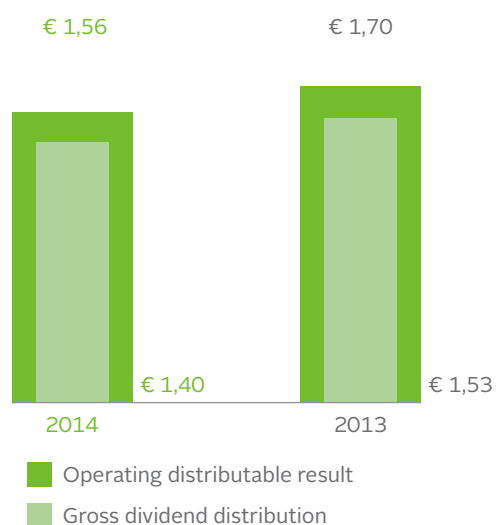
Results (€ 000)	2014	2013
Operating distributable result	23.038	24.574
Result on portfolio	-6.404	7.841
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-344	2.166
Net result	16.290	34.581

Results per share	2014	2013
Number of shares entitled to dividend	14.777.342	14.424.982
Operating distributable result (€)	1,56	1,70
Gross dividend (€)	1,40	1,53
Net dividend (€)	1,0500	1,1475

The operating distributable result amounts in 2014 to € 1,56 per share (€ 1,70 in 2013).

€ 1,40²
Gross dividend distribution

The gross dividend of Interinvest Offices & Warehouses amounts in 2014 to € 1,40 per share for financial year 2014, offering a gross dividend yield of 6,2% based on the share price on closing date of 31 December 2014. Pay-out ratio for the dividend is 90 % in 2014.

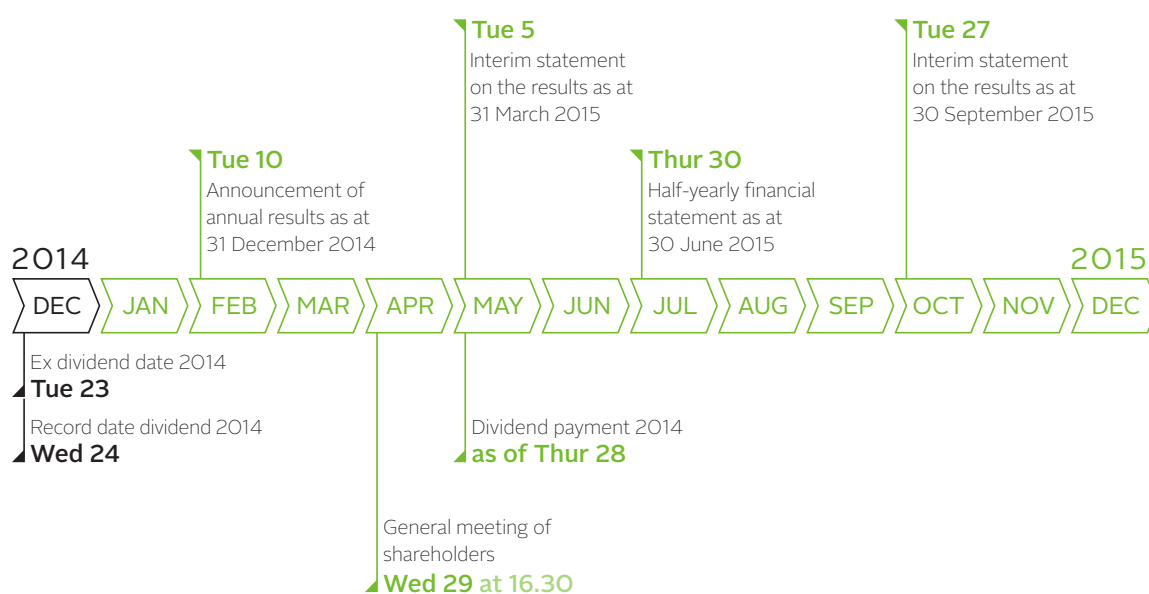


2 Since 2013 Interinvest Offices & Warehouses has decreased the pay-out ratio of the dividend from 100 % of the operating distributable result to 90 %.

EPRA - key figures per share	31.12.2014	31.12.2013
EPRA Earnings (€)	1,57	1,71
EPRA NAV (€)	19,77	20,20
EPRA NNNAV (€)	19,02	19,64
EPRA Net Initial Yield (NIY) (%)	6,4%	6,3%
EPRA Topped-up NIY (%)	6,9%	6,7%
EPRA Vacancy rate (%)	14,8%	16,1%
EPRA Cost Ratio (including direct vacancy costs) (%)	15,2%	13,8%
EPRA Cost Ratio (excluding direct vacancy costs) (%)	13,3%	11,9%



FINANCIAL CALENDAR 2015



Approval of the change of status to a regulated real estate company (RREC) by the extraordinary general meeting of 27 October 2014.

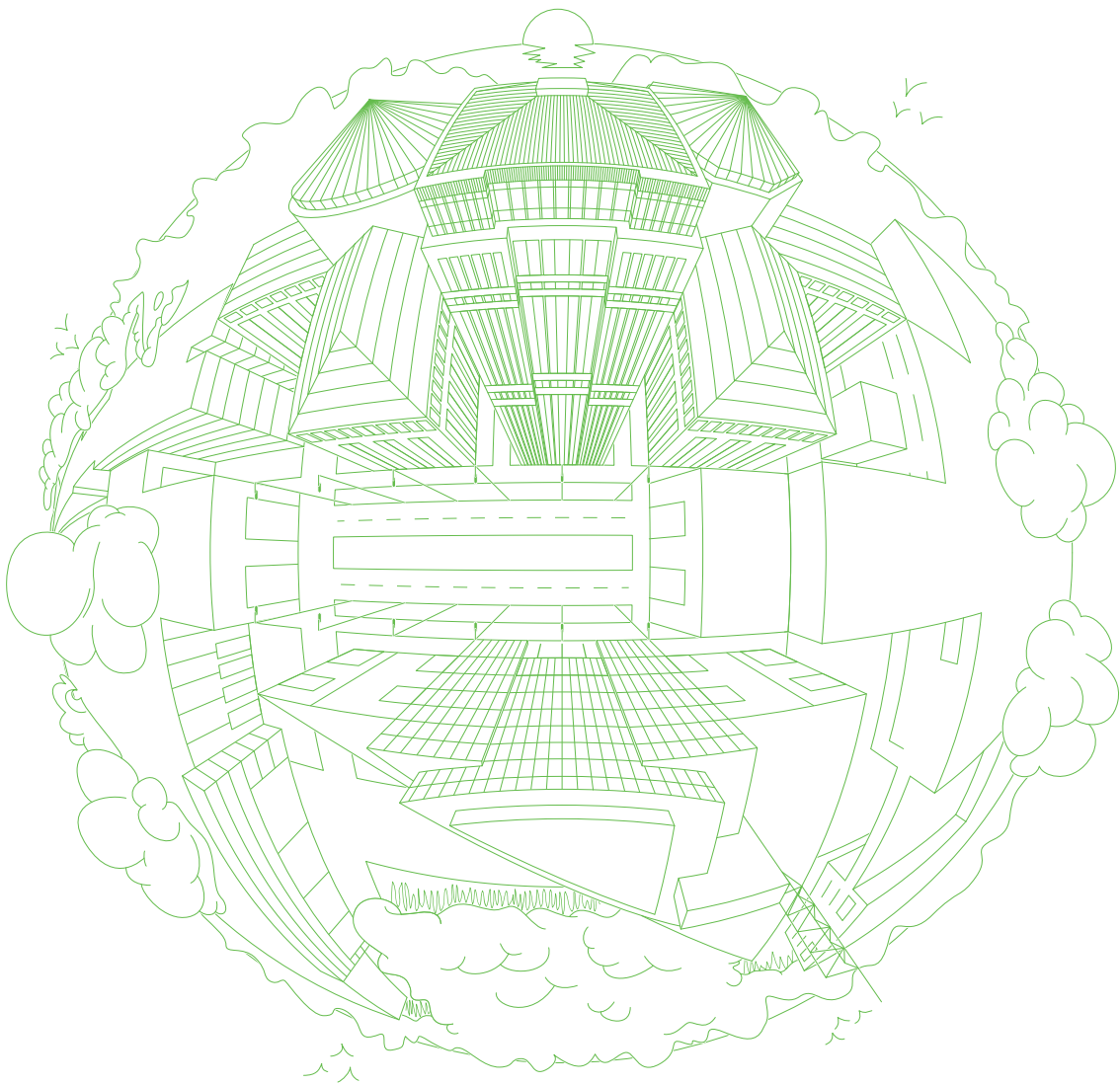


TABLE OF CONTENTS

Letter to the shareholders	14	Financial report	139
Report of the board of directors	19	Index	141
Profile	20	Consolidated income statement	142
Investment policy	22	Consolidated statement of comprehensive income	143
Corporate governance statement	24	Consolidated balance sheet	144
Sustainable responsible business and corporate social responsibility	45	Statement of changes in consolidated equity	146
Report of the management committee	53	Consolidated cash flow statement	148
Market of offices and logistics real estate	54	Notes to the consolidated annual accounts	149
Important developments in 2014	58	Statutory auditor's report	188
Financial results 2014	72	Statutory annual accounts Interinvest Offices & Warehouses sa	190
Financial structure	78	General Information	195
Profit distribution 2014	82	Identification	196
EPRA Best Practices	83	Extract from the articles of association	199
Forecast for 2015	88	Statutory auditor	202
Report on the share	91	Liquidity provider	202
Stock market information	92	Property experts	202
Dividend and number of shares	96	Property management	202
Shareholders	97	RREC- legal framework	203
Financial calendar 2015	99	Statement to the annual report	204
Property report	101	Terminology	205
Composition of the portfolio	102		
Overview of the portfolio	110		
Valuation of the portfolio by property experts	112		
Description of the office portfolio	114		
Description of the logistic properties	126		

LETTER TO THE SHAREHOLDERS

Dear shareholders,

Given the current economic climate, we are pleased to inform you that we largely realise the strategy on a number of priorities in 2014. Namely the shift in the portfolio towards logistics real estate, pursuit of stability in terms of occupancy rate, objective as regards renewal of lease agreements, responding to the changing needs of customers in the office market, and further optimising the company's sources of funding.

The **shift** towards logistics real estate emerges in the altered ratio between the two segments of the real estate portfolio. Intervest Offices & Warehouses expands its logistics portfolio in 2014 with a € 33 million investment in Opglabbeek, accounting for a 14% growth in the logistics portfolio. High-quality logistics real estate currently represents herewith 45% of the portfolio, and the ratio between the two segments in the real estate portfolio is at year-end 2014: 55% offices and 45% logistics buildings, or an average 15% shift over the last five years from the office market towards logistics real estate.

Strategic shift

55% Offices

45% Logistics real estate

As part of this strategy, the acquisition of a logistics site of 77.000 m² in Opglabbeek from Machiels Real Estate has been finalised in December 2014. The site is a modern complex along the Antwerp-Limburg-Liège logistics axis; 89% is let at the time of acquisition, of which 53% on a long-term lease. The long-term portion is used as a European distribution centre for an American multinational in medical equipment.

€ 609 million

Fair value real estate portfolio

The acquisition at the beginning of 2015 of a contemporary logistics site in Liège of approximately 52.000 m² fits into the same vision. The share of the logistics portfolio increases herewith to 48%⁴.

The **fair value** of the existing **real estate portfolio** (excluding acquisitions and divestments) has decreased in 2014 by approximately € 5 million or 1%⁵. The logistics segment has witnessed an increase in value of € 2 million or 1% as a result of the growing demand on the investment market for high-quality real estate, whereas the office portfolio decrease in value of € 7 million or 2%, owing primarily to the competitive rental market in the Brussels periphery as a result of an oversupply of office space in that area. Taking into account the acquisition in Opglabbeek, the fair value of the total real estate portfolio of Intervest Offices & Warehouses has increased to € 609 million as at 31 December 2014.

The **occupancy rate** of the real estate portfolio has not only remained stable, but has even increased by 1% to 87%. As far as the logistics portfolio is concerned, the occupancy rate has remained stable at 91%, whereas that for offices has improved from 82% to 83%, despite the difficult situation on the office market.

+ 1%

Occupancy rate from 86% to 87%

The **rental activity** in 2014 has focused primarily on the renewal of existing lease agreements. In total, agreements representing 20% of the annual rental income have been extended. Lettings to new tenants have remained limited to 2% of the annual rental income. In the office portfolio new lease agreements have been concluded for a total space of 3.932 m² and in the logistics portfolio 3 transactions have been concluded for a space of 13.014 m².

20%

Prolongation annual rental income

A total of 47 rental transactions are concluded with new or existing tenants. The main contract extensions have been with Hewlett-Packard Belgium in the office segment and with Nike Europe and CEVA Logistics Belgium in the logistics segment. Those tenants together account for 13% of the total rental income. In the logistics segment, the extension of the long-term agreement is concluded with Sofidel Benelux in Duffel, under which the tenant fully integrated its production site with the warehouse of Intervest Offices & Warehouses.

2%

New lease agreements

The office market is marked by a shrinking demand for traditional floor space, while the needs of customers with regard to the so-called "new way of working" continue to evolve.

The need to remain competitive in such a market environment calls for an **innovative and service-oriented approach**.

Recent examples of the turn-key solutions approach whereby tenants seek advice and guidance on the design and finishing of their offices have included Rens Accountants, NG Data and Cochlear at the Mechelen Campus, Modero Brussel in Brussels 7, Givi Group in the Sky Building and CEWE Belgium at the Intercity Business Park in Mechelen.

⁴ See press release of 5 February 2015 for further information.

⁵ Based on an unchanged composition of the real estate portfolio compared to 31 December 2013.

14
Projects
11.000 m²

In the meanwhile the above mentioned **turn-key solutions** approach accounts for nearly 11.000 m² in 14 projects of which 2.745 m² spread over 5 projects and the further finishing of 2.700 m² for Cochlear at Mechelen Campus. Many positive reactions of clients strengthen Intervest Offices & Warehouses to further expand this approach in the office portfolio.

The growing success of the flexible business hub **RE:flex** in Mechelen confirms, for the third year running, the need for flexible and high-tech office, conference and event space.

In the area of environmental protection, care for the **well-being** of **customers** and **staff**, and long-term economic profitability with attention to **social commitment** and **corporate governance**, the company continues its efforts throughout 2014.

Meanwhile 34% of the buildings in the portfolio have the internationally acknowledged BREEAM certificate.

With the appointment of an internal quality manager, Intervest Offices & Warehouses underscores its express intention to integrate sustainability in a pragmatic manner in its daily management and to help promote the well-being of tenants.

Intervest Offices & Warehouses also has continued to work on the **energy performance** of the buildings in the real estate portfolio. The proposed timetable to bring the heating and cooling systems into compliance by 2015 with the law restricting the use of the previously common R22 coolant as from 2015, is further completed. This has involved a substantial investment, which for four buildings means replacing the existing outdoor components that used R22 while preserving the indoor installations and pipelines, and for three other buildings delivering and fitting a brand-new installation. As a result, the installations have become a good deal more efficient and are now some of the better on the market.

The strategic priorities are also reflected in **financial** terms.

€ 60 million
Private placement

To **refinance** the € 75 million bond loan falling due in June 2015, Intervest Offices & Warehouses has realised a successful private placement of bonds in March 2014 for a total amount of € 60 million. The bonds have a term of 5 years (€ 25 million) and 7 years (€ 35 million) and lower interest rates than the bond loan expiring in 2015.

In addition, the refinancing of € 59 million in credit lines that are due to expire in 2016 are finalised with one of the existing financiers. The new credit lines now expire in 2018, 2019 and 2020, and are concluded at market conditions with the same financial institution. Also in January 2015 a credit facility of € 40 million is prolonged. Herewith all refinancing for financial year 2015 is already entirely concluded.

The **capital increase**, involving the issue of new shares worth € 26 million on 22 December 2014 upon the acquisition of the logistics site in Opglabbeek, serves to strengthen the company's equity. This comes on top of the € 7 million equity increase in May 2014 through the optional dividend for financial year 2013. The shareholders opted for 42,7% of the shares to contribute their dividend rights in exchange for new shares rather than cash payment of the dividend.

-2,1%
Debt ratio

The capital increase and the success of the optional dividend have allowed the real estate company, despite € 33 million worth of investments, to cut its **debt ratio** by 2,1% from 48,7% as at 31 December 2013 to 46,6% as at 31 December 2014.

RREC

The extraordinary general meeting held on 27 October 2014 has adopted the amendment of the articles of association of Intervest Offices & Warehouses for the purpose of changing its status from a public real estate investment fund into a **public regulated real estate company (RREC)** by a 99,99% majority vote. Intervest Offices & Warehouses is pleased with this vote of confidence from the shareholders. The new status better reflects economic reality and provides an appropriate legal framework that dovetails with the character of Intervest Office & Warehouses as an operating and commercial real estate company.

Intervest Offices & Warehouses has filed its 2013 annual report with EPRA for the first time. At the 2014 conference, the real estate company was presented with an 'EPRA BPR Silver Award' and a 'Most Improved Award' (award for the most improved annual report) for its 2013 annual report: a token of recognition of the transparent and consistent reporting on the company's developments.

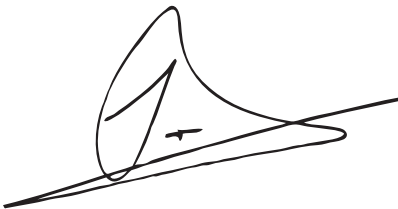
As expected, the operating distributable result has been lower in 2014 than in 2013. Despite the slight increase in rental income (€ 0,1 million), the distributable operating profit has declined due to increased property charges attributable to maintenance costs in the logistics portfolio (- € 0,3 million), higher general costs (- € 0,4 million) mainly as a result of consultancy costs for the conversion of the company into the RREC, and increased financing costs (- € 0,8 million) mainly as a result of the refinancing of the bond loan. For financial year 2014, this means an operating distributable result of € 23,0 million compared to € 24,6 million for financial year 2013, or a per-share value of € 1,56 compared to € 1,70 last year (based on 14.777.342 dividend-entitled shares).

Based on a pay-out ratio of 90%, we can offer you a gross dividend for financial year 2014 of € 1,40 per share compared to € 1,53 for 2013. This gross dividend offers shareholders of the company a gross dividend yield of 6,2% based on the closing share price as at 31 December 2014.

€ 1,40
Gross dividend
distribution

You can rely on us that we will continue to face the challenges we will be confronted with. Therefore the confidence that you and the clients continue to give us is very important, like the daily commitment of our employees. We wish to make use of the opportunity to express our gratitude and to thank you.

The board of directors



Johan Buijs

Director

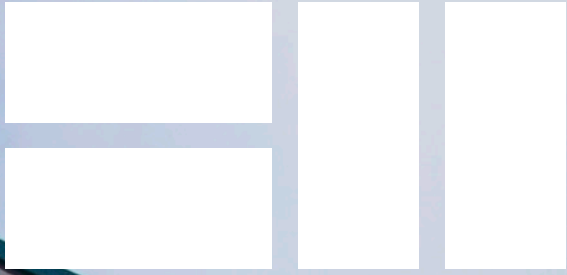


Paul Christiaens

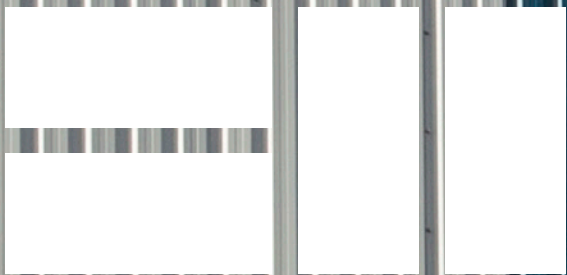
Chairman of the board of directors

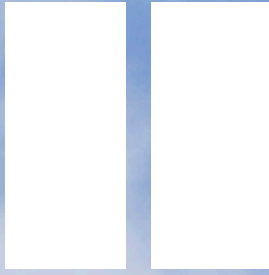


Mechelen Campus



16

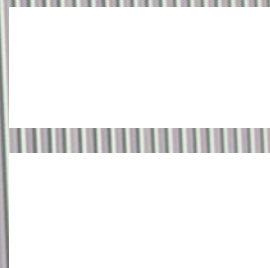
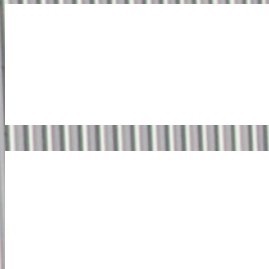




REPORT OF THE BOARD OF DIRECTORS

- Profile
 - Investment strategy
 - Corporate governance statement
 - Sustainable business and corporate social responsibility
-

Opglabbeek



17

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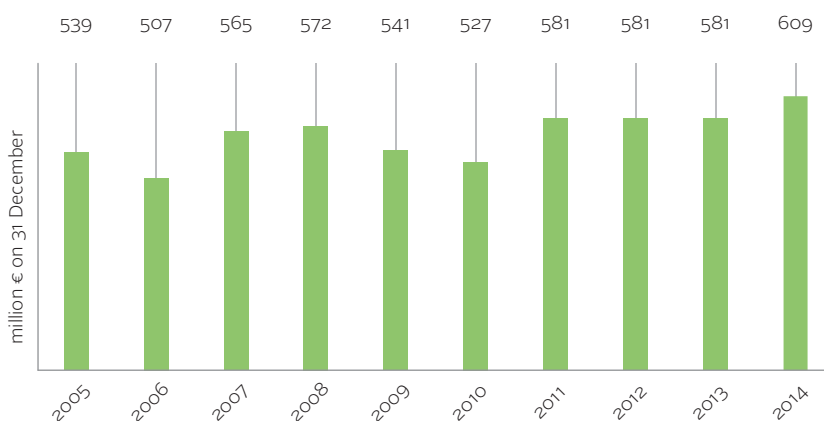
PROFILE

Intervest Offices & Warehouses sa is a public regulated real estate company (RREC) founded in 1996 of which the shares are listed on Euronext Brussels (INTO) as from 1999.

Intervest Offices & Warehouses invests in high-quality Belgian office buildings and logistics 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. The offices of the real estate portfolio are situated on the Antwerp-Mechelen-Brussels axis; the logistics properties on the Antwerp-Brussels and Antwerp-Liège axis

On 31 December 2014 the portfolio comprises 55% office buildings and 45% logistic properties. The total fair value of the investment properties at 31 December 2014 has increased and amounts to € 609 million.

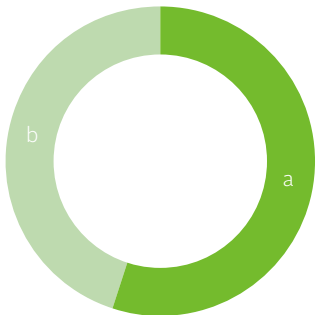
Evolution of fair value of the real estate portfolio



Risk spread

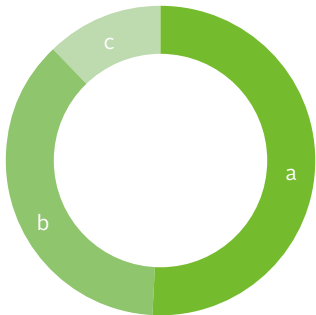
Intervest Offices & Warehouses' investment strategy respects the criteria of risk diversification in the real estate portfolio based on building type, geographic spread and nature of the tenants. On 31 December 2014 this risk spread is as follows:

Nature of the portfolio



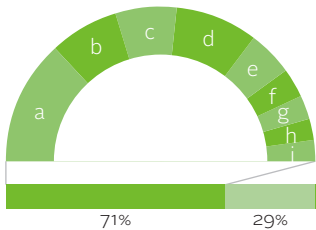
a	Offices	55%
b	Logistics	45%

Geographical spread of offices



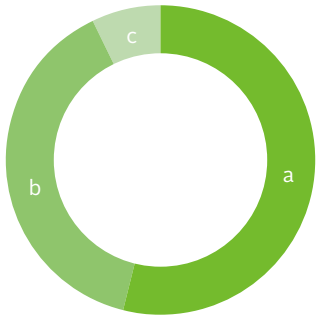
a	E19 (incl. Mechelen)	51%
b	Brussels	37%
c	Antwerp	12%

Sectoral spread of the portfolio



a	23%	Logistics
b	11%	Trade
c	10%	Technology, research and development
d	14%	(Bio)Medical sector
e	6%	Production companies
f	3%	Automotive industry
g	2%	Financial services
h	1%	Construction
i	1%	Mail and telecommunication
29%		Other services

Geographical spread of logistic properties



a	Antwerp-Liège (E313, E34, E314)	54%
b	Antwerp-Mechelen (A12, E19)	39%
c	Brussels	7%

INVESTMENT STRATEGY

The investment strategy is aimed at 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.

Intervest Offices & Warehouses wishes to be a high-quality, specialised player in both the office market and the logistics real estate segment. A unique combination on the Belgian market, with sufficient critical mass, which offers the advantage of a strong risk spread and which seeks attractive and long-term returns for shareholders.

The investment strategy of Intervest Offices & Warehouses is based on four pillars: increasing focus on logistics real estate, combined with a solid grounding in the office market, proactive customer focus and active portfolio management.

The real estate company clearly opts for an investment policy in which two real estate segments are part of the portfolio: offices and logistics buildings. Currently, the share of both real estate segments in the total portfolio is virtually equal, but the ultimate ambition is to expand the logistics part of the real estate portfolio to 60% of the total portfolio.

The increasing focus on the logistics segment is underpinned by clear economic data.

For a number of years the office market in Brussels, both centrally and on the periphery where Intervest Offices & Warehouses operates, has been struggling with an oversupply, and this has created a difficult rental market. In recent years only a very limited number of projects have been added to the market, and the reconversion of offices to suit other functions continues apace. For the market as a whole this has a positive effect on vacancy rates, despite large regional differences. However, oversupply, mainly in obsolete and empty office buildings, has a negative impact on average rents, while the number of renegotiated leases is on the rise. In addition, developments in the so-called 'new way of working' are leading to a reduction in the total surface area occupied for the same number of employees when businesses move. Although a slight improvement has been noticeable in the last two years, it is unlikely that the office market will again reach pre-2008 levels.

Belgium is a major logistical hub in Europe. In the logistics real estate market, vacancy rates are limited, investment yields are relatively high and capital investments for maintenance are on average lower compared with the office market. Compared with office buildings, logistics real estate also has a longer technical and economic life. Moreover, the growing importance of e-commerce is expected only to increase demand for quality logistics buildings.

The cyclical effect is felt differently in the two segments of the market. The logistics market is more early-cyclical

and will therefore grow more rapidly after a period of economic crisis, while the office market reacts more late-cyclically and the effects of a downward trend will be felt later.

Intervest Offices & Warehouses can rely on a substantial market knowledge, and strives for strong partnerships with tenants and developers. The increasing specialisation and good reputation of Intervest Offices & Warehouses in the logistics segment is important, since it is a segment in which only a few niche players are active.

Building on its long-standing experience in the office market, Intervest Offices & Warehouses wishes to optimise its position in this segment. To that end, when managing its office portfolio it distinguishes between strategic and non-strategic buildings and buildings offering added value. This segmentation forms the basis for the setting of priorities and the taking of decisions.

In the highly competitive environment of the office market, the real estate company distinguishes itself by focusing on the constantly evolving needs of customers. An in-house innovation team is responsible for providing total tailored solutions (so-called turn-key solutions), ranging from planning, organisation and the coordination of work to budget monitoring. Intervest Offices & Warehouses also responds actively to new trends on the labour market, as with the RE:flex hub for mobile and flexible working.

The proactive customer focus is reflected in the entire organisation of Intervest Offices & Warehouses. All critical functions required for the management of real estate customers and real estate are available in house: rental, finance and administration, operational services and facility management. A helpdesk is available to customers 24/7 for day-to-day real estate management.

Finally, Intervest Offices & Warehouses continues to opt for active portfolio management. Although the preference in both real estate segments is for buildings in strategic locations, it is not just location and technical aspects that are important when assessing logistics real estate. Specifically, the typology of the tenant and of the building, as well as the added value generated in the building, are also considered in the evaluation.

In the office segment, the intention is to optimise the risk profile by aiming for as great a distribution of tenants as possible in each building. Here, the primary focus is on location, accessibility and visibility of the building, as well as the quality of the tenants.

On 31 December 2014, the free float of the share of Intervest Offices & Warehouses is 49,80%.

Intervest Offices & Warehouses wishes to improve the attractiveness of its share further by guaranteeing high liquidity, expanding the real estate portfolio and improving the risk profile.

Liquidity of the share

Liquidity is determined by the extent to which the shares can be traded on the stock market. Companies with high liquidity are more likely to attract 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 RREC is fairly low. One major reason for this is that these companies are often too small - in terms of both market capitalisation and free float - to gain the attention of professional investors.

In addition, shares in RREC are generally purchased as long-term investments rather than on a speculative basis, which reduces the number of transactions.

Size of the real estate portfolio

A large portfolio clearly offers a number of benefits.

- It helps to **spread the risk** for the shareholders. Potential regional fluctuations in the market can be absorbed by investing in real estate throughout Belgium. This also means that the company is not dependent on one or a small number of major 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 real estate and financial criteria.

Property-related criteria:

- quality of the buildings (construction, finishing, number of parking spaces)
- location, accessibility, visibility
- quality of the tenants
- respect for the legal provisions and regulations (permits, soil pollution, etc.)
- potential for re-rental.

Financial criteria:

- enduring contribution to the result per share
- exchange ratio based on investment value
- 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 agreements are well spread.

CORPORATE GOVERNANCE STATEMENT

General

The corporate governance statement is in line with the provisions of the Belgian Corporate Governance Code 2009 (“2009 Code”) and the Act 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 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 company 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 RREC.



Management entities

Board of directors

At 31 December 2014, 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 2014, the board of directors met thirteen 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 2014 are:

- approval of the quarterly, half-yearly and annual figures
- approval of the annual accounts and the statutory reports
- approval of the budgets 2014 and the business plan 2015
- 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
- change of status of the company to RREC
- merger with subsidiary Duffel Real Estate
- drawing up of a split proposal on the purpose of a capital increase through contribution in kind in the framework of an operation assimilated to a split or partial split (article 77 of the Belgian Companies Code).

The Corporate Governance Charter of the company 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 reached 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.

Board of directors



Paul Christiaens

Chairman, independent director

Vijverstraat 53
3040 Huldenberg
Belgium

Director of real estate companies

Term: April 2016
Attendance: 11/13



Nick van Ommen

Independent director

Beethovenweg 50
2202 AH Noordwijk aan Zee
The Netherlands

Director of real estate companies

Term: April 2016
Attendance: 10/13



EMSO bvba, permanently represented by Chris Peeters

Independent director

Berchemstationstraat 76 bus 6
2600 Berchem
Belgium

Transport economist

Term: April 2016
Attendance: 9/13

Johan Buijs

Director and effective leader
(pursuant to article 14, § 3 of the RREC Act)

p.a. NSI nv
Antareslaan 69-75 / Postbus 3044
2130 KA Hoofddorp
The Netherlands

Chief executive officer NSI

Term: April 2015
Attendance: 10/13



Daniel van Dongen

Director

p.a. NSI nv
Antareslaan 69-75 / Postbus 3044
2130 KA Hoofddorp
The Netherlands

Chief financial officer NSI

Term: April 2015
Attendance: 9/13



Thomas Dijkman

Director

Wagnerlaan 23
3723 JT Bilthoven
The Netherlands

Director of real estate companies

Term: April 2015
Attendance: 9/13



Management committee



Jean-Paul Sols, ceo



Inge Tas, cfo



Luc Feyaerts, coo



Johan Buijs, director

Audit committee

In 2014, the audit committee comprises three independent directors:

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

In 2014, 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 2014, the audit committee met five times. The most important items on the agenda of the audit committee in 2014 have been:

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

The members of the audit committee attended all meetings.

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

Management committee

In 2014, 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 RREC 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 www.intervest.be. The members of the management committee are also the effective leaders of the company pursuant to article 14, § 3 of the RREC Act.

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.

Conflicts of interest

As far as the prevention of conflicts of interest is concerned, the company is subject on the one hand to legal rules (articles 523 and 524 of the Belgian Companies Code and articles 36 till 38 of the RREC Act) and on the other hand 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 company 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 articles 36, 37 and 38 of the RREC Act 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 company and a director.

If, for example, a director of the company, 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 nature of the decision or transaction is justified in the minutes. 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 company, 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 37 of the RREC Act

Similarly, article 37 of the RREC Act states that Financial Services and Markets Authority (FSMA) must inform in advance of any planned transactions to be carried out by the RREC 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 RREC or own a share of it; the promoter of the public RREC; other shareholders of all subsidiaries of the public RREC; 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 hold an interest for the public RREC, be in line with its strategy and must be executed under normal market conditions. These transactions must be promptly disclosed.

Pursuant to Article 49, § 2 of the RREC Act, when a real estate transaction takes place with the above-mentioned persons, the company is bound by the valuation made by the real estate expert.

The provisions of Articles 36 and 37 of the RREC Act do not apply to:

- transactions involving a sum that is less than the lowest amount of either 1% of the consolidated assets of the public Regulated Real Estate Company or € 2.500000
- the acquisition of securities by the public RREC or one of its subsidiaries in the context of a public issue by a third-party issuer, for which a promoter or one of the persons referred to in Article 37, § 1 acts as intermediary within the meaning of Article 2, 10° of the Law of 2 August 2002
- the acquisition of or subscription to the shares in the public RREC issued as a result of a decision by the general meeting by the persons referred to in Article 37, § 1, and
- transactions involving the liquid assets of the public RREC or one of its subsidiaries, provided the person acting as counterparty has the capacity of intermediary within the meaning of Article 2, 10° of the Act of 2 August 2002 and these transactions are executed under normal market conditions.

The procedure for avoiding conflicts of interest has not been invoked during financial year 2014.

Remuneration report

Appointment and remuneration committee

Intervest Offices & Warehouses does not have an appointment and remuneration committee. The board of directors of company 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 company 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 RREC Act
- 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.

Basic remuneration 2014

Directors

In 2014, 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.

It this framework it can be stated that Thomas Dijkman who was appointed as independent director by decision of the general annual meeting of 25 April 2012, receives an annual fixed remuneration of € 14.000 in his quality of independent director, and this in contrast with the other directors representing the majority shareholders who 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 15 §1 of the RREC Act, the directors' fees are not related, either directly or indirectly, to the transactions carried out by the company. The directors do not own shares of the company nor have any options been granted to the directors on shares of the company.

Members of the management committee

The amount of the fixed fee granted as remuneration in 2014 to the members of the management committee, except the director, amounts to € 505.129, of which € 184.116 is for the chairman of the management committee and € 321.013 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 company.

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.

Bonus for 2013, paid in 2014

The three members of the management committee, except the director, may be eligible for an annual combined bonus of maximum € 68.000. The amount of bonus to be granted is determined on the basis of measurable criteria linked to pre-agreed performance levels.

In 2013, these criteria were in the area of operating distributable result, lettings and occupancy rate.

Based on targets achieved in 2013, a total bonus of € 68.000 was awarded in 2014. 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 2013.

Basic remuneration for 2015 and bonus for 2014

At the general meeting of shareholders of 29 April 2015 will be proposed to adapt the annual fixed remuneration of the independent directors as follows:

- increase from € 14.000 to € 20.000 (except the chairman of the board of directors)
- increase from € 15.000 to € 25.000 for the chairman of the board of directors.

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 2015.

The three members of the management committee, except the director, may be eligible for an annual combined bonus of maximum € 83.000. In 2014, these criteria are in the area of the operating property result, the occupancy rate of the real estate portfolio, diversification of its sources of financing, sustainability and corporate social responsibility. Based on targets achieved in 2014, a total bonus of € 83.000 is awarded. No additional bonus is paid for 2014. 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).

An additional explanation is given pursuant to article 7.18 of the 2009 Belgian Corporate Governance Code, namely that the severance payment for the CEO amounts to more than the counter-value of twelve months of fixed remuneration, which, however, concerns a contractual arrangement concluded before 1 July 2009 that has not yet constituted the subject matter of an extension since 23 May 2010, as a result of which article 554 of the Companies Code does not apply.

Major risk factors and internal control and risk management systems

In 2014, the board of directors of Intervest Offices & Warehouses once again focuses attention on the risk factors with which Intervest Offices & Warehouses must contend: strategic, operating, financial and financial reporting risks, compliance risks and their management and risks related to the status of regulated real estate company.

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 and the time of investment and divestment

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 2014, a 1% hypothetical negative adjustment of the yield used by property experts for the valuation of the real estate portfolio of the company (yield or capitalisation rate) (from 7,5% to 8,5% on average) would reduce the fair value of the real estate by € 72 million or 12%. As a result, the debt ratio of the company would increase by 6% to approximately 53% (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 company 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: investment risks, rental risks, cost control risks, risks relating to a deteriorating condition of buildings and the risk of major works, debtor's risks and legal and tax risks.

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 agreements or extending existing lease agreements 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 49,§1 of the RREC Act 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 company 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 agreement.

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 agreements are taken into account. The company strives to maintain a balanced distribution of the duration of the lease agreements in compliance with rules defined in the applicable leasing legislation. This allows future lease terminations and agreement revisions to be anticipated in good time. The lease agreements of the company 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 2014 is 87%, which is an improvement compared to 31 December 2014. For the office portfolio, which represents 55% of the fair value of the real estate portfolio, the occupancy rate on 31 December 2014 is 83% (82% at the end of 2013) and for the logistics

portfolio, which represents 45% of the fair value of the real estate portfolio, the occupancy rate on 31 December 2014 is 91% (91% at the end of 2013).

The impact of the economic climate on the results of Intervest Offices & Warehouses is, however, mitigated by the duration of the lease agreements, the risk spread over tenants and quality of tenants, the sectoral spread of the portfolio and the location and quality of buildings.

- **Duration of the lease agreements**

As from January 2015 the expiry dates of agreements in the entire real estate portfolio are well-spread out over the coming years.

The average rental period until the next expiry date is 4,0 years on 31 December 2014 (3,9 years as at 31 December 2014). For the offices there is a decrease from 3,8 years to 3,7 years and for the logistics portfolio on increase from 4,1 years to 4,3 years.

For large office tenants (above 2.000 m²), which comprise 67% of the office portfolio and thus have a major influence on the overall recurring rental income flow, the next expiry date is, on average, only after 4,2 years. In the office market where the real estate company is active, most of the lease agreements are of the type 3/6/9, meaning that for such type of lease agreements the average rental period till next expiry date can be 3 years at the most.

For logistic properties the next expiry date for large spaces (those above 10.000 m²) is after 4,2 years, representing an increase compared to the situation on 31 December 2013, when it still was 3,6 years. This is due, on the one hand, to the acquisition of the site in Opglabbeek and on the other hand to the prolongation of agreements with Nike Europe in Herentals, with CEVA Logistics Belgium in Boom and Sofidel Benelux in Duffel. For smaller surfaces (< 10.000 m²) the next expiry date is only after 4,8 years.

- **Risk spread over tenants and quality of tenants**

The rental income of the company is spread over 185 different tenants, which reduces the risk of bad debts and promotes income stability. The ten biggest tenants contribute 47% 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 2005 - 2014 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 company 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 company, 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.

- **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.

- **Location and quality of buildings⁶**

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

Total take-up of 2014 amounts to 690.000 m², which represents an increase by approximately one third compared to 2013, but is still 5% below the average for the past ten years.

The Brussels periphery suffers from an oversupply of offices and the market is very competitive. There are some light signs of improvement regarding take-up as well as net rental income, but the market is not yet at cruising speed. 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 company in Brussels on 31 December 2014 is approximately 12%, which is slightly higher than the overall Brussels office market with a current vacancy rate of approximately 10,5% and is unchanged compared to the end of 2013. For the Brussels periphery office market, the vacancy rate goes even from 17% (South periphery) to 25% (Airport/Zaventem periphery) at the end of 2014.

The vacancy for the offices of the company in Mechelen amounts to 21% on 31 December 2014, mainly because of vacancy in Mechelen Campus Toren which is a slight improvement compared to the situation on 31 December 2013. Due to the success formula "RE:flex, flexible business hub" (opened on the ground floor in 2012) an additional floor will be created in the first semester of 2015. Furthermore, the business centre MC Square (individual offices) has opened at the end of 2014 an additional floor.

6 Source for market data: Cushman & Wakefield, Office Reports Q4 2014.

In the Antwerp office market the take-up of office space has reached 94.000 m² in 2014, which is 15% better than in 2013 but still noticeably lower than during the top years when a take-up of 115.000 m² was easily exceeded. This is noticeably lower than 5-year average, which amounted to 103.000 m². The vacancy on the global Antwerp office market is estimated at 11% on 31 December 2014. The vacancy in the Antwerp offices of Intervest Offices & Warehouses reaches 15% on 31 December 2014 (compared to a 16% on 31 December 2013).

The logistics market has performed lesser than in 2013, but still represents a take-up of 500.000 m². The take-up on the semi-industrial market amounts to 784.000 m². 93% of the logistics portfolio is located on the Antwerp-Mechelen (i.e. E19 and A12) and Antwerp-Liège (i.e. E313, E34 and E314) axes, which are the most important logistic axes in Belgium. 7% 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 company.

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 un-leasable 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 company 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 fair value of the property as a result of being vacant, and a lower-than-expected operating distributable result and result on portfolio.

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 company seeks to limit the technical costs for the coming years.

At the time of the termination of the lease agreement, the tenant (in accordance with the contractual agreements made in the lease agreement) must compensate the company 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 company is located.

Debtor's risks

The risk of default is the risk the company 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 company 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 agreements are concluded. Deposits or bank guarantees are also always obtained when entering into lease agreements. A rental deposit or bank guarantee of 6 months' rent is provided for in the standard lease agreement used by Intervest Offices & Warehouses for the rental of its offices and of 3 months' rent for logistic properties. On 31 December 2014, the actual weighted average duration of the rental deposits and bank guarantees for offices is approximately 6 months (or about € 13,3 million). For the logistics portfolio, the actual weighted average duration of the rental deposits and bank guarantees on 31 December 2014 is 3,4 months (or approximately € 4,4 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 2005 - 2014 represent only 0,1% of total turnover.

The financial and real estate portfolio administration pays close attention to limiting rent arrears. On 31 December 2014 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 company'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 minimize 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 € 533 million, as compared to a fair value of investment properties of € 609 million on 31 December 2014 (note: land included). The insured value of the offices is € 360 million and that of the logistics portfolio is € 173 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 € 931 million. This insured value is split into € 715 million for offices and € 216 million for the logistics 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.

- **Exit tax**

The tax authority states that with regard to the calculation of the exit tax and thanks to the clarification in the Finance Minister's circular letter dated 23 December 2004, there is now legal certainty that no account need be taken of the registration fees in the valuation of investment properties for the exit tax calculation. With regard to the taxable amount of the exit tax (the actual value/sales value of the investment properties), it is now finalised that this value equals the investment value (value of the property when transfer costs are paid by the seller) after deduction of the registration fees or VAT, the so-called value of the property when transfer costs are paid by the buyer.

It is true that the tax authority still considers (see point 3 of the circular letter of 23/12/2004) that the actual value of the company's assets on the date that it is recognised as a RREC cannot be less than an amount corresponding to the value of the company's assets as would be determined in comparison with the value of the issued shares, or the price of the shares acquired or offered to the public, less the registration fees and VAT that are included in the property valuation reports. It is the intention to include the so-called securitisation premium in the taxable base of the exit tax. The securitisation premium is the premium that investors in a RREC are prepared to pay on top of the net assets reflected by the expected added value resulting from the recognition of the RREC by the FSMA. As described in detail in Note 26 of the Financial report, Intervest Offices & Warehouses disputes this interpretation and still has open appeals amounting to some € 4 million regarding the recognition of the (then) Siref nv property investment fund (of which Intervest Offices & Warehouses is the legal successor under universal title as a consequence of the merger dated 28 June 2002).

- VAT

Regarding the VAT status of Intervest Offices & Warehouses, which qualifies as a partial taxpayer that is only entitled to a limited VAT deduction, the company applies the rule of actual use with a view to determining the extent of the right to deduct VAT. This means that in order to determine its right to a deduction based on the rule of actual use relating to the above-mentioned activities, the costs for the

company must be broken down according to their purpose. This rule of actual use can easily be applied to Intervest Offices & Warehouses except:

- ▶ with regard to the VAT levied on incoming goods and services, which also includes investments intended for buildings that form the subject matter, both of property rental of office space (exempt from VAT) and of property rental or making storage space available, for which the company must allocate costs as based on a breakdown formula that, according to Intervest Offices & Warehouses, reflects a realistic and verifiable presentation of the purpose of the costs for each of the relevant activities
- ▶ the VAT incurred for other costs (management costs, office equipment, general costs, etc.), where the rule of actual use cannot be applied and where the company therefore also implements the calculation of the VAT to be deducted according to a special ratio, based on the proportion between taxed invoicing and the total (taxed and not taxed) invoicing.

Although Intervest Offices & Warehouses is of the opinion in this regard that it always applies these basic VAT principles correctly and consistently, the VAT authorities can query the breakdown of the costs according to the breakdown formula applied by the company and attempt to impose a different breakdown, a different breakdown formula or a different ratio.

- **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 Invest 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.

Besides, the introductions of new or stricter standards regarding soil pollution or energy consumption can have a major influence on the costs which have to be made in order to operate well.

temporarily derogated from if specific market conditions require this. The average remaining duration of the long-term credit facility agreements as on 31 December 2014 is 3,9 years.

The bank credit agreements of Invest Offices & Warehouses are subject to compliance with financial ratios, which are primarily related to the consolidated financial debt level of Invest Offices & Warehouses or its financial interest charges. These ratios limit the amount that could still be borrowed by Invest Offices & Warehouses. These ratios are respected as on 31 December 2014. If Invest Offices & Warehouses were no longer to respect these ratios, the financial institutions could require the financing agreements of Invest Offices & Warehouses to be cancelled, renegotiated, terminated or prematurely repaid.

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, Invest Offices & Warehouses always strives for a balance between shareholders' equity and borrowed capital. In addition, Invest 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

Invest Offices & Warehouses is limited in its borrowing capacity by the maximum debt ratio permitted by the regulations relating to RREC. Within the legally defined limits of the 65% ratio, the theoretical additional debt capacity of Invest Offices & Warehouses amounts to approximately € 325 million in case of an unchanged valuation of the existing real estate portfolio.

Liquidity risk

Invest 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, Invest 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 2014, Invest Offices & Warehouses has non-withdrawn credit lines of € 91 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 2014, the interest rates on the credit facilities of the company remain fixed for a remaining average duration of 2,9 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 6 banks:

- banks providing financing are: ING Belgium sa, BNP Paribas Fortis sa, KBC Bank nv, Belfius Bank sa, Bayerische Landesbank and NIBC Bank sa.
- banks which are counterparties for the interest rate hedges are: ING Belgium sa, KBC Bank nv and Belfius Bank 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 2014, this cash position amounts to € 1,3 million.

Risk associated with capital markets

The risk associated with capital markets involves a risk which the company is exposed to on the debt capital market 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 company's bonds.

The company is seeking to minimise this risk by proactively maintaining good relationships with its current and potential bondholders and shareholders as well as with its current and potential bankers. Even though the RREC's legal statute allows for a debt level of 65 %, the company'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 company's financial reports contain material inaccuracies, in which case stakeholders would receive incorrect information regarding the operational and financial results of the company, 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 company'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 company.

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 is 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 control

This includes the risk of an inadequate level of compliance with relevant laws and regulations and the risk of employees displaying a lack of integrity. Intervest Offices & Warehouses limits this risk by placing particular emphasis on screening the integrity of 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 already defined an internal code of conduct and whistleblowing rules. Moreover, the company has instituted adequate internal control mechanisms based on the four-eyes principle. These mechanisms are designed to limit the risk of dishonest behaviour.

Article 17, § 4 of the RREC Act stipulates that the public RREC *“must take the necessary measures to be able at all times to access an appropriate independent compliance function so as to ensure compliance by the public RREC, its directors, senior management, employees and agents with the laws relating to the integrity of the business of a public RREC”*. Article 6 of the Royal Decree on RREC stipulates that the public RREC *“must take the necessary measures to be able to permanently access an appropriate independent compliance function. The compliance function is appropriate when it ensures with reasonable certainty compliance by the public RREC, its directors, senior managers, employees and agents with the laws relating to the integrity of the business of a public RREC”*.

The “independent compliance function” can be understood as an independent function within the company focused on examining and promoting compliance by the company with the rules relating to the integrity of its business activities. The rules concern those resulting from the company's policy, the status of the company and other legal and regulatory provisions. In other words,

this concerns an element of corporate culture, with an emphasis on honesty and integrity and adherence to high ethical standards in business. In addition, both the company and its employees must behave with integrity, i.e. honestly, reliably and in a trustworthy manner.

Inge Tas, member of the management committee and cfo, has been appointed head of the independent compliance function. She has a four-year mandate in relation to the independent compliance function.

Risks associated with the status of public regulated real estate company

Since 27 October 2014, the company has had the status of public regulated real estate company. As a public regulated real estate company, Intervest Offices & Warehouses is governed by the provisions of the Act of 12 May 2014 on regulated real estate companies and the Royal Decree of 13 July 2014 on regulated real estate companies.

As a public RREC Intervest Offices & Warehouses is exposed to the risk of future changes in the law governing RRECs. In addition, there is also the risk of losing the status of public RREC. In that case, Intervest Offices & Warehouses would lose the advantage of the favourable tax system⁷ applicable to RREC. Furthermore, the loss of this status would generally be seen as an event whereby the loans that Intervest Offices & Warehouses has taken out become due immediately.

Retaining the status of public RREC has the constant attention of the board of directors and the management committee. As such, the distribution requirement and funding limits are calculated or determined periodically and on an ad-hoc basis when refinancing, investing and preparing the dividend proposal.

⁷ Results (rental income and capital gains from sales less operating expenses and financial charges) are exempt from corporation tax as far as the public RREC is concerned; only disallowed expenses and abnormal benefits are taxed. It can also be subjected to the special secret commissions tax of 309% on commissions and remunerations paid that are not properly documented in individual pay sheets and a summary statement.

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.

Independent control functions

As part of its internal controls, each public RREC must implement internal audit procedures, a risk management policy and an integrity policy. This is supervised by the person responsible for the internal audit function, the risk management function and the compliance function, respectively, in accordance with Article 17, § 3, 4 and 5 of the RREC Act (together these are the "independent control functions").

In the context of the conversion of the status of Intervest Offices & Warehouses to a RREC, on 27 October 2014 persons were appointed who are responsible for the internal audit function, the risk management function and the compliance function.

Independent internal audit function

The internal audit can be understood as an independent evaluation function, embedded in the organisation, aimed at examining and evaluating the proper operation, the effectiveness and the efficiency of the processes and procedures applied by the company in the carrying out of its activities. The person responsible for the internal audit can provide the various members of the organisation with analyses, recommendations, advice, evaluations and information concerning the activities examined in connection with the execution of their responsibilities.

This internal audit concerns, among other things, the operation, effectiveness and efficiency of processes, procedures and activities relating to:

- operational matters: quality and suitability of systems and procedures, organisational structures, policies and methods and resources used in relation to objectives
- financial matters: reliability of accounting, the financial statements and the financial reporting process, and compliance with applicable (accounting) regulations
- management matters: quality of the management function and staff services in the context of the company's objectives
- risk management and compliance.

Intervest Offices & Warehouses has appointed the external consultant BDO (represented by its permanent representative, Lieven Van Brussel - Partner (BDO Risk & Assurance Services)) as the party responsible for the internal audit, with Johan Buijs, director and member of the management committee of Intervest Offices & Warehouses sa, being appointed as the non-operational senior manager who controls the internal audit function as exercised by BDO from within the company and is thus regarded as having ultimate responsibility for internal audit. The mandate of BDO as external consultant as well as the mandate of Johan Buijs as the person ultimately responsible for internal audit is for four years.

Independent risk management function

In the context of the risk management policy, the company will ensure that the above risks to which it is exposed (strategic, operational, financial, financial reporting and compliance risks) are assessed, controlled and monitored in an effective manner.

With this aim in mind, Intervest Offices & Warehouses has charged a person with the risk management function who is responsible for, among other things, preparing, developing, monitoring, updating and implementing risk management policy and risk management procedures.

From the change of the status of the company to public RREC, the independent risk management function has been carried out by Inge Tas, member of the management committee and cfo. Inge Tas has a four-year mandate in relation to the independent risk management function.

Independent compliance function

Rules regarding compliance and integrity are included in the function of the compliance officer. In accordance with principles 3.7 and 6.8 together with Annex B to the Belgian Corporate Governance Code 2009 of the Corporate Governance Commission, the company has appointed Inge Tas, member of the management committee and cfo, as compliance officer, responsible for supervising compliance with the rules on market abuse as imposed by, among other things, the Act of 2 August 2002 on supervision of the financial sector and financial services and Directive 2003/6/EC on insider dealing and market manipulation. The compliance officer also sees to it that the company complies with the laws, regulations and rules of conduct that apply to it. To ensure a corporate culture of integrity, Intervest Offices & Warehouses sa has defined an internal code of conduct and whistleblowing rules.

As stated above, the “independent compliance function” can be understood as an independent function within the company focused on examining, and promoting, compliance by the company with the rules relating to the integrity of its business activities. The rules concern those resulting from the company's policy, the status of the company and other legal and regulatory provisions. In other words, this concerns an element of corporate culture, with an emphasis on honesty and integrity and adherence to high ethical standards in business. In addition, both the company and its employees must behave with integrity, i.e. honestly, reliably and in a trustworthy manner.

Inge Tas, member of the management committee and cfo, has been appointed head of the independent compliance function. She has a four-year mandate in relation to the independent compliance function.

“Comply or explain”-principle

In 2014, 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 RREC 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 reached 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.



Intercity Business Park

SUSTAINABLE BUSINESS AND CORPORATE SOCIAL RESPONSIBILITY

Within the current social context, Intervest Offices & Warehouses seeks a cohesive and sustainable social policy, in line with the expectations of all interested parties: customers, employees, shareholders, suppliers and other stakeholders.

Intervest Offices & Warehouses has implemented various measures in this regard relating to protection of the environment, concern for the welfare of customers and staff, and long-term economic viability with an eye for social engagement and sound corporate governance.

Concern for the environment

Sustainability performance of the buildings

Since 2009, Intervest Offices & Warehouses is 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. 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.

Due to several important changes to the BIU audit methodology, carried out so as to be able to evaluate more effectively the specificity of real estate in continental Europe, the audit of the Houthalen logistics complex and the Gateway House office building had to be repeated in 2014. Also, the Wommelgem and Exiten buildings are submitted to BREEAM for certification.

In the meantime, 34% of the total portfolio of Intervest Offices & Warehouses has now been certified on the basis of this BIU methodology. In 2015 this certification process is being continued, and various buildings will again be evaluated on the basis of this methodology such that eventually most of the buildings in the portfolio will be certified. The audits show that the larger buildings in particular score well. This is because the sustainability performance of a building is largely determined by the user. Buildings leased by Neovia, Deloitte, PwC, UTi Belgium and Fiege score better than the average.

A quality manager has been appointed internally to process these analyses and convert them into meaningful, concrete measures and changes that contribute to the welfare of the tenant and the quality of the building. After all, for customers this focus on energy efficiency also has a demonstrable impact on their energy bills.

Energy policy

Several rooftops of the logistics buildings of Intervest Offices & Warehouses are equipped with solar electricity generating systems. For this purpose, the company has granted a right of superficies to third parties to the roofs of the buildings for a period of 20 years. Photovoltaic equipment having a total installed capacity of 11,0 megawatts peak (MWp) has been installed on a total roof surface area of 180.000 m² spread over six different sites. This delivers a total CO₂ reduction of around 2.800 tonnes per year.

Intervest Offices & Warehouses has an active purchasing policy as regards energy (electricity & gas). This allows it to respond adequately to the energy markets, which have seen prices fall in recent years. Compared with 2009, the purchase price for 2014 has fallen by more than 20%. The purchased electricity is 100% green, the origin of which is demonstrated by the necessary guarantees from the supplier. Besides reducing the cost of energy, Intervest Offices & Warehouses is also focusing on constantly pushing down energy consumption. In the first half of 2015 electricity is purchased for 2016, taking advantage of the historically low prices that are considerably below those of 2014 and 2015.

PROJECT R22	Old system	New system	Average reduction
Consumption (kWh)	6.415.059	4.430.992	30%
Emission CO ₂ (tonne)	1.963	1.356	30%

In this table the theoretical consumption of the building 3T-Estate, Inter Access Park 2-4, Intercity Business Park 11, 17-19, Mechelen Campus A-B-C-D, Park Station, Woluwe Garden, Gateway House and Mechelen Business Tower are measured.

Theoretical consumption under following circumstances:

- 30 weeks in heating modus under nominal conditions (7°C outside temperature & 20°C inside temperature at full-load)
- 22 weeks in cooling modus under nominal conditions (35°C outside temperature & 27°C inside temperature)
- working week of 50 hours.

CO₂ equivalent of 0,306kg CO₂/kWh.

Sources: BIM and technical leaflets manufacturers.

R22 project

In order to ensure the continuity of installations, in 2012 Intervest Offices & Warehouses began converting R22 cooling and heating installations. The proposed timetable to bring the installations into compliance by 2015 with the law restricting the use of the previously common R22 coolant as from 2015 is further completed. There are three options available when converting existing installations. For each building the most suitable implementation concept is applied, which involves a significant investment.

One possibility is to replace the existing outside units on R22 while retaining the equipment inside and the pipes, as used at Mechelen Campus, Inter Access Park and partly in Intercity Business Park and Park Station. Since

all the work is carried out on the roof, there is minimal disruption to customers. Moreover, the conversion has a beneficial effect on the BREEAM certification.

A second option is to deliver and install a completely new installation, as used in Mechelen Business Tower, 3T Estate and the SKY Building. The advantage of this option is better air distribution and, thanks to a total guarantee, less of a risk for the technical manager and therefore lower maintenance costs. Finally, this also applies to the third option, which consists of replacing existing ice water machines as used in Gateway House, Woluwe Garden and De Arend. As a result, regardless of the implementation concept, the installations have all become a good deal more efficient and are now some of the best on the market. As a result of this intervention the average consumption has been decreased by 30%.

Energy efficiency

The luminaires in the underground car park of the Gateway building in Antwerp are replaced by new LED luminaires.

In the logistics building in Boom, in conjunction and collaboration with the user CEVA Logistics Belgium, the original mercury vapour lamps in the hangar have been replaced by modern high-efficiency TL5 luminaires. Corridor sections are also equipped with detectors that immediately guarantee 100% lighting efficiency if movement is detected. Fifteen minutes after the last movement in the corridor is detected, these appliances automatically dim down to 10% of their capacity. The work has been carried out without problems by the company VEKO in coordination with CEVA Logistics Belgium over a period of three weeks during normal working hours. Thanks to this investment energy savings of at least 30% are expected, which will be improved even further when CEVA Logistics Belgium implements a three-shift system.

In addition, the direct-with-gas-fired air heaters in the hangar are also fitted with an energy management system. The system optimises the efficiency of the heating appliances in the warehouse by means of a

central computer that takes peaks and troughs out of consumption. This initiative is expected to yield energy savings of at least 25%.

Together, these two changes make this building the most sustainable within the Intervest Offices & Warehouses logistics portfolio.

An energy monitoring system is installed in the De Arend no. 47 and Mechelen Campus C buildings. The installation of a number of online measuring points allows the energy consumption of these buildings to be mapped, with the data being processed on a software platform in real time. Using reports generated by this software, the major consumers are identified, settings optimised and anomalies detected. In 2015, this is being further expanded to other office buildings in the portfolio. This initiative will reduce consumption by 30%.

In order to prepare properly for a possible blackout or brownout, an audit of evacuation options and associated processes has been performed for all buildings. This information is processed into a scenario for each building so that the competent services can react appropriately in the event of failure.

Waste removal

Intervest Offices & Warehouses is also implementing its sustainability efforts through its far-reaching approach to waste removal. For example, it is possible to separate PMD (plastic bottles, metal packaging and drink cartons) residual waste on the one hand and paper and cardboard

waste on the other. Options are also provided for less standard waste types such as batteries, ink cartridges, confidential documents, wood, glass and fluorescent tubes.

E-green project

E-commerce is a rapidly growing sector. Online stores often have a young, dynamic approach and generally tend to focus on commercial aspects rather than logistical efficiency and sustainability.

The E-green project of the not-for-profit Flemish Institute for Logistics (Vlaams Instituut voor de Logistiek vzw, VIL) is designed to examine how e-commerce can be optimised in a sustainable manner. A comprehensive customer survey will examine whether consumers are willing to take a more environmentally aware approach to deliveries of online orders, and among other things

evaluate measures such as bundling of deliveries, smarter delivery points or modifications to packaging. Based on this consumer survey and combined with several practical working examples, the VIL wishes to produce a simulation model. Such a model must make it possible for businesses to quantify the impact of certain working methods on costs and the environment.

Since a more efficient approach to e-logistics is not only an operational but above all also a social requirement, Intervest Offices & Warehouses is actively participating in this project with 12 other companies.

Attention to dialogue

Consultation with all stakeholders at regular intervals is planned.

Each quarter a comprehensive press release on the financial position of the company is issued, while the board of directors meets at least six times a year. Moreover, consultative sessions with employees are held on a frequent basis and tenants' meetings are arranged annually with customers. In this way, Intervest Offices & Warehouses aims for a good relationship with its stakeholders based on trust and continual optimisation.

In 2014 Intervest Offices & Warehouses also assessed the satisfaction of customers, both directly through front office staff and via an online survey. This survey included questions relating, among other things, to appearance of the buildings, the services offered, accessibility, the maintenance carried out, the handling and follow-up of interventions and the customer-friendliness of employees.

Overall, customers' reactions are very positive. The points obtaining a high score are personal contact between customers and employees, prompt and accurate billing, and the online helpdesk.

Intervest Offices & Warehouses also seeks short lines of communication with customers, and for this reason it created tenants' meetings. At these meetings, employees talk directly with tenants about a variety of issues. Due to the various positive reactions to this initiative, these meetings will be developed further in the future.

In 2014, an employee was taken on who is responsible on a full-time basis for coordinating and evaluating services. Obviously, Intervest Offices & Warehouses wants tenants to 'be' and 'remain' satisfied in the office buildings. Using the feedback provided and conclusion/needs identified (online/offline), certain improvement actions will be initiated in 2015 in connection with the lead time for technical interventions and signage in and around the buildings. Concern for social welfare is also given concrete form through the facilities in buildings for customers and their staff.

Attention to employees

For each team and individual, Intervest Offices & Warehouses provides training opportunities based on the needs of the individual or the team and its activities. The company is also working on a specific path tailored to so-called older employees adapted to the needs of the employee in question.

Besides the regular performance interviews each employee has an annual assessment, and this provides the perfect opportunity to align mutual expectations. The company aims for a healthy balance between work and personal life and offers sufficient flexibility at work, taking individual circumstances into consideration. Since one cannot burn the candle at both ends, the necessary attention is also paid to social aspects of working together such as team building, incentives, etc., which also finds expression in the company's social commitment.

Attention to corporate governance

Intervest Offices & Warehouses attaches considerable importance to honesty, integrity and openness in its business dealings, both in the internal environment and externally in relations with the various stakeholders. The chapter on corporate governance describes in detail what is arranged in this area.

Facilities at Mechelen Campus



Fitness



Crèche



Sandwich bar



Charging point for electric vehicles



Ironing service



IT-shop

Attention to customers

Evacuation

In 2014, Intervest Offices also organises evacuation exercises in the 'multi-tenant' office buildings and in the logistics buildings with the aim of being able to evacuate quickly and efficiently if required. These announced exercises are directed by Intervest Offices & Warehouses in consultation with the manager of the company responsible for facilities services. Afterwards, Intervest Offices & Warehouses analyses the evacuation and provides its customers with a report containing any recommendations or action points.

Facility management

The 27/4 service for the day-to-day management of the buildings is highly valued. Intervest Offices & Warehouses has a modular offer including cleaning services, surveillance, energy, reception services, odd jobs, technical work, etc.

Supported by Planon, a software package purchased in 2012, Intervest Offices & Warehouses ensures that the various requests for a wide range of work are processed efficiently. With 'Planon self-service', the customer has the option of directly entering a notification in the system. The customer can then track the status of the work request in the web tool. Suppliers and partners can be monitored more efficiently and adjustments can be made where necessary.

Community approach

On its Mechelen Campus site, Intervest Offices & Warehouses has surrounded a 60m tall tower with 10 lower office buildings, all linked by an underground car park. Between the buildings there is a beautiful garden with a picnic area and a water feature, an ideal setting for a relaxing break. In total, Mechelen Campus offers around 50.000 m² of office space.

Mechelen Campus is conceived as an interactive community in which Intervest Offices & Warehouses and Quares, the on-site manager, provide a wide range of facilities to make the daily lives of the office users as pleasant and comfortable as possible.

For example, there is a sandwich bar/restaurant, ironing service, handyman service, crèche, fitness centre, seminar area with meeting rooms, and even a computer store. Attention is also paid to the atmosphere on the campus, and during the Football World Cup a large screen was erected on the campus on which the Red Devils' first match could be watched. Certain committed tenants provided catering and offered fun gadgets. It goes without saying that this was hugely appreciated by all the office users and was also welcomed by management. They did not have to make any extra arrangements, had satisfied employees, and engaged in team building on site. The money generated by the event was donated to Make-A-Wish, a foundation that helps realise the fondest wishes of children with a life-threatening illness. This type of initiative also demonstrates the company's social commitment.



Attention to social welfare

At various points over the years, Intervest Offices & Warehouses has demonstrated its social commitment in a wide range of areas.

Kom op tegen Kanker

For instance, for several years the company has supported the 1.000 km of the Kom op tegen Kanker cancer foundation. It has done this through structural support for this annual event in 2011 and 2012, and by supporting individual participating members of staff in 2013 in what counts as the longest bike ride in Flanders. Each year, Kom op tegen Kanker collects funds to support scientific research in the fight against cancer.

Computer Class in Mvangan, Cameroon

A number of discarded computers were sent to Mvangan grammar school in Cameroon in 2014. This gift was sufficient to provide to each of them a computer in a class of about 20 students.

Saint Nicolas initiative

On 5 December 2014 a team from Intervest Offices & Warehouses arranged for Saint Nicolas to visit the tenants. The surplus sweets that were not handed out were taken to Welfare Points in Niel. The company also uses the opportunity to donate old promotional materials, such as clothing, to this association, which cares for around 84 needy families.

Run to walk again

To Walk Again, a foundation that collects funds for people with a physical disability to offer them post-rehabilitation and sports facilities, can also count on the support of Intervest Offices & Warehouses. In 2013 and 2014 the Jasper on Wheels teams is sponsored for its participation in the Run To Walk Again, a relay tour over a distance of 8 marathons (337 km) for teams of 8 to 15 runners with at least 1 hand biker. Jasper on Wheels is the team formed around a basketball player who due to an unfortunate fall during a game suffered a spinal cord injury in the neck and is paralysed from the chest down.

Make-A-Wish foundation

Jasper is a young boy from Antwerp with a life-threatening illness. His ultimate dream was to travel to the World Cup in Brazil and watch one of the Red Devils' matches. Thanks to the Make-a-wish Foundation, and the financial support of the companies and employees of Mechelen Campus & Intercity Business Park, gathered during the event at the Mechelen Campus, Jasper's dream became a reality. He saw the match against Russia in Brazil live.



Mvangan, Cameroon



Saint Nicolas initiative



Gateway House, Antwerp





REPORT OF THE MANAGEMENT COMMITTEE

Market of offices and logistics real estate

Important developments in 2014

Financial results 2014

Financial structure

Profit distribution 2014

EPRA Best Practices

Forecast for 2015



Herstal

*The market of offices and logistics properties,
a market evolving at different speeds.*

Rental market for offices

General trend in 2014

As a whole, the office market performs much better in 2014 than in the previous year. Total take-up of office space in Belgium amounts to 690.000 m², which represents a 30% increase over the previous year and is slightly below the average for the past 5 years.

The main reason for this increase is strong demand from public institutions and continuing demand from businesses, although for the latter the average size of lease transactions continues to decline (average of 600 m² per rental).

Take-up in the Brussels office market has increased by 30% in 2014 compared to the previous year, totalling 436.000 m². This is indeed lower than in the years prior to the economic crisis when the average take-up totalled more than 500.000 m² per year, yet such a volume is generally considered to be very good. In the regional markets in which Intervest Offices & Warehouses is active, the take-up in Antwerp amounts to a normal 94.000 m² (an increase of 20% compared to 2013) and just 3.000 m² in Mechelen, which is that city's lowest take-up in years.

Major transactions in 2014 in the CBD market, the Brussels periphery and regional markets

Most of the activity can still be observed in the Central Business District (CBD) market. Major transactions include the lease of the Meander building at Tour & Taxis to the Flemish Community for a surface area of 50.000 m², the lease of 36.000 m² in the Astro Tower to Actiris, and the lease of 16.000 m² in the Livingstone building to the European Parliament.

In the office market of the Brussels periphery, where Intervest Offices & Warehouses is very active, the main transactions are the lease of 7.200 m² in the Atlantis

building in Berchem-Sainte-Agathe to Randstad, the lease of 2.500 m² in the Reflexion building in Zellik to Chubb, and the lease of 2.400 m² on Medialaan in Vilvoorde to Bacardi Martini. It is worth noting that several larger leases of more than 1.000 m² have been negotiated, something which was rare in 2013.

In the Flemish office market, take-up in Ghent has fallen from its 2013 level back down to that of the 5-year average: 36.000 m². In contrast, the Antwerp office market, with a take-up of 94.000 m², almost has grown to the average level for the past five years, while the Mechelen office market has its weakest performance in the last 10 years, with a take-up of just 3.000 m².

The main transactions in the regional markets are spread among several sub-markets: 5.200 m² to Truvo in the Rubens complex in Antwerp, 4.300 m² to Ferranti also in Antwerp, and 3.500 m² to Ontex in Skyline 40 in Erembodegem.

Changes in the rate of availability for the office market in 2014

Due to the fact that there continues to be only a very limited number of projects added to the office market overall, and because a number of offices in the decentralised zone are at the same time converted to other uses, the total vacancy rate in Brussels declines further, from 10,7% to 10,1%. In the CBD this vacancy rate is now around 6%, while the figure is 17% in the decentralised zone and as much as 25% in the periphery. Almost all of this vacancy is found in class B and C buildings, with hardly any of it in the best new office buildings.

The vacancy rate in the regional office markets of Antwerp and Mechelen has remained unchanged at roughly 11%.



Evolution of rents

Compared to previous years, the prime rent has risen very slightly in 2014 to a level of € 285/m² per year in the CBD of Brussels, € 146/m² per year in the Brussels periphery and € 148/m² per year in Antwerp. Average rent was roughly € 180/m² per year in the CBD, € 110/m² per year in the Brussels periphery, € 110/m² per year in Antwerp and € 105/m²/year in Mechelen.

It is expected that the average rent can drop still further, particularly in the periphery and in the regional sub-markets, because these markets contain a large number of rather outdated and vacant office buildings that are putting negative pressure on the average rent.

Impact on new developments

Due to the weak performance of the office market in recent years, only a very limited number of new developments are added to the stock of office buildings. The main projects in the pipeline for the CBD are negligible, with those for the next three years being: The Meander (46.000 m², Tour & Taxis in the Northern Quarter, pre-let to the Flemish Community), Chambon (11.700 m², City Centre, partially pre-let), Treurenberg (8.700 m², City Centre, speculative), Regent Park (7.300 m², Small Ring, speculative), Belliard 65 (6.200 m², Leopold Quarter, speculative) and Meeûs 5-6 (6.000 m², Leopold Quarter, speculative).

Trends

The economic crisis has prompted office users to deal with space in a more rational and efficient manner. When relocating, it turns out that tenants (private tenants in particular) 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 employment and the low take-up rate for office space, has resulted in negative net office take-up.

A second trend is that businesses are increasingly demanding high quality and full-service from office rentals. Providers of office space such as Regus and MC Square, as well as autonomous concepts such as The

Crescent or RE:flex, where smaller, fully-furnished offices are leased on a short-term basis for a matter of hours, are responding to this demand. Even though the share of these full-service offices within the overall market remains limited, they are definitely increasing in both size and number of locations. As a result, more players are becoming active in this segment.

A third trend is the conversion of office buildings for 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 they remain quite limited. A total of roughly 180.000 m² is converted in 2014.

Rental market for semi-industrial and logistics buildings

General trend in 2014

The performance of the logistics real estate sub-segment has been average in terms of volume in 2014, with a total take-up of 650.000 m², which is slightly below the 5-year average. This take-up is due mainly to the demand of logistics service providers for new and modern logistics sites, which alone accounts for 260.000 m². Most of this surface area (a total volume of 470.000 m²) has been occupied in Flanders, with relatively weak take-up of 90.000 m² in Wallonia. In the years ahead a recovery is expected in the Walloon Region, in particular in the Liège area.

With a total take-up of roughly 800.000 m², the sub-segment of semi-industrial buildings again has performed well in 2014. The vast majority of this surface area has been occupied in Flanders, specifically during the fourth quarter and in almost all regions, though it remains primarily an owner-occupier market and not a rental market.

Major market transactions

The major transactions in 2014 are nicely distributed among the different regions. The largest lease transaction is the rental of 62.000 m² to Caterpillar in Grimbergen, followed by the rentals of 44.000 m² to Lidl in Marche-en-Famenne and 34.000 m² to European Food Transport in Willebroek. Other characteristic transactions that are concluded in the regions relevant to Intervest Offices & Warehouses include the rental of 20.000 m² to Belspeed at Antwerp East Port in Grobbendonk, 19.500 m² to Neovia Logistics at the "De Hulst" project in Willebroek and 18.500 m² to DHL Supply Chain at the Maritime Logistics Park in Bornem.

Evolution of the rental market

The prime rent for logistics space has remained steady in 2014 compared to previous years: around € 46/m² per year in the Mechelen-Willebroek region and as much as € 55/m² per year in the Brucargo zone. Nevertheless, average actual rents have fallen slightly, to a level of € 41 to € 43/m² per year on the key Antwerp-Brussels axis and to a level of around € 38 to € 40/m² per year for the two axes of Antwerp-Limburg-Liège and Antwerp-Ghent. On the Walloon logistics axis of Mons-Charleroi-Liège, the prime rent (depending on the exact location) has amounted to € 35 to € 39/m² per year, with an average actual rent that is very close to the prime rent.

Compared to previous years, there are more new projects added in 2014, most of which are occupied by logistics services providers (such as DHL in Bornem and Neovia in Willebroek). More than 200.000 m² is already being developed for 2015, almost all of which are completely pre-let. The availability of modern logistics buildings along the major logistics axes remains scarce, however, such that additional new construction can be expected on these axes.

Trends

The fact that customers of logistics services providers are continuing to place a heavy emphasis on flexibility with regard to both timeframes and volume is also impacting the rental market for logistics buildings. Specifically, logistics services providers are attempting to lease smaller surface areas for a limited time period in order to accommodate the need for temporary flexibility. At the same time, these services providers are also trying to group and bundle their different contracts as much as possible in order to accommodate the volume adjustments of their customers internally.

A comparable level of volatility in the volumes requested can also be found in the logistics solutions for e-commerce applications, though the overall volume of e-commerce logistics is very much on the rise. This volatility manifests itself in the volume for each individual brand, which can quite rapidly become very trendy with a demand for large volumes, but which can then just as rapidly die out. As such, operations of logistics services providers for one specific brand can be volatile as well. This puts hardly any burden on the last-mile logistics, however, because the majority of goods still have to be delivered in urban centres. For this reason, the number of urban distribution warehouses or cross-dock warehouses located on the periphery of urban areas (operated by specialised parties such as BPost, PostNL, UPS, DPD, DHL Parcel or others) is expected to increase as well.

Investment market

Overall figures for the investment market in 2014

The total investment market for commercial real estate has grown sharply in 2014 to a level of € 3,4 billion (compared to € 2,3 billion in 2013), though this is still considerably lower than the peak year of 2006 (which had a total volume of € 4,7 billion). In addition, the performance of office investments once again remains very strong, with a share of over 62% of the total real estate investment market. Overall, roughly € 2,1 billion is invested in office real estate, € 600 million in retail properties, € 400 million in logistics and semi-industrial real estate and around € 240 million in housing for the elderly.

The dominance of offices is reflected in the fact that the largest transactions are realised in this asset class. These transactions comprise the sale of the North Galaxy building (105.000 m² leased to the Federal Public Service Justice) by Cofinimmo to Danish ATP Real Estate and AXA REIM for roughly € 475 million, the sale of Covent Garden (70.000 m² leased to the European Commission) by Evans Randall to Hannover Leasing in combination with Chinese Ginko for roughly € 270 million, the sale of Kievitplein in Antwerp (130.000 m² leased to the Flemish Government and Alcatel) by KanAm Grund to AG Real Estate for € 198 million and the sale of Pegasus Park in Diegem (82.000 m² multi-tenant) by Segro to Ares Management for € 87 million.

In the logistics real estate segment, the main transactions have involved specialised players: the sale of DHL Campus Bornem (90.000 m²) by MG Real Estate to WDP for € 58 million, the three sales at the "De Hulst" industrial park in Willebroek (to Neovia Logistics and Dachser, among others) by MG Real Estate to Montea for a total of € 40 million, the sale of the Opglabbeek Velda site (77.000 m²) by Machiels Real Estate to Interest Offices & Warehouses and DSV in Puurs (40.000 m²) to CBRE Global Investors for € 23 million.

Even though the aforementioned major transactions have been recorded in the investment market in 2014, 60% of the total investment volume is realised in transactions of less than € 20 million. This provides a stable basis for transactions (around 100 in 2014) with a volume of roughly € 25 million.

Furthermore, due to the improved economic situation, interest on the part of foreign investors in Belgian commercial real estate has grown in comparison to previous years. As a result, the share of Belgian investors has fallen to 50% of the total (65% in 2013).

Future evolution of the investment market in 2015-2016

The primary interest of investors in 2014 continued to be focused mainly on long-term leased "core assets", the prime yields for which improved further during the past year to 5,7% for offices in the CBD. The prime yields for long-term leased logistics real estate remained steady in 2014 at 7%. However, in contrast to previous years, interest is also shown in value-add buildings in 2014, mainly by English-speaking parties.

The pressure from institutional investors such as insurers, pension funds and regulated real estate companies to invest in real estate is expected to remain high in the coming years, such that not all investments will take place in the long-term leased core segment alone. Investors are thus willing to take on more risk by acquiring core buildings that do not have long-term lease agreements, value-add buildings or buildings in other segments.

Considerable interest on the part of investors and current low interest rates will combine to result in further increases in yields for all office segments and logistics real estate in 2015, as well as in the conclusion of transactions in all risk segments.

Sources: Information concerning the market for offices and logistics real estate is based on the market reports of real estate advisers, professional literature and various interviews.

IMPORTANT DEVELOPMENTS IN 2014

*On 31 December 2014
the entire portfolio has an
occupancy rate of 87%.*

Rentals in 2014

Occupancy rate and overview of rentals

On 31 December 2014, the total occupancy rate of the real estate portfolio of Intervest Offices & Warehouses amounts to 87% (86 % on 31 December 2013):

- the occupancy rate of the office portfolio increases by 1% to 83% compared to 31 December 2013 (82% on 31 December 2013) as a result of lettings in the three office regions in the portfolio (Antwerp, Mechelen, Brussels periphery)
- for the logistics portfolio the occupancy rate remains unchanged at 91% compared to 31 December 2013, mainly as a result of additional lettings on logistics sites on the Antwerp-Mechelen axis, compensated by the sale in the first quarter of 2014 of the semi-industrial building in Meer which had an occupancy rate of 100%.

Intervest Offices & Warehouses has known a very active year regarding rentals: 22% of the annual rental income is prolonged or renewed. A total of 47 rental transactions for a space of 164.894 m² is concluded with new or existing tenants compared to 40 transactions for a space of 45.124 m².

Rental activity of Intervest Offices & Warehouses has mainly been concentrated on the existing lease agreements. Globally 20% of the annual rental income of the regulated real estate company has been prolonged in 2014.

The most important lease agreements concluded by Intervest Offices & Warehouses in 2014 are the prolongations of lease agreements with three of its most important tenants, representing together 13% of the annual rental income of the company.

- In the office segment Hewlett-Packard Belgium, tenant of Mechelen Business Tower (13.574 m²), has concluded a lease agreement starting at the end of the existing property lease in March 2016. The new agreement runs until 2025, with break options in 2019 and 2022, and is concluded at market-conform conditions. Hewlett-Packard Belgium is the 3rd most important tenant and represents approximately 6% of the total annual rental income.
- In the logistic segment an agreement has been concluded with Nike Europe in Herentals Logistics 2 (50.912 m²) to cancel the interim expiry date from the original lease agreement in exchange of a market-conform discount on the annual rent, so that the agreement has currently a fixed duration till 2018 (for 25.670 m²) and till 2019 (for 25.242 m²). Nike Europe is the 4th most important tenant and represents approximately 5% of the total annual rental income.
- Also in the logistic segment an agreement has been reached with CEVA Logistics Belgium in Boom Krekelenberg (24.721 m²) to cancel an interim expiry date in 2014 of the original lease agreement so that the next expiry date falls in 2016, in exchange for a market-conform discount on the annual rent. CEVA Logistics Belgium is the 10th most important tenant and represents approximately 2% of the total annual rental income.

Also in the logistics segment a long-term lease agreement with Sofidel Benelux in Duffel has been concluded, whereby the tenant will completely integrate its production site into the storage hall of Intervest Offices & Warehouses.

Lettings to new tenants remained limited to 2% of the total rental income of the company as well as in the office market as for logistics properties.



3T Estate



Mechelen Business Tower



Rental activity of the office portfolio

- New tenants

In the office portfolio of Intervest Offices & Warehouses new lease agreements have been signed in 2014 for a total space of 3.932 m² (on a total office portfolio of approximately 230.000 m²), attracting herewith 11 new tenants mainly in Mechelen. This is less compared to the new lettings of 2013, when 13 new tenants were attracted for a total space of 4.572 m².

In 2014, the most important transactions are lettings to:

- B-Bridge at Inter Access Park for 1.104 m²
- ING at Inter Acces Park for 478 m²
- Modero Brussel in Brussels 7 for 382 m²
- ACORN in Brussels 7 for 353 m²
- Nippon Express at Mechelen Campus for 322 m²
- Everlam at Mechelen Campus for 322 m²
- Manpower in 3T Estate for 310 m².

- Renewals at end of lease agreements, extensions and prolongation of lease agreements

In the office portfolio, current lease agreements have been renegotiated or prolonged in 2014 for a space of 29.465 m² in 25 transactions. This is considerably more compared to 2013 when a total space of 14.076 m² was leased in 22 transactions.

In 2014, the most important transactions are:

- prolongation of Hewlett-Packard Belgium for 13.574 m² at Mechelen Business Tower
- prolongation and extension of MC-Square for 2.499 m² at Mechelen Campus
- prolongation of Fanuc Robotics Benelux for 1.843 m² at Mechelen Intercity Business Park
- prolongation of Endemol België for 1.774 m² at Mechelen Campus
- prolongation and extension of Cheops for 1.533 m² in De Arend
- prolongation of Imperial Tobacco Belgium for 1.506 m² at Mechelen Campus
- prolongation of EURid for 1.316 m² at Park Station
- prolongation and extension of imf electronic for 570 m² in Exiten
- prolongation of SDL Trisoft for 563 m² at Mechelen Intercity Business Park
- prolongation of Givi Group for 543 m² in Sky Building
- prolongation of Intersafe Belgium for 537 m² at Mechelen Intercity Business Park.

The floor is given to the tenants

“As a consequence of our growth, we wanted to thoroughly upgrade and reorganise our branch in Mechelen. As Intervest Offices & Warehouses, our lessor, was prepared to participate in the venture, and besides making a financial gesture has also done everything possible to improve the heating installation and the insulation of the building, we have decided to extend the running lease agreement prematurely, for six years, as from 2017. After all, the site is very attractive for our activities and easily accessible to customers and suppliers.”

PAUL RIBUS – GENERAL MANAGER –
FANUC ROBOTICS BENELUX



Intercity Business Park



Intercity Business Park

“Since 2003, we are letting offices at the Intercity Business Park site at the north of Mechelen. Given the easy access of the site, the good services offered by the landlord Intervest Offices & Warehouses, and the interesting letting conditions, we have early renewed our current lease agreement with a fixed term of 6 years, as from 2017.”

ARIE BOER – GENERAL MANAGER –
INTERSAFE BELGIUM

“Thanks to the mutual cooperation between Sofidel Benelux and Intervest Offices & Warehouses we were able to fully integrate the production and warehouse facility which allowed us to continue the long term operations of the Duffel plant.”

SIMONE CAPUANO –
VICE CHIEF TECHNICAL OFFICER – SOFIDEL



Duffel Stocletlaan



Brussels 7

“At the end of August 2014 the board of directors of ACORN stair lifts decided to open a branch in Belgium and wanted it rather soon. We immediately knew we were on the same wavelength although the first building presented by Intervest Offices & Warehouses was not immediately the right one. Very quickly several buildings were proposed in the region we expected and within the month the ideal building was found. Intervest Offices & Warehouses offers a very quick, correct and efficient service and monitoring, as we are doing business. We could not imagine a better partner in the real estate area. We will not hesitate to recommend them in the future.”

JACQUES KONINGS – GENERAL MANAGER –
ACORN

“The offices have a good location and the large spaces are very bright. The communication with the Intervest Offices & Warehouses’ team is very good and we can rely on an easy, quick and efficient collaboration. I would certainly recommend Intervest Offices & Warehouses to other companies.”

RONALD VANSWIJGENHOVEN – PARTNER –
MODERO BRUSSELS



Brussels 7



Boom Krekelenberg

“Thanks to investments made by Intervest Offices and Warehouses in tailor-made new lighting in the storage space and a new control system for the heating system in our branch in Boom, we could improve the working conditions of our workers and simultaneously strongly decrease our operating costs.”

ROLAND MEEKERS – VP REGIONAL OPERATIONS –
CEVA LOGISTICS BELGIUM

Rental activity of the logistics portfolio

- New tenants

In the logistics portfolio, lease agreements have been concluded in 2014 for a total space of 13.014 m² in 3 transactions (on a total logistics portfolio of approximately 445.000 m²). This is a slight decrease compared to 2013 when lease agreements were concluded for a space of 16.552 m² in 4 transactions.

In 2014, these transactions are lettings of:

- 6.465 m² to DHL Freight Belgium at Mechelen Oude Baan
- 3.889 m² to Dockx in Wilrijk Neerland 1
- 2.660 m² to Reynaers Aluminium in Duffel Notmeir.

- Renewals at end of lease agreements, extensions and prolongation of lease agreements

In the logistics portfolio, lease agreements for a space of 118.483 m² have been prolonged in 2014 in 8 transactions. This is noticeably more than in 2013 when 3 transactions were renewed, extended or prolonged for a space of 10.268 m² lease agreements.

In 2014, these transactions are prolongations of:

- Nike Europe in Herentals Logistics for 50.912 m²
- CEVA Logistics Belgium in Boom for 24.720 m²
- Sofidel Benelux in Duffel Stocletlaan for 15.232 m²
- Pharma Logistics (DHL) at Mechelen Oude Baan for 8.875 m²
- Yusen Logistics in Herentals Logistics for 11.412 m²
- Iron Mountain Belgium in Duffel Stocletlaan for 4.078 m²
- Brico Belgium in Berchem-Sainte-Agathe for 1.744 m²
- the Vlaamse Gemeenschapscommissie in Berchem-Sainte-Agathe for 1.510 m².

Mechelen Oude Baan



Herentals Logistics 2





Future departure of tenant Deloitte in Diegem

In December 2012, tenant Deloitte informed the company 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. At the beginning of 2015 Intervest Offices & Warehouses has reached an agreement with Deloitte so that the departure date of all 3 lease agreements is now set at 31 December 2016. This means that the office buildings occupied so far by Deloitte will become available to let on that date. This allows the company to start putting those buildings back on the market right now.

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 company 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 Mechelen 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. Intervest Offices & Warehouses only wishes to realise in a second instance the actual elaboration of such scenario.

Diegem Campus



"For us, the sincerity with which matters can be discussed and the transparency that is offered in the management and control of costs is an essential aspect of our partnership with Intervest Offices & Warehouses. Intervest Offices & Warehouses consistently manages to respect deadlines and agreements that have been made, which in turn enables us to keep our promises to our internal customers."

BENNY GERS – CONSULTANT & PROJECT LEAD PROCUREMENT EMEA – COCHLEAR

Operational and commercial optimisations: from tenant to customer

For certain companies, accommodation is less and less a matter of square metres, and they are no longer just looking for space. What they want is an all-in-one solution where the emphasis is on the kind of service that takes account of changing ways of working and technological developments. For these companies, turn-key solutions

provide a welcome solution. Many employers are trading in the concept of full-time working from home for mixed solutions where the social contact in the workplace is reconciled with the requirements of mobility and flexibility. With RE:flex, Intervest Offices & Warehouses is meeting the needs of mobile and flexible workers.

"Once the design was agreed upon, the interior designer of Intervest Offices & Warehouses took control of the process of selecting and supervising the subcontractors, monitoring the budget and finishing the work by the agreed deadline. The cooperation with the sales manager was also pleasant, smooth and efficient. It is a nice place to work and to receive customers."

JOHAN HELLINCKX – PARTNER – RENS ACCOUNTANTS

Cochlear, Mechelen Campus





Rens Accountants, Mechelen Campus



From m² to services: turn-key solutions

In light of the new ways of working and the growing use of new technologies in business, organisations are increasingly looking to outsource the design and fitting-out of their office environment in exchange for a market-compliant fee. With its turn-key solutions, Intervest Offices & Warehouses continues to respond to growing demand from existing and new customers for the design of a personalised office environment.

With the turn-key solutions, a specialised and complementary team offers a fully bespoke solution, ranging from fitting-out plans and supervision of the works to coordination of the occupancy process, and closely monitors the pre-set timeframe and appointed budget.

Cochlear has continued to enlist the services of the turn-key solutions team of Intervest Offices & Warehouses, and in 2014 Rens Accountants, NG Data, Modero Brussel, CEWE Color and Givi Group have been seeking guidance from the team for the design and finishing of their purpose-built offices.

Following the successful fitting-out of the additional rented space on the fourth floor of building I at Mechelen Campus in the summer of 2013, Cochlear Europe also decided to enlist the services of Intervest Offices & Warehouses for the renovation of the entire rented office space. The plans are developed in the autumn of 2013 by the interior designer of Intervest Offices & Warehouses; the phased fitting-out works are in progress since February 2014. As Cochlear Europe does not want to interrupt its activities during the works, a very strict schedule must be kept. The people in the workplace are moved internally by department once part of the fitting-out works has been completed so that the existing space can be vacated for renovation. Cochlear Europe has opted for an open-space work environment where maximum communication between departments is sought and the corporate image is impressed on the minds of staff and visitors by the chosen colours and photo prints in the new interior. Work on the first and second floors is near completion, and in January 2015 work will begin on the ground floor. The ground floor and floors one and two (approx. 2.700 m²) will be completely finished by the end of March 2015.

By utilising a space on the ground floor in Mechelen Campus, Rens Accountants has also taken advantage of the turn-key solutions service. It was soon apparent that their expectations concerning the fitting-out of the space had been nicely translated by the interior designer of Intervest Offices & Warehouses, and the cooperation was born. For Rens Accountants, a physical separation between the customer and staff areas was important, as was the reuse of furniture. Both of these priorities have been clearly incorporated into the finished product. The conference rooms for customers are situated directly behind the beautiful and sleek reception desk to keep customers from having to pass through the staff area. The choice is made to divide the space into individual and shared workspaces that surround a large, open central library. To achieve this, double glass walls are used to create a bright space and also to ensure maximum acoustic comfort. The materials of the newly purchased furniture are chosen to match the existing furniture that is reused by Rens Accountants. In addition, a subtle touch of orange in the form of a light strip is used as an accent for the reception desk, with red used for the visitor chairs and the backs of the desk chairs. This gave the entire space the professional appearance that Rens Accountants has been looking for, and all of it is completed by the agreed deadline and within the designated budget.

In late November, Modero Brussel relocated to the first floor of Brussels 7 with an unambiguous instruction concerning the interior design: give it a modern and sleek look. Intervest Offices & Warehouses has translated this directive into both the layout and the design of the space. Thus the choice is made to provide for a very clear separation between the customer and staff areas. There is a private office area where customers can be received, behind which the staff area is situated. Most of the employees work in an open space. A number of private offices are also provided where people can work in small groups if needed. The sleek quality of the design is reflected in the combination of floor-to-ceiling glass walls with modular white walls, which ensures that the maximum amount of daylight can enter the work area. Due to its strong anti-allergenic properties, Modero Brussel opted for a vinyl floor with a wood grain pattern, which also imitates the look of a parquet floor. Combined with the all-white furniture, the extremely sleek and modern work environment that was requested is now a reality.



Coffee



Front desk services



Mail service



Free parking space



High speed internet



Conference and seminar facilities



Print and copy services



Allocated phone number



24/7 access
RE:flex GOLD members

Flexible m² and services: RE:flex

“RE:flex, flexible business hub” is entirely in keeping with the strategy of Intervest Offices & Warehouses to respond proactively to new trends in mobile and flexible working. This co-working lounge with seminar centre was opened in mid-2012 on the ground floor of Mechelen Campus Tower and represents a high-tech innovative concept of working, meeting and event organisation. It is also a fine example of the turn-key solutions approach of Intervest Offices & Warehouses. RE:flex is entirely elaborated and designed internally. A partnership with Steelcase is 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 (several plans are available) provides access to a flexible “(third) workstation” as well as a range of facilities and services that are charged on a per-use basis. The centralised location of Mechelen is a great benefit (accessibility, parking facilities, fewer traffic issues, etc.). Thirty-four memberships are registered in 2014. In order to keep RE:flex from bursting at the seams, work to expand it to the first floor began in January 2015. This will provide space for 34 additional workstations.

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 Mechelen. The rooms can also accommodate seminars, receptions, product presentations, team meetings, etc. An average of three seminars or workshops per week are facilitated in 2014. Specialised facilities for larger groups are provided on the 10th floor. In April, one of these facilities is being used to host the fourth edition of Provincie Antwerpen Vastgoed. Over 110 real-estate decision-makers from Antwerp have been greeted to a marvellous view from this floor in the Mechelen Campus Tower. This also formed the ideal setting for the inspiration session with Carl van de Velde and the Facility Management conference in October. Mechelen Campus Tower also houses a business centre on the 12th and 14th floors, where MC Square sublets small, fully-serviced office spaces to start-ups or smaller businesses. A further expansion of the business centre to the 11th floor is completed in the final quarter of 2014.

Building on the success of RE:flex in Mechelen, opportunities for rolling out this successful concept of mobile and flexible working to other locations are being examined.

“As a new ICT and financial consulting firm starting up in the difficult aftermath of the financial crisis, it is important to project your “personality” right away, and this is where RE:flex is able to help us. RE:flex is quite centrally located and is easy to reach for all our staff. RE:flex also offers good reception facilities as well as the necessary accommodation. The work environment has a professional appearance and is in tune with the times - just like Komma Board. In 2015 as well we want to keep using the professional services of RE:flex.”

JOERI VAN DER POORTEN – CO-FOUNDER – KOMMA BOARD



RE:flex, Mechelen Campus



"Mentorprise is a leading player on the HR services market, offering, e.g., recruitment, direct & executive search, management assessments, support and coaching. Delivering custom work to the customer goes hand in hand with a healthy amount of flexibility in Mentorprise's DNA. The staff workers and the 4 partners frequently work from the RE:Flex offices, and our consultants and coaches easily "plug" in and out. Everything revolves around flexibility: from the favourable location in Mechelen Noord, the ample parking, the clean desk principle, the digital environment with the latest technology, to the office manager who keeps everything under control. Thanks in part to RE:Flex, Mentorprise can work efficiently and cost-effectively to continue to put clients and projects first!"

JEROEN DE MAEYER – MARKETING, COMMUNICATION AND CONVERSATION MANAGER – MENTORPRISE

The logistics portfolio has increased by 14% in 2014.⁸

Investments in 2014

The strategy of Intervest Offices & Warehouses consists of increasing on term its logistics real estate portfolio to approximately 60% of the entire real estate portfolio.

The office market suffers from an oversupply resulting in a decline of lettings. The reasons are a shrinking need of m² for the same number of employees, the limited demand of new projects and the outdated offer. The rising needs in term of housing increase the conversion to residential functions. On the market of logistics properties the vacancy is limited, investment yields relatively high and maintenance costs rather low. Only a few players are active.

Compared to office buildings, logistics properties have a longer life cycle. Given the challenging situation in the office market and with Belgium being a logistics hub in Europe, Intervest Offices & Warehouses wishes to shift the emphasis in the portfolio to logistics real estate as well as reduce the share in the office market. In the context of this shift, investing in up-to-date buildings of excellent quality and leasing to first-class tenants are the priorities. The office part focuses on the Antwerp-Mechelen-Brussels axis, while the logistics part is concentrated on the Antwerp- Brussels and Antwerp-Liège axes.

Acquisition of a logistics site of approximately 77.000 m² in Limburg for € 33 million

Within the scope of the strategy to increase the share of logistics real estate in the entire real estate portfolio, Intervest Offices & Warehouses has extended in the fourth quarter of 2014 its real estate portfolio through the acquisition of a logistics site of Machiels Real Estate sa of approximately 77.000 m² in Opglabbeek for € 33 million.

The site is a modern logistics complex of warehouses with accompanying limited office facilities and vast grounds in the logistics hotspot of Genk-Opglabbeek, which lies in the Antwerp-Limburg-Liège logistics corridor that is perfectly accessible from the E314. The buildings were constructed in stages between 1999 and 2012 and a part of them has been fitted with photovoltaic systems (which however do not form part of this transaction).

The total size of the site includes 70.822 m² of storage space, 4.072 m² of mezzanine and 2.549 m² of offices and social space, and around 12.000 m² of development terrain. The site also provides additional possibilities to develop approximately 55.000 m² of storage space with accompanying offices, to which Intervest Offices & Warehouses has a pre-emptive right. Intervest Offices & Warehouses and Machiels Real Estate will join their commercial forces for these future developments.

At acquisition, 83% of the site was leased to various logistics parties, 53% of which is a long-term lease and 30% is leased for a shorter term to different logistics parties. At the end of 2014 the occupancy rate of the site has increased to 89% and the average weighted duration of the lease agreements amounts to 8 years with a first interim expiry date after 5 years on average. The part of the site subject to a long-term lease is used as a European distribution centre for an American multinational of medical equipment.

As from 22 December 2014, the transaction generates an annual lease income flow of approximately € 2,8 million (if fully occupied, this annual amount is approximately € 3,2 million), which contributes immediately to the company's operating distributable result. This acquisition provides Intervest Offices & Warehouses with an initial gross return of approximately 8,1%, which can still increase to approximately 9 % gross return if the entire site is leased.

The acquisition was realised through a partial split with a debt transfer and compensation through the issue of new shares in Intervest Offices & Warehouses. The acquisition value of this logistics site amounts to € 33 million, which results in a net contribution value of € 26,2

⁸ Compared to the logistics portfolio on 31 December 2013.



million after debt take-over. This acquisition value is in line with the valuation by the company's independent property expert. Intervest Offices & Warehouses and Machiels Real Estate filed the split proposal at the registry of the Court of Trade. The extraordinary general meeting of Intervest Offices & Warehouses approved the partial split on 22 December 2014.

The structure of the transaction has been accompanied by the issue of new shares in the amount of € 26,2 million. Dividend rights are vested in the new shares of Intervest Offices & Warehouses as from 1 January 2015. Of the already existing shares of Intervest Offices & Warehouses, coupon number 16, which represents the right to the dividend that will be allocated on the annual meeting of Intervest Offices & Warehouses for the profit of financial year 2014, in respect of which the new Intervest Offices & Warehouses shares will not be granted any rights, has been detached on 23 December 2014 from the current Intervest Offices & Warehouses shares.

The issue price of € 19,16 per share, which taking into account the detachment of the right to dividends, has amounted to an issue price that is 6 % higher than the net value (fair value) of Intervest Offices & Warehouses on 30 September 2014 and is 6 % lower than the share's closing price on 6 November 2014, date of the deposition of the split proposal. 1.366.564 new shares were created. The new shares were allowed to be traded on the Euronext Brussels regulated market as from 29 December 2014.

This transaction has a positive effect on the debt ratio of the company, which herewith has decreased by 1,5% (except changes in fair value of the existing real estate portfolio). By this Intervest Offices & Warehouses creates further possibilities for additional investments in the logistics real estate segment.

“By concluding this important transaction of 77.000 m² of contemporary logistics buildings, we are reinforcing our substantial position on the Antwerp-Liège logistics axis and it is also an important step towards expanding in term, the proportion of Intervest Offices & Warehouses' logistics portfolio.”

JEAN-PAUL SOLS – CEO –
INTERVEST OFFICES & WAREHOUSES

Divestments

In 2014 Interinvest Offices & Warehouses has sold a non-strategic semi-industrial building located in Meer, Riyadhstraat, for an amount of € 2 million to the tenant/user of the property. The building is a small semi-industrial building consisting of storage space (7.431 m²) and a limited office space (283 m²). The sales price is approximately 22% below the carrying amount on 31 December 2013 which amounted to € 2,6 million

(fair value as determined by the independent property expert). The transaction is subject to registration rights. The building which is structurally of lower quality compared to the other properties of the company and requires in the medium term considerable maintenance works, only represents 0,5% of the total fair value of the real estate portfolio of the company.

Transportzone Meer



Change from real estate investment company to regulated real estate company (RREC)

Following the publication of the Act of 12 May 2014 on regulated real estate companies (RREC Act) and the Royal Decree of 13 July 2014 (RREC Royal Decree) on regulated real estate companies, Intervest Offices & Warehouses has decided to change its status in order to adopt the status of a public regulated real estate company ("public RREC").

In essence, for the company, it is about positioning itself as a REIT (Real Estate Investment Trust) in order to improve its visibility and its understanding by international investors and to avoid being considered as an "alternative investment fund", a qualification that will, going forward, be attached to property investment funds, which would imply respecting the economic model of an alternative investment fund, governed by the Act of 19 April 2014 on alternative investment funds and their managers, transposing the AIFMD directive.

In this framework Intervest Offices & Warehouses submitted on 17 July 2014 its application for approval as regulated real estate company to the FSMA. Subsequently, on 9 September 2014, the FSMA granted Intervest Offices & Warehouses a licence as a public regulated real estate company (public RREC) pursuant to articles 9, § 3 and 77 of the RREC Act and this under specific condition of the amendment of the articles of association of the company and the compliance with the clauses of article 77, § 2 and following the RREC Act.

For that reason, the company convened an extraordinary general meeting on 27 October 2014 to amend the articles of association of the company in view of the proposed status change. This extraordinary general meeting approved with a majority of 99,99 % the change. Since no exit right was exercised and all conditions precedent to which the change of the articles of association were subject, were fulfilled, Intervest Offices & Warehouses benefits of the status of public RREC, with effect from 27 October 2014.

As public RREC Intervest Offices & Warehouses is no longer submitted to the clauses of the Royal Decree of 7 December 2010 on property investment funds and the Act of 3 August 2012 on certain forms of collective management of investment portfolios, but the applicable regulation consists since 27 October 2014 of the RREC Act and the RREC Royal Decree.

Intervest Offices & Warehouses is pleased with this new status, which corresponds better to the economic reality and provides an adjusted legal framework that is aligned with the capacity of Intervest Offices & Warehouses as an operating and commercial real estate company. This status allows Intervest Offices & Warehouses to continue its current activities in the interest of the company, its shareholders and other stakeholders.

FINANCIAL RESULTS 2014⁹

Consolidated income statement

in thousands €	2014	2013
Rental income	40.037	39.914
Rental-related expenses	-22	4
Property management costs and income	897	1.072
Property result	40.912	40.990
Property charges	-4.432	-4.189
General costs and other operating income and costs	-1.592	-1.196
Operating result before result on portfolio	34.888	35.605
Result on disposals of investment properties	-589	1.947
Changes in fair value of investment properties	-5.198	5.465
Other result on portfolio	-616	429
Operating result	28.485	43.446
Financial result (excl. changes in fair value - IAS 39)	-11.815	-11.004
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-344	2.166
Taxes	-36	-27
NET RESULT	16.290	34.581
Note:		
Operating distributable result ¹⁰	23.038	24.574
Result on portfolio	-6.404	7.841
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-344	2.166

⁹ Between brackets the comparable figures of financial year 2013.

¹⁰ For the calculation of the operating distributable result: please see Note 13 of the Financial report.



The operational margin of Investest Offices & Warehouses is 87% for financial year 2014 (89%).

Events modifying the perimeter of the company

During financial year 2014, the perimeter of the company is modified by the acquisition of the logistics site in Opglabbeek in 2014 for € 33,0 million through the partial scission and the capital increase of € 26,2 million.

The comparison of the data per share are influenced by:

- the fact that the company, in the framework of the optional dividend, has issued 352.360 new shares in May 2014
- the issue of 1.366.564 new shares on 22 December 2014 in the framework of the acquisition of the logistics site in Opglabbeek.

Analysis of the results

For financial year 2014, **rental income** of Investest Offices & Warehouses amounts to € 40,0 million and has slightly increases compared to financial year 2013 (€ 39,9 million), mainly through the increase of rental for the logistics portfolio. Rental income of the office portfolio has remained stable in 2014.

In 2014, **property management costs and income** show an income of € 0,9 million (€ 1,1 million) and comprise for € 0,4 million the profit taking of refurbishment fees received at the departure of tenants (€ 0,6 million).

During financial year 2014, **property charges** increase by approximately 5% or € 0,2 million to € 4,4 million (€ 4,2 million). This increase comes mainly from a larger maintenance program for the logistics buildings of the company.

General costs amount to € 1,7 million and have largely increased by € 0,4 million compared to previous year (€ 1,2 million) mainly through the increasing number of employees and higher advice and publishing costs for the status change of the company from public real estate investment company into public regulated real estate company.

The increase of property charges and general costs causes the **operating result before result on portfolio** to decrease by approx. 2 % or € 0,7 million to € 34,9 million (€ 35,6 million).

The **result on disposals of investment properties** comprises in 2014 the loss of - € 0,6 million (€ 1,9 million) realised on the sale of the non-strategic semi-industrial building in Meer.

The **changes in fair value of investment properties** are negative in 2014 and amount to - € 5,2 million compared to the positive changes of € 5,5 million in 2013. This decrease is due mainly to the general adjustment of the yields for offices as well as to necessary adaptations to the heating and cooling systems of office buildings to replace the polluting R22 coolants, as they are strictly restricted by law as from 2015. Simultaneously the performance of the concerned systems is optimised.

The **other result on portfolio** amounts to - € 0,6 million and comprises mainly the costs regarding the acquisition of the logistics site in Opglabbeek and the exit tax resulting from the merger of the RREC with the 100% subsidiary Duffel Real Estate on 22 December 2014.

The **financial result (excl. changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39))** amounts in 2014 to - € 11,8 million (- € 11,0 million). The increase in financing costs of the company results mainly from the issue of the bond loan in March 2014 of € 60 million for the refinancing of the existing bond loan of € 75 million which expires in June 2015 and will be repaid on the expiry date.

The average interest rate of the company for 2014 amounts to approximately 4,1% including bank margins (3,8%).

The **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** include the increase 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 - € 0,3 million (€ 2,2 million).

For financial year 2014 the **net result** of Intervest Offices & Warehouses amounts to € 16,3 million (€ 34,6 million) and may be divided into:

- the **operating distributable result** of € 23,0 million (€ 24,6 million) or a decrease of € 1,6 million or 7%, mainly through the increase of property charges (- € 0,2 million), the general (- € 0,4 million) and financing costs (- € 0,8 million) of the company

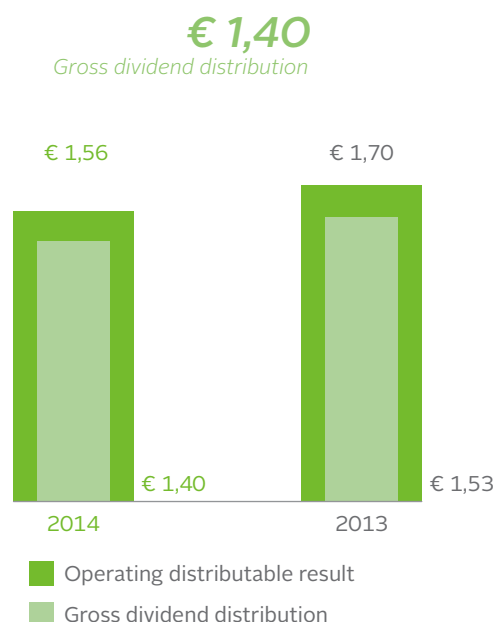
- the **result on portfolio** for an amount of - € 6,4 million (€ 7,8 million) mainly through the decrease in fair value of the real estate portfolio
- changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** for an amount of - € 0,3 million (€ 2,2 million).

For financial year 2014, the **operating distributable result** of Intervest Offices & Warehouses amounts to € 23,0 million (€ 24,6 million). Given the 14.777.342 shares entitled to dividend this represents € 1,56 per share (€ 1,70).

Result per share	2014	2013
Number of shares at year-end	16.143.906	14.424.982
Number of shares entitled to dividend	14.777.342	14.424.982
Weighted average per shares	14.672.873	14.335.677
Net result (€)	1,11	2,41
Operating distributable result (€)	1,56	1,70
Pay-out ratio (%)	90%	90%
Gross dividend (€)	1,40	1,53
Net dividend (€)	1,0500	1,1475

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 are crucial to exploit in the long run the value potential of company. Therefore Intervest Offices & Warehouses has concluded that it is essential, just as for financial year 2013, to lower the pay-out ratio to 90% to keep enough liquidity for investments in the portfolio.

On the basis of a pay-out ratio of 90% a **gross dividend** of € 1,40 per share compared to € 1,53 for 2013 will be proposed to the shareholders for financial year 2014. This gross dividend offers the shareholders a gross dividend yield of 6,2% based on the closing price of the share on 31 December 2014.



Consolidated balance sheet

in thousands €	31.12.2014	31.12.2013
ASSETS		
Non-current assets	609.722	580.986
Current assets	8.868	7.876
Total assets	618.590	588.862
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	314.167	286.521
Share capital	147.110	131.447
Share premium	82.785	65.190
Reserves	67.945	55.265
Net result of financial year	16.292	34.582
Minority interest	35	37
Liabilities	304.423	302.341
Non-current liabilities	177.162	226.171
Current liabilities	127.261	76.170
Total shareholders' equity and liabilities	618.590	588.862
Balance sheet data per share		
Number of shares at year-end	16.143.906	14.424.982
Number of shares entitled to dividend	14.777.342	14.424.982
Net value (fair value) (€)	19,46	19,86
Net value (investment value) (€)	20,36	20,87
Net asset value EPRA ¹¹ (€)	19,77	20,20
Share price on closing date (€)	22,50	19,48
Premium (+) / discount (-) to net value (fair value) (%)	16%	-2%
Debt ratio (max. 65 %) (%)	46,6%	48,7%

11 Financial performance indicator calculated according to Best Practices Recommendations of EPRA (European Public Real Estate Association). See also www.epra.com. These data are not required by regulation regarding regulated real estate companies and are not subject to a control by government authorities.

The fair value of the real estate portfolio amounts to € 609 million on 31 December 2014.

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

Assets

The **non-current assets** comprise mainly the investment properties of Intervest Offices & Warehouses. In 2014, the **fair value of the real estate portfolio** of the company increases by € 29 million and amounts on 31 December 2014 to € 609 million (€ 581 million on 31 December 2013). This increase results mainly from the acquisition of the logistics site in Opglabbeek with an acquisition value of € 33,0 million on 22 December 2014. Underlying the fair value of the real estate portfolio has known following evolutions in 2014.

- On the one hand, the increase in fair value of the **logistics portfolio** of € 33,3 million or 14 % compared to the fair value on 31 December 2013, mainly for:
 - € 33,0 million for the acquisition of the logistics site in Opglabbeek of approximately 77.000 m²
 - € 1,8 million as a result of the increase in fair value of the existing real estate portfolio
 - € 1,1 million through investments in the existing logistics portfolio
 - - € 2,7 million through the sale of the non-strategic semi-industrial building located in Meer.
- On the other hand, the decrease in fair value of the **office portfolio** of € 4,5 million or 1% compared to the fair value on 31 December 2013, mainly for:
 - - € 7,0 million through the decrease in fair value of the office portfolio as a result of adjustment for some offices in the Brussels periphery and through new lease agreements at lower rents
 - € 2,5 million investments in the existing office portfolio for necessary adaptations to the HVAC systems to replace the polluting R22 coolants, as they are strictly restricted by law as from 2015. Simultaneously the performance of the concerned systems are optimised.

Current assets amount to € 9 million and consist mainly of € 4 million in trade receivables (of which € 3 million for advance billing of rents for financial year 2015 for the logistics portfolio), of € 2 million in tax receivables and other current assets, € 1 million cash and cash equivalents and of € 2 million in deferred charges and accrued income.

Liabilities

In 2014, **shareholders' equity** of the company increases by € 27 million and amounts on 31 December 2014 to € 314 million (€ 287 million). This increase in shareholders' equity comes mainly from capital increases.

- The Intervest Offices & Warehouses shareholders opted for the dividend distribution of financial year 2013 for 42,7% of their shares for a contribution of their dividend rights in return for new shares instead of payment of the dividend in cash. This led on 28 May 2014 to a strengthening of shareholders' equity by € 7,1 million (share capital and share issuance premium) by means of the creation of 352.360 new shares, as a result of which the total number of shares as from 28 May 2014 amounted to 14.777.342. The newly created shares
- are entitled to dividend to the results of the company as from 1 January 2014. The total number of shares entitled to dividend amounts to 14.777.342 units on 31 December 2014 (14.424.982 units).
- The acquisition of the logistics site in Opglabbeek is realised through a partial split with a debt transfer and compensation through the issue of new shares for an amount of € 26,2 million. The 1.366.564 new shares are entitled to dividend as from 1 January 2015. From the already existing shares coupon number 16, which represents the right to the dividend that will be allocated for the profit of financial year 2014, in respect of which the new shares will not be granted

any rights, was detached on 23 December 2014. The total number of shares entitled to dividend remains herewith at 14,777,342 units on 31 December 2014.

The **share capital** of the company has increased in 2014 through this capital increase by € 16 million to € 147 million (€ 131 million) and the **share premium** by € 18 million to € 83 million (€ 65 million).

The **reserves** of the company amount to € 68 million (€ 55 million) and consist mainly of:

- the reserve for the balance of changes in fair value of investment properties for € 65 million (€ 57 million) composed of the reserve for the balance of changes in the investment value of investment properties for € 80 million (€ 72 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 2014, 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 million (- € 0,2 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 - € 5 million (- € 7 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 2014, **the net value (fair value)** of the share is € 19,46 (€ 19,86). As the share price on 31 December 2014 of the Intervest Offices & Warehouses' share (INTO) is € 22,50, the share is quoted on closing date with a premium of 16% compared to the net value (fair value).

Non-current liabilities amount to € 177 million (€ 226 million) and comprise on the one hand non-current financial debts for an amount of € 171 million (€ 221 million), consisting of € 112 million long-term bank financings of which the expiry date falls after 31 December 2015 and of the bond loans issued in March 2014 with a net proceeds of € 59 million. On the other hand, non-current liabilities also comprise the other non-current financial liabilities representing the negative market value of € 5 million of the cash flow hedges which the company has concluded to hedge the variable interest rates of the financial debts.

Current liabilities amount to € 127 million (€ 76 million) and consist mainly of:

- € 112 million current financial debts (bank loans expiring before 31 December 2015 and the bond loan which will be repaid on 29 June 2015 for an amount of € 75 million)
- € 4 million trade debts
- € 11 million accrued charges and deferred income.

FINANCIAL STRUCTURE

Successful private placement of bonds of € 60 million

On 19 March 2014 Intervest Offices & Warehouses realised the successful private placement of bonds for a total amount of € 60 million. The bonds have a term of respectively 5 years (€ 25 million) and 7 years (€ 35 million) and expire respectively on 1 April 2019 and 1 April 2021. The bonds with expiry date 1 April 2019 generate a fixed annual gross return of 3,430 %, the bonds with expiry date on 1 April 2021 a fixed annual gross return of 4,057 %.

The issue price of the bonds was equal to their nominal amount, being € 100.000. The bonds were placed with institutional investors.

The net proceeds of the bond issue have been used to contribute to the diversification of the financial resources and to support the further growth of the real estate portfolio. With terms of 5 and 7 years the bonds contribute to an increase of the average duration of the total debt of company.

Characteristics financial structure

On 31 December 2014, Intervest Offices & Warehouses has a thorough financial structure allowing it to continue to carry out its activities in 2015.

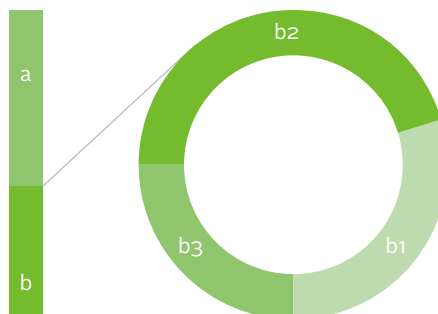
The most important characteristics of the financial structure at the end of 2014 are:

- amount of financial debts: € 284 million
- 57% long-term financings (71% without the already refinanced bond loan) with an average remaining duration of 3,9 years
- spread of expiry dates of credit facilities between 2015 and 2024
- spread of credit facilities over 6 European financial institutions and bondholders
- € 91 million available non-withdrawn credit lines
- 64% of the credit lines have a fixed interest rate, or are fixed through interest rateswaps, 36% have a variable interest rate; 85% of the withdrawn credit facilities have a fixed interest rate or is fixed through interest rateswaps and 15% a variable interest rate
- interest rates are fixed for a remaining average period of 2,9 years
- market value of financial derivatives: € 5 million negative
- average interest rate for 2014: 4,1 % including bank margins (3,8 % in 2013)
- debt ratio of 46,6% (legal maximum: 65%) (48,7% on 31 December 2013).

Balance between long-term and short-term financing

On 31 December 2014, 57% of the available credit lines of Intervest Offices & Warehouses are long-term financings and 43 % are short-term financings, with 13% consisting of financings with an unlimited duration (€ 47 million), 20% being the bond loan which expires on 29 June 2015 (€ 75 million) and 10% of an existing credit facility expiring at the beginning of 2015 and refinanced in January 2015 (€ 40 million).

Excluding the already refinanced bond loan which expires on 29 June 2015, 71% of the credit lines are long-term financing at 31 December 2014.



a	Long-term credit facilities	57%
b	Short-term credit facilities	43%
b1	Credit facilities with unlimited duration	13%
b2	Bond loan with expiry date on 29 June 2015	20%
b3	Credit facility refinanced in January 2015	10%

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.

In 2014 Intervest Offices & Warehouses has continued to optimise the spread of the expiry dates of its credit lines and has concluded with one of its existing bankers the refinancing of € 59 million credit lines which expire in 2016. The new financings have currently terms till 2018, 2019 and 2020 and are concluded at market rates at the same financial institution.

In 2014, a new credit agreement has been also concluded for an amount of € 7 million with a term of 10 years at a fixed interest rate. Besides, Intervest Offices & Warehouses has concluded a private placement of bonds of € 60 million with term of 5 and 7 years (see above).

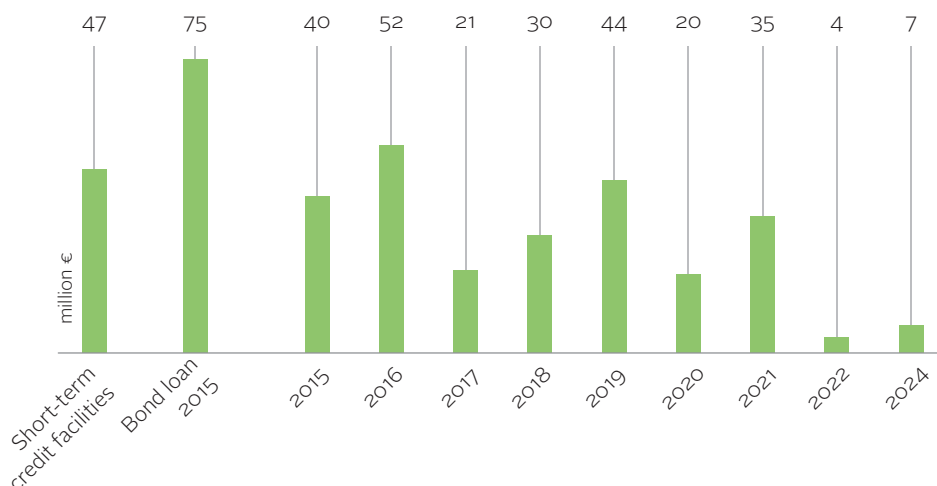
On 31 December 2014, the expiry calendar of the available credit facilities, including the bond loan of € 75 million expiring on 29 June 2015, gives the image below. The weighted average remaining duration of the long-term credit facilities is 3,9 years on 31 December 2014.

The credit facility expiring in 2015 (€ 40 million) is refinanced in January 2015 at the same financial institution at market rates with term till 2017 and 2018. Herewith the company already completely concludes all its financing for financial year 2015.

The credit facilities portfolio of Intervest Offices & Warehouses is spread over six European financial institutions and bond holders.

The weighted average remaining duration of the long-term credit facilities amounts to 3,9 years on 31 December 2014.

Expiry calendar of financings



In 2014, Intervest Offices & Warehouses has continued the process of diversifying its sources of funding and spreading the expiry dates of its credit lines.

Available credit lines

On 31 December 2014, the company still has € 91 million of non-withdrawn credit lines at its financial institutions to meet fluctuations of liquidity needs, for the repayment of the bond loan of € 75 million in June 2015, for financing future investments and for payment of the dividend of financial year 2014.

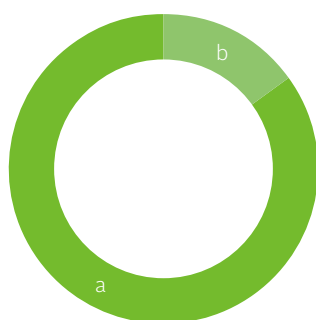
Percentage credit facilities with fixed and variable interest rate

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 2014, 64% of the credit lines of the company consist of financing with a fixed interest rate or are fixed by interest rate swaps, 36% have a variable interest rate. 85% of the withdrawn financing has a fixed interest rate or is fixed by interest rate swaps and 15% has a variable interest rate.

85% of the withdrawn credit facilities have a fixed interest rate or are hedged by financial derivatives.

Balance credit facilities with fixed and variable interest rate



a Fixed interest rate 85%
b Variable interest rate 15%

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.

The company has not concluded new hedging agreements/interest rate swaps in 2014.

On 31 December 2014 the bond loans of a total amount of € 135 million have a fixed interest rate and the company has concluded interest rate swaps for a notional amount of € 100 million. Besides, the company has a credit facility agreement with a fixed interest rate for an amount of € 7 million with a fixed duration of 10 years.

The interest rates on credit facilities of company are here-with fixed for an average remaining duration of 2,9 years.

Average interest rates

The total average interest rate of the financial debts of the company amounts to 4,1% in 2014, including bank margins (3,8% in 2013).

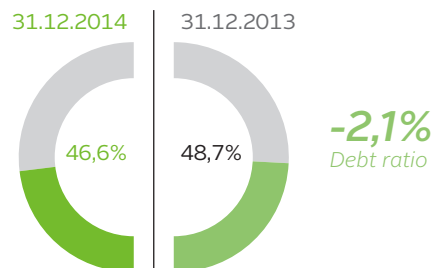
For 2014, the average interest rate for the non-current financial debts amounts to 4,1% (4,1% in 2013). For 2014, the average interest rate for the current financial debts amounts to 4,2% (2,8% in 2013).

Interest rate sensitivity

For financial year 2014, the effect on the operating distributable result of a (hypothetical) increase in interest rate by 1% gives a negative result of approximately € 0,4 million (€ 0,9 million in 2013).

Interestcover ratio

The interestcover 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 2,95 for financial year 2014 (3,24 for the financial year 2013), which is significantly better than the required 2 to 2,5, which is agreed as a covenant in the financing agreements of the company.

Debt ratio

Debt ratio

On 31 December 2014, the debt ratio of the real estate company amounts to 46,6% (48,7 % on 31 December 2013).

Details on the debt ratio evolution

In order to guarantee a proactive policy of the debt ratio, a public company having a debt ratio higher than 50%, should prepare a financial plan, pursuant to article 24 of the RREC Act. 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 2014 the consolidated debt ratio of Intervest Offices & Warehouses amounts to 46,6% 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 2,1% from 48,7% on 31 December 2013 to 46,6% on 31 December 2014 comes mainly from the capital increase and the success of the optional dividend, despite the realised investments of an amount of € 33 million.

On the basis of the current debt ratio of 46,6% on 31 December 2014, Intervest Offices & Warehouses still has an additional investment capacity of approximately € 325 million¹², without exceeding herewith the maximum debt ratio of 65%. The capacity for further investments amounts to approximately € 206 million before exceeding the debt ratio of 60% and € 115 million before exceeding 55%.

Valuations of the real estate portfolio also have an impact on the debt ratio. Taking into account the current capital structure, the maximum debt ratio of 65% would only be transcended in case of a possible decrease in value of the investment properties by approximately € 175 million or 29% compared to the real estate portfolio of € 609 million on 31 December 2014. In case of unchanged current rents, it means an increase of the yield, used for the valuation of the properties, of 3% on average (from 7,5% on average to 10,5% on average). In case of unchanged yield used for the valuation of investment properties, it means a decrease of current rents of € 13,4 million or 29%.

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 2015 between 47% and 51%, compared to 46,6% on 31 December 2014.

This assessment takes into account the following elements:

- no investments in 2015, except the acquisition of the logistics site in Liège in February 2015¹³ for an investment value of € 28,6 million, financed with borrowed capital
- profit allocation which takes into account the expected profit for financial year 2014 and the dividend payment for financial year 2014
- an optional dividend in May 2015 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 company.

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.

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).

¹³ See press release of 5 February 2015 for further information.

PROFIT DISTRIBUTION 2014

At the general meeting of shareholders on 29 April 2015, it shall be proposed that a gross dividend of € 1,40 per share be distributed.

The board of directors proposes to distribute the result for financial year 2014 of Interest Offices & Warehouses as follows:

PROFIT DISTRIBUTION in thousands €	
Net result for financial year 2014¹⁴	16.257
ALLOCATION TO/TRANSFER FROM RESERVES	
Transfer from the reserves for the balance of changes in fair value ¹⁵ of real estate properties:	
• Financial year	5.028
• Realisation real estate	655
Transfer from the reserve of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	722
Transfer from the reserve for the balance of changes in fair value of authorised hedging instruments that are not subject to hedge accounting	344
Allocation to results carried forward from previous years	-2.318
Remuneration of capital	20.688

On the basis of a pay-out ratio of 90 % of the operating distributable result, a gross dividend of € 1,40 per share will be proposed to the shareholders for financial year 2014. This offers a net dividend of € 1,0500 after deduction of 25 % withholding tax.

Taking into account the 14.777.342 shares that will participate in the full result of financial year 2014, this means that a dividend of € 20.688.279 is available for distribution.

A pay-out of 90 % of the operating distributable result is pursuant to the RREC Act which requires a minimum pay-out of 80 % of the operating distributable result.

The dividend is payable as from 28 May 2015. As far as dematerialised shares are concerned, payments are done through dividend coupon no. 16 that as part of the capital increase realised on 22 December 2014 was already detached from the share on 23 December 2014.

14 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).

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

EPRA BEST PRACTICES¹⁶

In December 2014 the EPRA's Reporting and Accounting Committee published an update of the report entitled "Best Practices Recommendations ('BPR')¹⁷. 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.

EPRA Award for Annual report 2013

Intervest Offices & Warehouses has received at the 2014 EPRA conference the 'EPRA BPR Silver Award' and a 'Most Improved Award' (award for the most improved annual report) for its 2013 annual report: a token of recognition of the transparent and consistent reporting on the company's developments.



¹⁶ These data are not compulsory under the legislation on regulated real estate companies and are not verified by public authorities.

¹⁷ The report is available on the EPRA website: www.epra.com.

EPRA Key performance indicators

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

December 2014 and whether the financial data used to calculate those ratios agree to the accounting data included in the consolidated financial statements.

Table	EPRA-indicators	Definitions EPRA ¹⁸		31.12.2014	31.12.2013
1	EPRA Earnings	Earnings from core operational activities	in thousands €	23.039	24.575
			€/share	1,57	1,71
2	EPRA NAV	Net Asset Value (NAV) adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long term investment property business model.	in thousands €	319.198	291.385
			€/share	19,77	20,20
3	EPRA NNNAV	EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.	in thousands €	307.099	283.237
			€/share	19,02	19,64
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 portfolio, increased with estimated purchasers' costs.		6,4%	6,3%
	(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).		6,9%	6,7%
5	EPRA Vacancy Rate	Estimated market rental value (ERV) of vacant space divided by ERV of the whole portfolio.		14,8%	16,1%
6	EPRA Cost Ratio (including direct vacancy costs)	EPRA costs (including direct vacancy costs) divided by gross rental income less ground rent costs.		15,2%	13,8%
	EPRA Cost Ratio (excluding direct vacancy costs)	EPRA costs (excluding direct vacancy costs) divided by gross rental income less ground rent costs .		13,3%	11,9%

18 Source: EPRA Best Practices (www.epra.com).

Table 1: EPRA Earnings

in thousands €	31.12.2014	31.12.2013
Net result IFRS (group share)	16.292	34.582
Adjustments to calculate EPRA earnings		
To exclude:		
I. Changes in fair value of investment properties	5.198	-5.465
II. Result on disposal of investment properties	589	-1.947
VI. Changes in fair value of financial assets and liabilities	344	-2.166
Other result on portfolio	616	-429
EPRA Earnings (group share)	23.039	24.575
Weighted average number of shares	14.672.873	14.335.677
EPRA Earnings (€/share) (group share)	1,57	1,71

The EPRA Earnings amounts to € 23,0 million for financial year 2014 compared to € 24,6 million for financial year 2013 or a decrease of € 1,6 million or 7%, mainly due to the increase of property charges (€ 0,2 million),

general (€ 0,4 million) and financing costs (€ 0,8 million) of the company. The EPRA Earnings per share amounts herewith to € 1,57 for financial year 2014 compared to € 1,71 for financial year 2013.

Tables 2 and 3: EPRA NAV and EPRA NNNAV

in thousands €	31.12.2014	31.12.2013
Net asset value (group share)	314.132	286.484
Net asset value (€/share) (group share)	19,46	19,86
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	314.132	286.484
To exclude:		
IV. Fair value of financial instruments	5.066	4.901
EPRA NAV (group share)	319.198	291.385
Number of shares at the end of the year	16.143.906	14.424.982
EPRA NAV (€/share) (group share)	19,77	20,20
To include:		
I. Fair value of financial instruments	-5.066	-4.901
II. Revaluations at fair value of financings with fixed interest rate	-7.033	-3.247
EPRA NNNAV (group share)	307.099	283.237
Number of shares at the end of the year	16.143.906	14.424.982
EPRA NNNAV (€/share) (group share)	19,02	19,64

The EPRA NAV per share amounts on 31 December 2014 to € 19,77 compared to € 20,20 on 31 December 2013. The decrease of € 0,43 per share mainly results from the decrease in fair value of the real estate portfolio during financial year 2014.

from the decrease in fair value of the real estate portfolio during financial year 2014 and the revaluations of fair value of financings with a fixed interest rate regarding the private placement of bonds realised in March 2014 for a nominal amount of € 60 million.

The EPRA NNNAV per share amounts on 31 December 2014 to € 19,02 compared to € 19,64 on 31 December 2013. The decrease of € 0,62 per share mainly results

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

in thousands €	31.12.2014	31.12.2013
Investment properties and properties held for sale	609.476	580.709
To include:		
Properties that are being constructed or developed for own account in order to be leased ¹⁹	-5.455	-5.461
Properties held for sale	0	0
Properties available for lease	604.021	575.248
To include:		
Estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	15.100	14.381
Investment value of properties available for lease (B)	619.121	589.629
Annualised gross rental income	43.725	40.587
To exclude:		
Property charges ²⁰	-4.138	-3.731
Annualised net rental income (A)	39.587	36.856
Adjustments:		
Rent expiration of rent free periods or other lease incentives	2.831	2.912
Annualised 'topped-up' net rental income (C)	42.418	39.768
(in %)		
EPRA NET INITIAL YIELD (A/B)	6,4%	6,3%
EPRA 'topped-up' NET INITIAL YIELD (C/B)	6,9%	6,7%

The EPRA Net Initial Yield and the EPRA 'Topped-up' Net Initial Yield has slightly increased on 31 December 2014 compared to 31 December 2013, mainly due to the decrease in fair value of the real estate portfolio during financial year 2014.

19 On 31 December 2014 the company 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 2014 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 consolidated IFRS accounts.

Table 5: EPRA Vacancy Rate

Segment	Leasable space in m ²	Estimated rental value (ERV) on vacant spaces in thousands €	Estimated rental value (ERV) in thousands €	EPRA vacancy rate	EPRA vacancy rate
				in %	in %
				31.12.2014	31.12.2013
Offices	229.669	5.398	29.168	18,5%	20,1%
Logistics properties	444.487	1.853	19.695	9,4%	9,3%
Total properties available for lease	674.156	7.252	48.863	14,8%	16,1%

The EPRA Vacancy rate at 31 December 2014 has decreased by 1,3% compared to 31 December 2013, mainly due to rentals in the office portfolio.

Table 6: EPRA Cost Ratios

in thousands €	31.12.2014	31.12.2013
General costs	1.664	1.243
Write-downs on trade receivables	2	79
Compensations for building rights and long-lease rights	21	21
Property charges	4.432	4.189
To exclude:		
Compensations for building rights and long-lease rights	-21	-21
EPRA costs (including vacancy costs) (A)	6.098	5.511
Vacancy costs		-777
EPRA costs (excluding vacancy costs) (B)	5.327	4.734
Rental income less compensations for building rights and long-lease rights (C)	40.016	39.893
(in %)		
EPRA Cost Ratio (including vacancy costs) (A/C)	15,2%	13,8%
EPRA Cost Ratio (excluding vacancy costs) (B/C)	13,3%	11,9%

The EPRA Cost Ratio (including vacancy costs) and the EPRA Cost Ratio (excluding vacancy costs) on 31 December 2014 has increased compared to 31 December 2013, mainly due to the increase of

property charges (€ 0,2 million) and the general costs (€ 0,4 million) during financial year 2014. The vacancy costs have remained at the same level in 2014 as in 2013 (€ 0,8 million).

FORECAST FOR 2015

Given the challenging situation in the office market and with Belgium being a logistics hub in Europe, as far as investments and divestments are concerned, emphasis in 2015 will continue to be on shifting, over time, the proportion in the real estate portfolio from a roughly equal distribution between offices and logistics towards a 40%-60% ratio respectively. In the context of this shift, investing in up-to-date buildings of excellent quality and leasing to first-class tenants are the priorities. The office part focuses on the Antwerp-Mechelen-Brussels axis, while the logistics part is concentrated on the Antwerp-Brussels and Antwerp-Liège axes.

Addressing the extension of lease agreements and achieving a stable occupancy rate remain the prime challenges in the area of asset management. There is no refinancing planned in 2015, and the distributable operating profit per share is expected to evolve positively due to lower financing costs.

As regards corporate social responsibility, the main focus will be on a sustainable energy policy.

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 further increase the percentage of high-quality logistics buildings via acquisitions or developments within the existing portfolio. Intervest Offices & Warehouses transposes this ambition immediately as from the beginning of 2015 into an acquisition. Just after the end of the year the acquisition of a logistics site of 52.000 m² has been concluded in Liège²¹. Herewith there is a shift of the percentage of the logistics part from 45% on 31 December 2014 to 48% at the moment of the acquisition.

Additionally, Intervest Offices & Warehouses still has a considerable potential of new developments in its existing logistics portfolio. The company has a site of 12.000 m² in Opglabbeek and one of 32.100 m² in Herentals for new buildings, while there are several logistics sites where there are still opportunities for expansion, such as in Houthalen. Expansions of existing sites mean extra added value for the current tenants. The site in Wilrijk holds a further rental potential because of the excellent location suitable for e-commerce or wholesale activities.

Such developments, however, will only be implemented if a substantial part of the project has already been let out in advance.

If market conditions permit, the company will gradually divest offices in order to arrive over time at a ratio of 60% logistics properties and 40% offices in the real estate portfolio.

Given the debt ratio of 46,6% as at 31 December 2014, Intervest Offices & Warehouses can still invest with borrowed capital. To attain a debt ratio of 50%, the company still has an investment capacity of € 42 million. This is at the lower end of the policy objective of operating with a maximum debt ratio that is between 50% and 55%. To reach the upper end of the fork, the investment capacity amounts to € 115 million with unchanged valuation of the existing real estate portfolio. For the acquisition of the logistics site in Liège an amount of € 28,6 million is used and the debt ratio has increased herewith by 2,4%, to approximately 49%.

Occupancy rate and asset management

The extension of lease agreements remains a challenge. Given the limited economic growth projected for 2015, Intervest Offices & Warehouses aims to keep the volume of new rentals, renewals and expansions in the office market stable and to let this volume grow for the logistics part of the portfolio. To achieve this, the company will try to proactively renegotiate a number of important lease agreements. By employing its own team of asset managers to maintain good relations with tenants in a systematic way, the renegotiation process can be started up at an appropriate moment. Naturally, Intervest Offices & Warehouses tries in that process to adhere to market conditions.

The expiry date of all lease agreements with Deloitte is now set at 31 December 2016. This means that the office buildings occupied so far by Deloitte on Berkenlaan in Diegem will become available to let on that date. This allows the company to start putting those buildings back on the market right now.

In the strategic move away from the simple letting of floor space towards the provision of a complete service package, Intervest Offices & Warehouses continues along that path with the concept of turn-key solutions. For 2015, the company will keep offering a fully bespoke solution to new tenants, ranging from fitting-out plans and supervision of the works to coordination of the

21 For further information, see press release of 5 February 2015.

relocation process, within a pre-set timeframe and budget. In order to cope with the growing demand, the recruitment of an additional interior architect is planned.

With RE:flex, Intervest Offices & Warehouses meets the needs of mobile and flexible workers to work and meet in a professional and easily accessible environment. The

seminar centre is also a good complement to the services already available to customers at the sites in Mechelen. Intervest Offices & Warehouses wants to develop this concept further in Mechelen and is also investigating its rollout to other suitable locations.

Financing

As part of the process of tapping into alternative sources of funding and looking into ways to refinance the bond loan falling due in June 2015, a private placement of bonds for an amount of € 60 million is realised in the first half of 2014. On 29 June 2015, the current bond loan of € 75 million will be repaid with a coupon of 5,1% and replaced by this new bond loan that has been taken out at lower interest rates (3,430% on the part with a five-year term and 4,057% on the part with a seven-year term). As a result, the interest charges for 2015 will be less than in 2014, barring unforeseen fluctuations in market interest rates.

Intervest Offices & Warehouses keeps up its efforts to optimise the spread of the due dates of its credit lines. The refinancing of € 59 million in credit lines has been finalised in 2014 with one of its existing financiers; the credit lines now expire in 2018, 2019 and 2020. Additionally, a € 40 million loan has been extended in January 2015, freeing Intervest Offices & Warehouses from the need to carry out refinancing operations in 2015.

Operating distributable result per share

Intervest Offices & Warehouses expects the operating distributable result per share to evolve positively in 2015, barring unforeseen interest rate fluctuations and without

bearing in mind potential divestments. The dividend pay-out ratio in 2015 is expected to remain at 90%.

Corporate social responsibility

As in previous years, Intervest Offices & Warehouses will keep up its efforts in the area of sustainability and care for the environment. The company will further present the buildings in its portfolio to BREEAM for certification. The idea is to have approximately 5% of the portfolio certified in 2015. Energy monitoring, relighting and other sustainability and environmental aspects will continue to receive close attention. Alterations will be carried out where necessary and possible from a cost-efficiency point of view.

Intervest Offices & Warehouses will maintain an interest in local development schemes in the area of mobility and flexibility, the so-called new way of working, urban development, etc. Intervest Offices & Warehouses will continue to support local activities in order to project itself in the markets where the company is present as effectively as possible as a partner that keeps abreast of social trends.



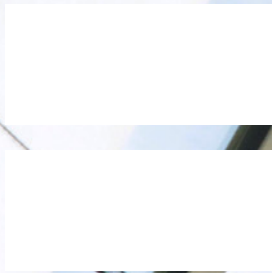
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REPORT ON THE SHARE

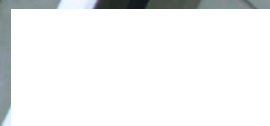
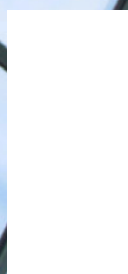
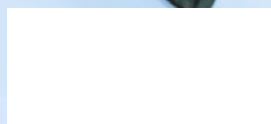
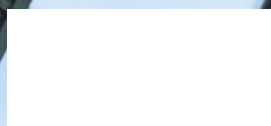
Stock market information

Dividend and number of shares

Shareholders

Financial calendar 2015

Gateway House



STOCK MARKET INFORMATION

The share of Intervest Offices & Warehouses is listed since 1999 (first as property investment fund and since 27 October 2014 as public RREC) on the Brussels Stock Exchange. At the occasion of this 15th anniversary the Opening bell rang on 8 July 2014 on Euronext Brussels.



The share of Intervest Offices & Warehouses (INTO) is listed on 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.

Share price evolution

The average share price of financial year 2014 has amounted to € 21,91 compared to € 19,22 for financial year 2013. The lowest closing share price has reached € 17,60 (10 January 2014) and the highest closing share price € 23,59 (18 December 2014).

On 22 December 2014 the extraordinary general meeting of shareholders of Intervest Offices & Warehouses approved a capital increase through contribution in kind in the framework of an operation assimilated to a split (article 77 of the Belgian Companies Code) of Machiels Real Estate sa for the logistics site in Oplabbeek. The capital increase of € 26,6

million (rounded) has been accompanied by the issue of 1.366.564 new shares INTO. Dividend rights have been vested in these new shares as from 1 January 2015 and have been allowed to be traded on the Euronext Brussels regulated market as from 29 December 2014.

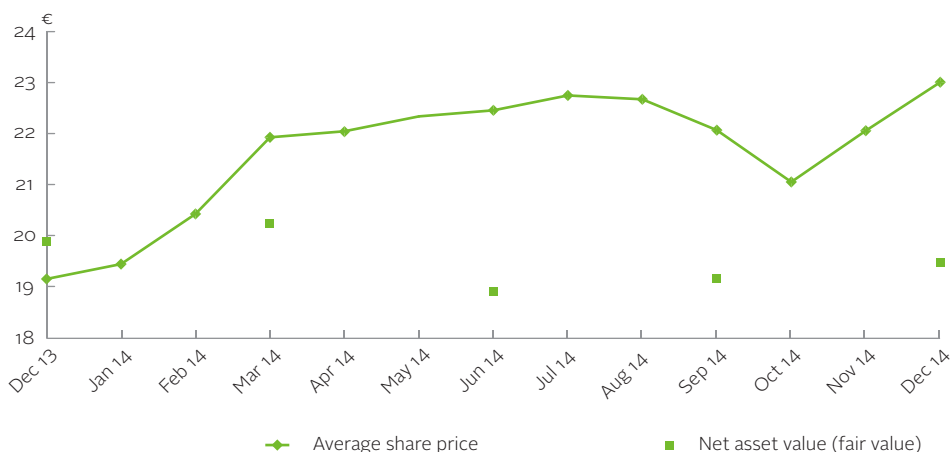
For this transaction coupon number 16 of the INTO share was detached on 23 December 2014. Coupon number 16 represents the right to the dividend that on the annual meeting of Intervest Offices & Warehouses will be allocated for the profit of financial year 2014, in respect of which the new shares will not be granted any rights.



Premium/discount Intervest Offices & Warehouses share

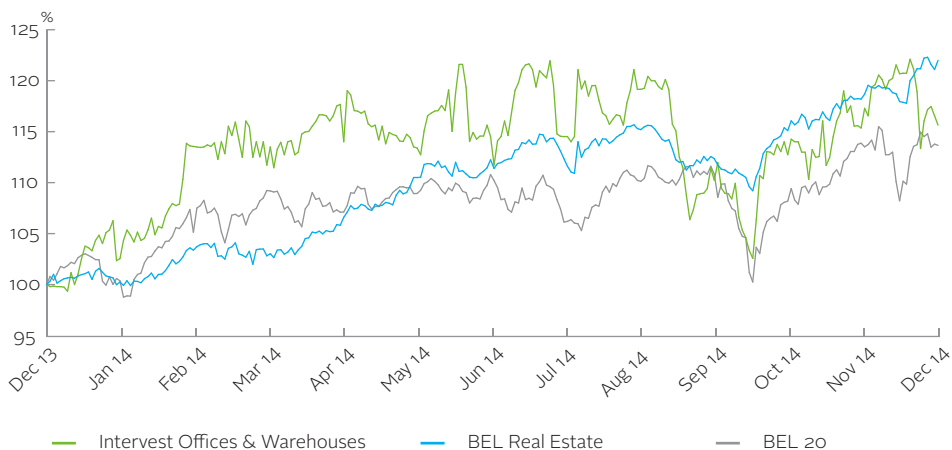
During financial year 2014, the share of Intervest Offices & Warehouses has quoted with a discount of 12% on average compared to the net value (fair value).

The net value of Intervest Offices & Warehouses includes the 2013 dividend up to the payment date on 28 May 2015.



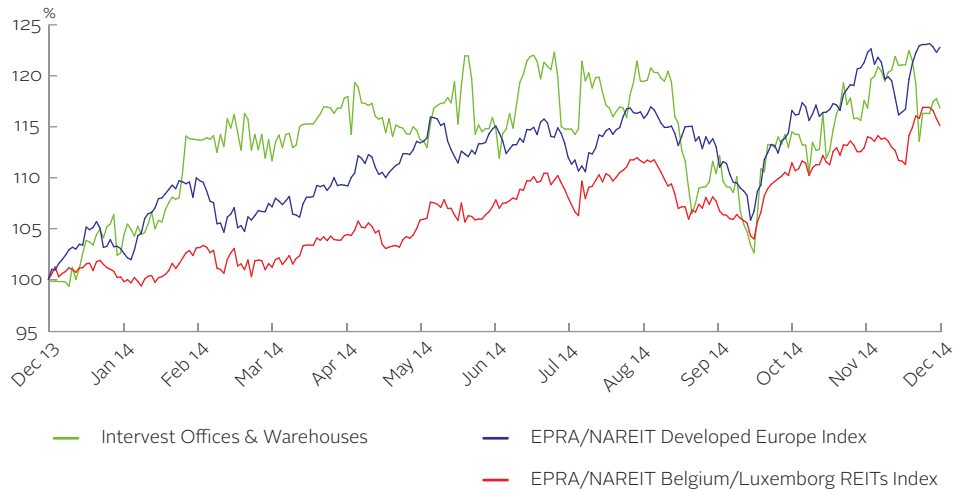
Comparison of Intervest Offices & Warehouses with BEL Real Estate index and BEL 20 Close

The share of Intervest Offices & Warehouses has performed better than the BEL 20 and the BEL Real Estate during the first three quarters of 2014. The share has fluctuated during the fourth quarter of 2014 along with the BEL 20 and the BEL Real Estate and better than the BEL 20.



Comparison of Intervest Offices & Warehouses with EPRA/NAREIT index

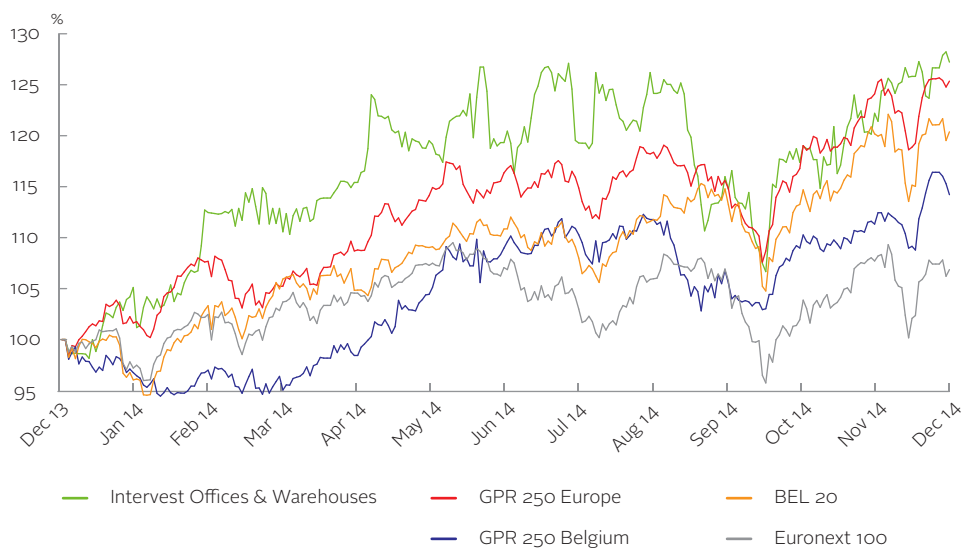
During 2014, the share of Intervest Offices & Warehouses has performed better than the EPRA/NAREIT Belgium/Luxembourg REITs-index as well as the EPRA/NAREIT Developed Europe-index.



Comparison of Intervest Offices & Warehouses with GPR indexes

This graph shows that in 2014 Intervest Offices & Warehouses has performed on average also better than the GPR 250 Europe index, the GPR 250 Belgium index and the Euronext 100 index.

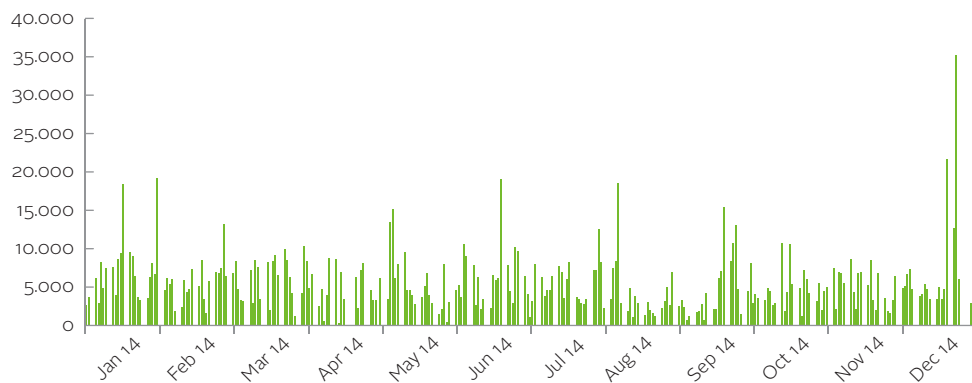
Additional information on the indexes can be obtained from Euronext Brussels for the Euronext 100 and BEL 20 and from Global Property Research (www.property-shares.com) regarding the GPR 250 Europe and GPR 250 Belgium.



Traded volumes Intervest Offices & Warehouses

In 2014, the traded volumes, with an average of 5.665 shares per day, are at the same level than previous year (an average of 5.362 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

On 31 December 2014, the share price of the Intervest Offices & Warehouses' share is € 22,50, offering its shareholders a gross dividend yield of 6,2%.

Number of shares	31.12.2014	31.12.2013	31.12.2012
Number of shares at the end of the period	16.143.906	14.424.982	14.199.858
Number of shares entitled to dividend	14.777.342	14.424.982	14.199.858

Share price (€)	31.12.2014	31.12.2013	31.12.2012
Highest closing share price	23,59	20,39	20,57
Lowest closing share price	19,12	17,60	17,29
Share price on closing date	22,50	19,48	20,12
Premium (+) / discount (-) to net value (fair value) (%)	16%	-2%	-5%
Average share price	21,91	19,22	19,16

Data per share (€)	31.12.2014	31.12.2013	31.12.2012
Net value (fair value)	19,46	19,86	19,18
Net value (investment value)	20,36	20,87	20,21
Net asset value EPRA	19,77	20,20	19,73
Gross dividend	1,40	1,53	1,76
Net dividend	1,0500	1,1475	1,3200
Gross dividend yield (%)	6,2%	7,9%	8,7%
Net dividend yield (%)	4,7%	5,9%	6,6%

SHAREHOLDERS

On 31 December 2014, the following shareholders are known to the company:

Name	Number of voting rights directly held	% voting rights directly held
NSI Group	8.104.241 shares	50,20%
NSI nv Antareslaan 69-75, Postbus 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, Postbus 3044 2130 KA Hoofddorp The Netherlands	8.079.635 shares	50,05%
Belle Etoile sa Uitbreidingstraat 18 2600 Berchem-Antwerp Belgium	24.606 shares	0,15%
Public	8.039.665 shares	49,80%
Total	16.143.906 shares	100%

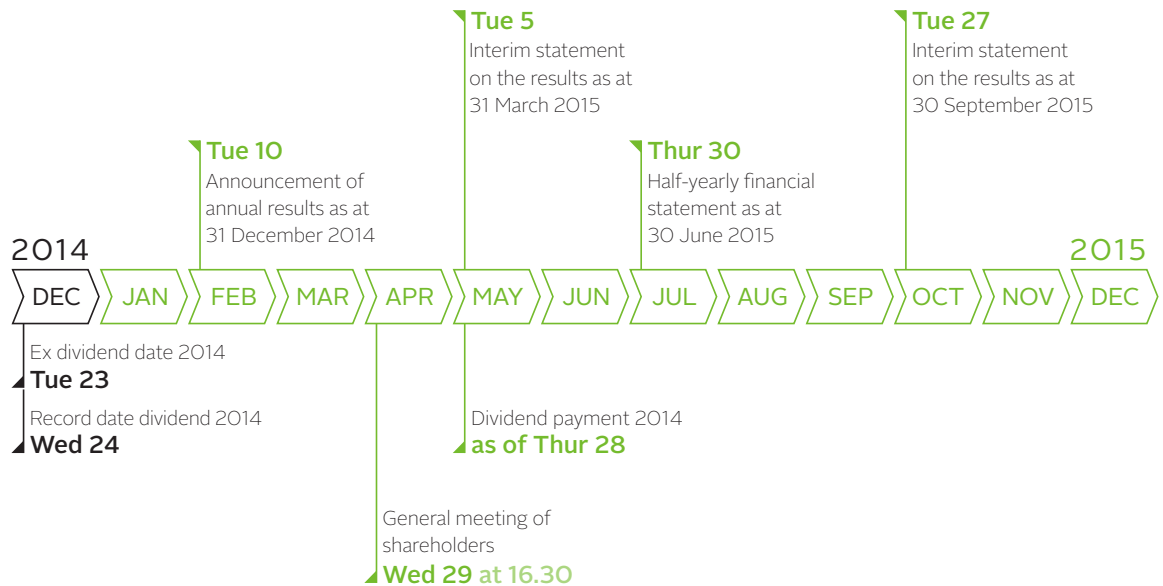
Vastned Offices Benelux Holding bv and Belle Etoile sa (both companies finally controlled by NSI sa), have, in application of articles 14 and 29 of the Act of 2 May 2007 on the Disclosure of Important Shareholdings in Listed Companies, sent a notice to Intervest Offices & Warehouses sa on 14 October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

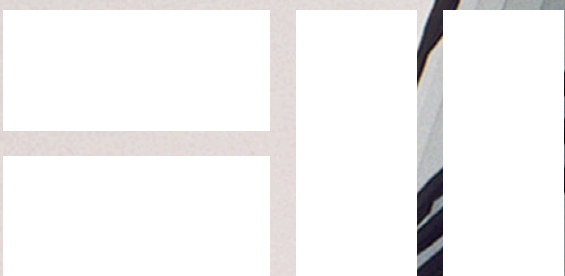
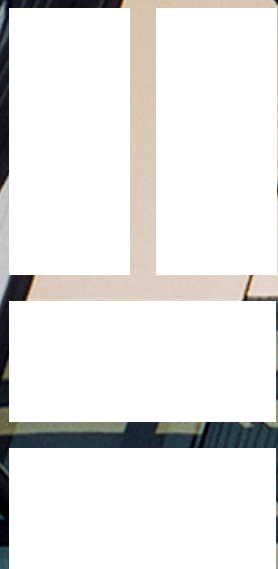
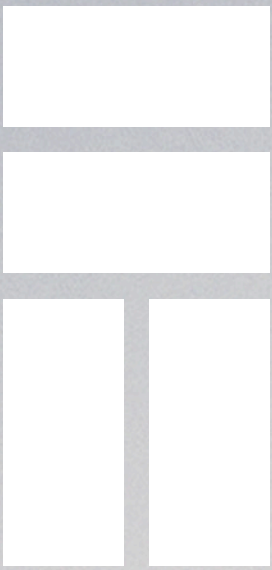
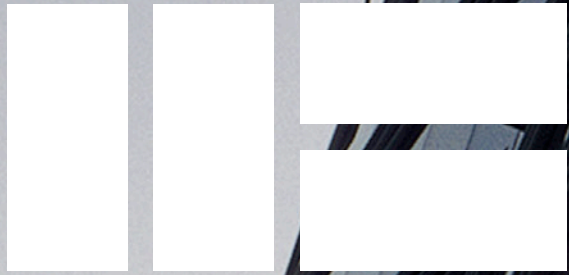
In application of article 74 of the Act on Public Takeover Bids of 1 April 2007, VastNed Offices Benelux Holding bv and Belle Etoile sa communicated to the FSMA on 1 September 2013 that they trade mutually and jointly hold more than 30 % of the shares of Intervest Offices & Warehouses.

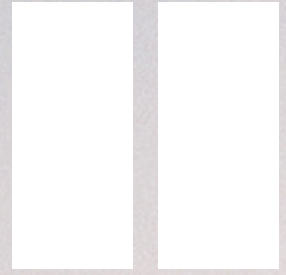
Herentals Logistics 2



FINANCIAL CALENDAR 2015







PROPERTY REPORT

Composition of the portfolio

Overview of the portfolio

Valuation of the portfolio by property experts

Description of the office portfolio

Description of the logistics properties

Mechelen Business Tower



COMPOSITION OF THE PORTFOLIO

Total leasable space

674.156 m²

2013: 604.428 m²



+ 11%
Leasable space

■ = 25.000 m²

On 31 December 2014 the real estate portfolio has a surface area of 674.156 m² (604.428 m² op 31 December 2013).

31 december 2014

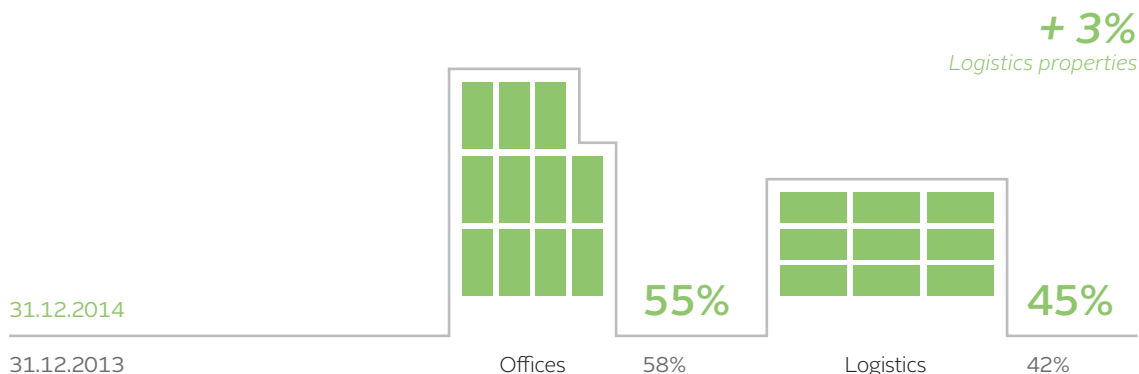
Regions	Office space (m ²)	Storage and other space (m ²)	Fair value (€ 000)	Investment value (€ 000)	Commercial rental income/year (€ 000)	Commercial rental income + rent-vacancy/year (€ 000)	Occupancy rate (%)
Offices							
Brussels	82.569	4.912	122.702	125.770	11.404	12.954	88%
E 19 (incl. Mechelen)	99.674	14.549	169.981	174.230	12.511	15.778	79%
Antwerp	26.219	1.746	40.283	41.290	3.339	3.920	85%
Total offices	208.462	21.207	332.966	341.290	27.254	32.652	83%
Logistics properties							
Antwerpen (incl. Mechelen) (A12, E19)	7.684	162.208	108.775	111.494	7.125	8.237	87%
Antwerp-Liège (E313)	14.851	228.158	148.438	152.149	10.847	11.371	95%
Brussels	5.526	26.060	19.297	19.780	1.330	1.547	86%
Total logistics properties	28.061	416.426	276.510	283.423	19.302	21.155	91%
TOTAL INVESTMENT PROPERTIES	236.523	437.633	609.476	624.713	46.556	53.807	87%

The increase of the total leasable space of 69.728 m² or 12% compared to the end of 2013 results on the one hand from the acquisition of the logistics site in Opglabbeek and on the other from the sale of the semi-industrial property in Meer.

Nature of the portfolio

On 31 December 2014, the portfolio consists of 55% offices and 45% logistics properties, which is a resolute shift as part of the strategy of the company compared to the situation on 31 December 2013 (58% offices and 42%

logistics properties). This is mainly due to the acquisition of the logistics site in Opglabbeek in December 2014 and the decrease in fair value of the office portfolio.



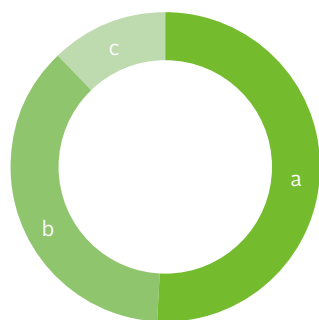
Geographical spread of offices

Offices

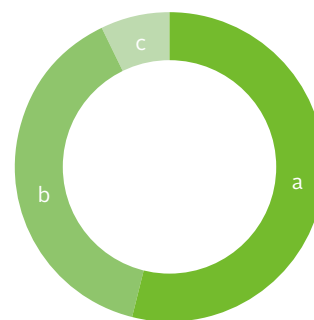
The Antwerp-Brussels axis is still the most important and most liquid office region of Belgium. The entire office portfolio of Intervest Offices & Warehouses is located in this region.

Logistics properties

93% of the logistics portfolio is located on the Antwerp-Mechelen axis (primarily the E19 and A12) and Antwerp-Liège axis (E313) which are the most important logistics axes in Belgium. 7% of the properties are in the centre of the country, in the area of Brussels. Compared to 31 December 2013 the share of the logistics properties on the Antwerp-Liège axis has increased by 6% through the acquisition of the site in Opglabbeek.



a	E19 (incl. Mechelen)	51%
b	Brussels	37%
c	Antwerp	12%

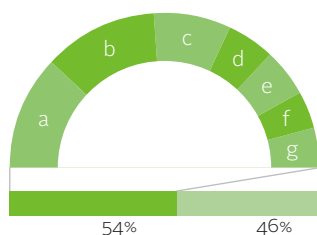


a	Antwerp-Liège (E313, E34, E314)	54%
b	Antwerp-Mechelen (A12, E19)	39%
c	Brussels	7%

Sectoral spread of the portfolio

Offices

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

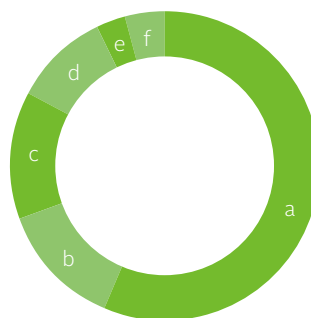


a	18%	Technology, research & development
b	17%	(Bio) medical sector
c	10%	Trade
d	4%	Automobile industry
e	3%	Financial services
f	1%	Construction
g	1%	Mail & telecommunication

46% Other services

Logistics properties

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



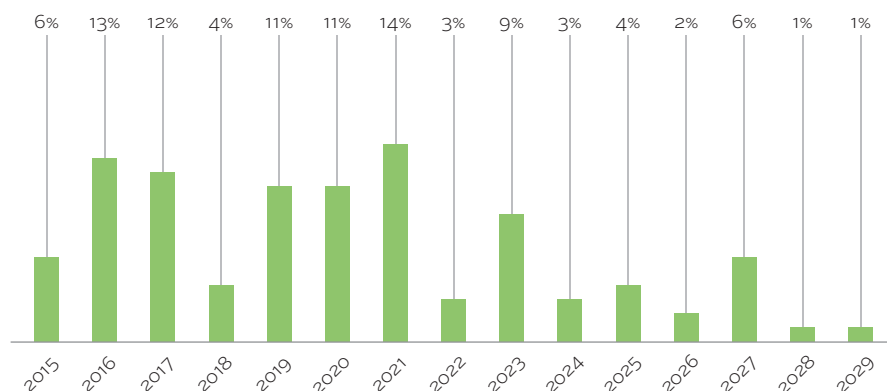
a	56%	Logistics
b	13%	Trade
c	13%	Production
d	10%	(Bio) medical sector
e	3%	Automobile industry
f	5%	Other services

Expiry date of lease agreements of the entire portfolio

The expiry dates are well spread over the coming years. Only 6% of the lease agreements have, based on the annual rental income, an expiry date in the coming year. With most of these tenants, discussions and negotiations are ongoing regarding the prolongation of the agreements. In 2016, 13% reaches the expiry date, mainly through the termination of one of the agreements with Deloitte in Diegem (8%) and the termination of Neovia in Houthalen (2%). At the beginning of 2015 Investinvest Offices & Warehouses has reached an agreement with

Deloitte so that the departure date of all 3 lease agreements is now set at 31 December 2016. This means that the office buildings occupied so far by Deloitte will become available to let on that date. This allows the company to start putting those buildings back on the market right now.

In 2017, 12% reaches the expiry date, mainly through the termination of Fiege in Puurs (5%) and PGZ in Wommelgem (3%).



Next interim expiry date of the lease agreements of the entire portfolio

As most agreements are of the type 3/6/9, the tenants have the possibility to end their lease agreements every three years. This graph shows the next expiry dates of all lease agreements (this can be the final expiry date or an interim expiry date). Because Intervest Offices & Warehouses has several long-term agreements, not all lease agreements can be terminated after three years.

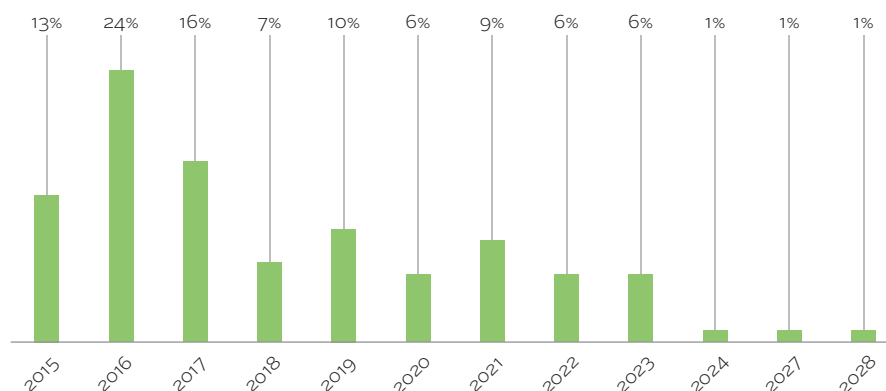
This graph shows the hypothetical scenario on 31 December 2014 whereby every tenant would terminate his lease agreement by the next interim expiry date. This is the worst case scenario which is further analysed and explained in the following graphs.

The company has prolonged in 2014 lease agreements with following important tenants, so that there is a shift of the first interim expiry date of the agreements in the entire portfolio.

- Hewlett-Packard Belgium (6%) in Mechelen has concluded a lease agreement starting 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 has currently a fixed duration partly until 2018 and partly until 2019.
- CEVA Logistics Belgium (3%) in Boom Krekelenberg has concluded an agreement to cancel an interim expiry date in 2014 so that the next expiry date falls in 2016.
- Sofidel Benelux (1%) in Duffel Stocletlaan has concluded an agreement for 12 years with an interim expiry date in 2022.

In 2016, 24% of the lease agreements will reach the interim or final expiry date, of which 15% in the office portfolio and 9% in the logistics portfolio. A great proportion results from the termination of the agreements with Deloitte in Diegem, as they represent 8% of the entire portfolio. For the other agreements reaching the interim or final expiry date (7% in the office portfolio spread over several smaller lease agreements and 9% in the logistics portfolio) discussions and negotiations are ongoing regarding the prolongation of the agreements and/or moving possibilities within the portfolio .



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

Although most lease agreements of the company are of the type 3/6/9, a number of important lease agreements have a longer effective duration.

On 31 December 2014, the average remaining duration till the next expiry date is 4,0 years (3,9 years on 31 December 2013). For offices there is a decrease from

3,8 years to 3,7 years and for the logistics properties an increase from 4,1 years to 4,3 years, mainly through the acquisition of the site in Oplabbeek and the prolongation of a number of lease agreements in 2014 (Nike Europe in Herentals and CEVA Logistics Belgium in Boom).

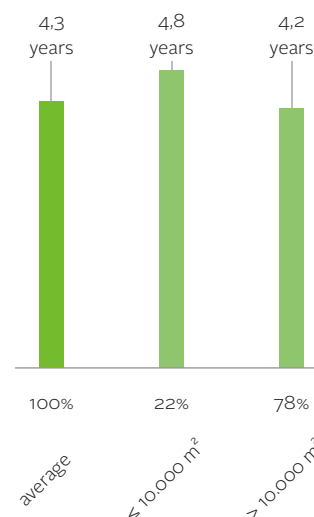




Average duration of the office lease agreements until the next expiry date

On 31 December 2014, the average remaining duration of the lease agreements in the office portfolio is 3,7 years compared to 3,8 years on 31 December 2013. For spaces above 2.000 m² it is 4,2 years (compared to 4,4 years on 31 December 2013).

For offices, the average rental period until the next expiry date is 3,7 years compared to 3,8 years previous financial year. The graph shows clearly that the average rental period increases as the tenant leases a bigger space. For large office tenants (above 2.000 m²) comprising 67% of the office portfolio and having a great impact on the recurring rental income, the next expiry date (as at 1 January 2015) is on average only in 4,2 years.



Average duration of the logistics lease agreements until the next expiry date

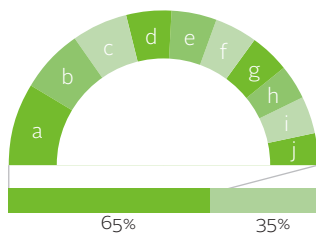
For the logistics portfolio the average remaining duration of the lease agreements is 4,3 years compared to 4,1 years on 31 December 2013.

For the logistics properties the average duration of the lease agreements until the next expiry date is 4,3 years on 31 December 2014, compared to 4,1 years on 31 December 2013. This increase is due mainly to the acquisition of the logistics site in Oplabbeek in December 2014.

For important tenants (above 10.000 m² in storage space) the next expiry date is within 4,2 years (3,6 years on 31 December 2013). This increase is due on the one hand to the acquisition of the site in Oplabbeek and on the other hand of the prolongations in 2014 of the agreements with Nike Europe in Herentals, CEVA Logistics Belgium in Boom and Sofidel Benelux in Duffel. The share of these tenants (above 10.000 m²) has increased from 77% on 31 December 2013 to 78% on 31 December 2014.

Intervest Offices & Warehouses has 17 office locations and 20 logistics properties in portfolio.

Risk spread of buildings by size²²



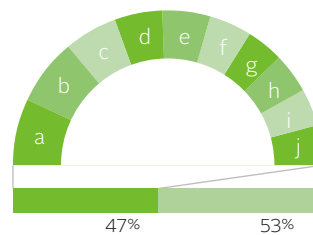
- a 14% Mechelen Campus
- b 10% Intercity Business Park
- c 8% Herentals Logistics 1, 2 en 3
- d 6% Woluwe Garden
- e 6% Oevel 1, 2 en 3
- f 5% Opplabbeek
- g 5% Puurs
- h 4% Mechelen Business Tower
- i 4% Wilrijk Neerland 1 en 2
- j 3% Gateway House

35% Other

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.

Risk spread by tenants²³



- a 8% Deloitte
- b 8% PricewaterhouseCoopers
- c 6% Hewlett-Packard Belgium
- d 5% Nike Europe
- e 5% Fiege
- f 4% Covidien
- g 3% UTi Belgium
- h 3% Biocartis
- i 3% PGZ Retail Concept
- j 2% CEVA Logistics Belgium

53% Other

Tenants a, b, c and h (25%) are part of the office segment. Tenant d till g and i and j (22%) are part of the logistics segment.

The rental income of Intervest Offices & Warehouses is spread over 185 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 47% 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.

In 2014, 61 contracts reaches their expiry date (end of lease or interim expiry date). Of these, 52 agreements have been prolonged or 85%, representing an increase compared to 2103 when 61% was prolonged. Calculated in rental income, the percentage that has been prolonged is higher, namely 88% when this amounted to 81% in 2013.

- Specifically for 2014, 19 contracts have reached their first expiry date (31 in 2013). Of these, only 16% have been terminated (i.e. 3 tenants out of a total of 19 tenants). This is lower than in 2013 (12 on 31 tenants or 39%). The proportion, calculated in rental income, of tenants that terminated their lease contract is only 15% compared to 26% in 2013.
- In 2014, 35 contracts have reached their second or later expiry date. Of these, only 14% have been terminated (5 agreements out of a total of 35 agreements) or only 10% based on rental income. In 2013 38% of the agreements reaching the second or later expiry date, were terminated (15 out of 39 agreements), or 11% based on rental income.
- For tenants whose lease agreement has contractually been terminated in 2014, 6 out of 7 lease agreements have been prolonged (90% based on rental income). For 2013 this 6 out of 10 lease agreements or 69% based on rental income.

The above figures indicate that the market has performed better in 2014 as compared to 2012 and 2013, though it should be noted that the market is still very competitive.

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 2014, Intervest Offices & Warehouses has assisted in some cases new and existing tenants in setting up their offices (so-called turn-key solutions 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.

OVERVIEW OF THE PORTFOLIO

Entire portfolio	31.12.2014	31.12.2013	31.12.2012 ²⁴	31.12.2011	31.12.2010
Fair value of investment properties (€ 000)	609.476	580.709	581.280	581.305	526.680
Investment value of investment properties (€ 000)	624.713	595.226	595.812	595.919	539.929
Current rents (€ 000)	46.556	43.499	45.359	43.651	39.453
Yield on investment value (%)	7,50%	7,3%	7,6%	7,3%	7,3%
Current rents, including estimated rental value of vacant properties (€ 000)	53.807	50.868	52.674	50.576	46.586
Yield if fully let on investment value (%)	8,60%	8,5%	8,8%	8,5%	8,6%
Total leasable space (m ²)	674.156	604.428	614.308	627.096	535.420
Occupancy rate (%)	87%	86%	86%	86%	85%

Per segment

Offices	31.12.2014	31.12.2013	31.12.2012 ²⁵	31.12.2011	31.12.2010
Fair value of investment properties (€ 000)	332.966	337.503	351.854	370.410	363.356
Investment value of investment properties (€ 000)	341.290	345.940	360.650	379.670	372.440
Current rents (€ 000)	27.254	26.902	28.344	27.450	28.186
Yield on investment value (%)	8,00%	7,8%	7,9%	7,2%	7,6%
Current rents, including estimated rental value of vacant properties (€ 000)	32.652	32.693	33.544	32.805	33.178
Yield if fully let on investment value (%)	9,60%	9,5%	9,3%	8,6%	8,9%
Total leasable space (m ²)	229.669	229.669	231.109	231.109	231.109
Occupancy rate (%)	83%	82%	85%	84%	85%

Logistics properties	31.12.2014	31.12.2013	31.12.2012	31.12.2011	31.12.2010
Fair value of investment properties (€ 000)	276.510	243.206	229.426	210.895	163.324
Investment value of investment properties (€ 000)	283.423	249.286	235.162	216.249	167.489
Current rents (€ 000)	19.302	16.597	17.015	16.201	11.267
Yield on investment value (%)	6,80%	6,7%	7,2%	7,5%	6,7%
Current rents, including estimated rental value of vacant properties (€ 000)	21.155	18.175	19.130	17.771	13.408
Yield if fully let on investment value (%)	7,50%	7,3%	8,1%	8,2%	8,0%
Total leasable space (m ²)	444.487	374.759	383.199	395.987	304.311
Occupancy rate (%)	91%	91%	89%	91%	84%

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.

On 31 December 2014
the rental yield of the total
portfolio amounts to 7,5%.

Sensitivity analysis

In case of a hypothetical negative adjustment of the yield used by property experts for valuing the real estate portfolio of the company (yield or capitalisation rate) with 1% (from 7,5% to 8,5% on average), the fair value of the real estate portfolio would decrease by € 72 million or 12%. That would increase the debt ratio of the company by 6% to approximately 53%.

In the opposite case of a hypothetical positive adjustment of this yield by 1% (from 7,5% to 6,5% on average), the fair value of the real estate portfolio would increase by € 95 million or 16%. That would reduce the debt ratio of the company by 6% to approximately 40%.

Occupancy rate

The occupancy rate of the real estate portfolio of Interest Offices & Warehouses increases by 1% compared to 31 December 2013 and amounts to 87%. The average occupancy rate of the real estate portfolio of Interest Offices & Warehouses over the past ten years from 2005 till 2014 is 88% with a maximum of 94% (on 31 December 2008) and with a minimum of 82% (on 31 December 2005).

+ 1%
Occupancy rate

Occupancy rate at 31 december



VALUATION OF THE PORTFOLIO BY PROPERTY EXPERTS

On 31 December 2014, the valuation of the current real estate portfolio of Interest Offices & Warehouses has been carried out by the following property experts:

- Cushman & Wakefield, represented by Jérôme Lits
- Stadim, represented by Philippe Janssens.

Valuer	Fair value (€ 000)	Investment value (€ 000)
Cushman & Wakefield	366.741	375.910
Stadim	242.735	248.803
Total	609.476	624.713

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

For the assessment of real estate properties, the location and some characteristics of real estate are taken into account.

- **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.
- **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.
- **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.

Subsequently three major valuation methods are then used: update of the estimated rental income, unit prices and discounted cash flow analysis.

- **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 agreements.

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.

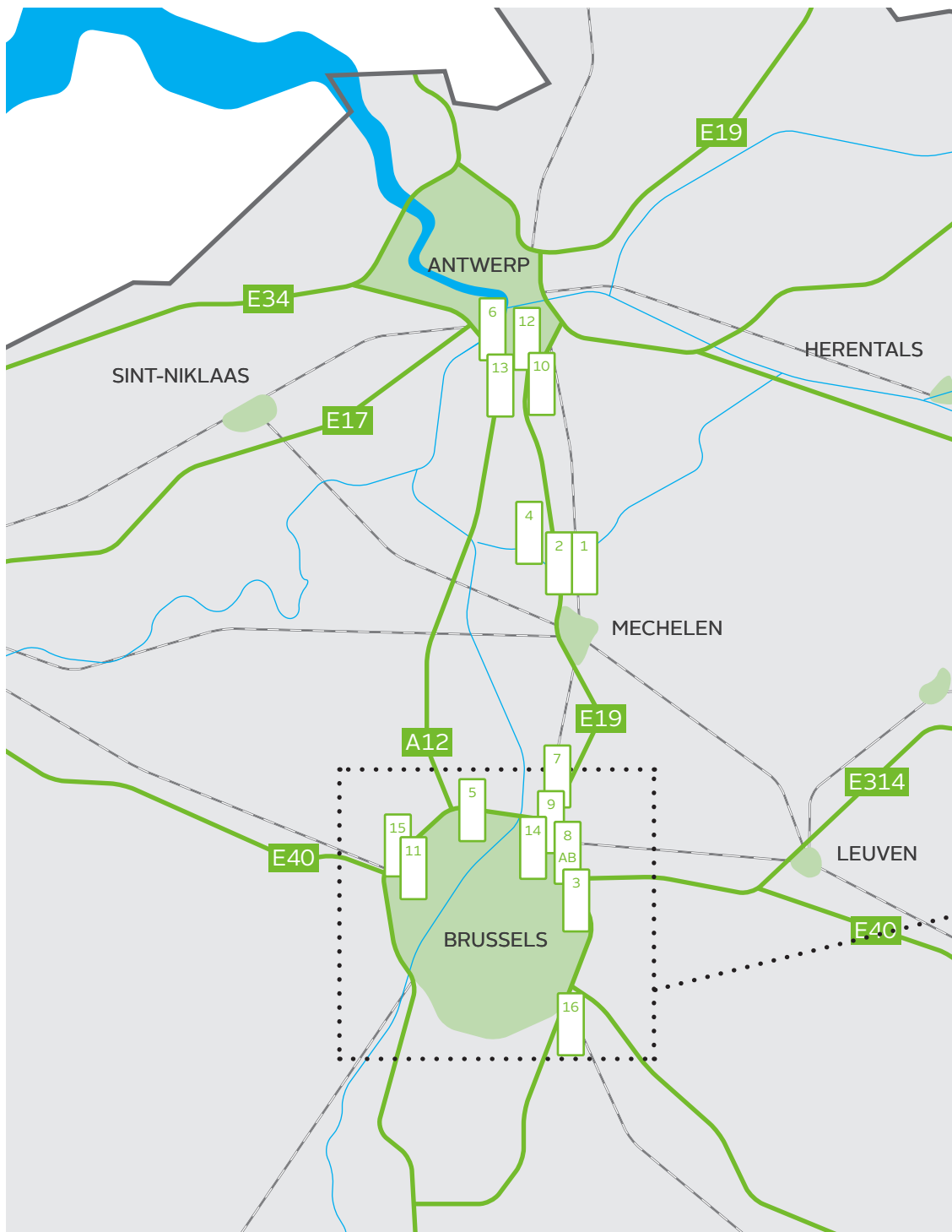
- **Unit prices**

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**

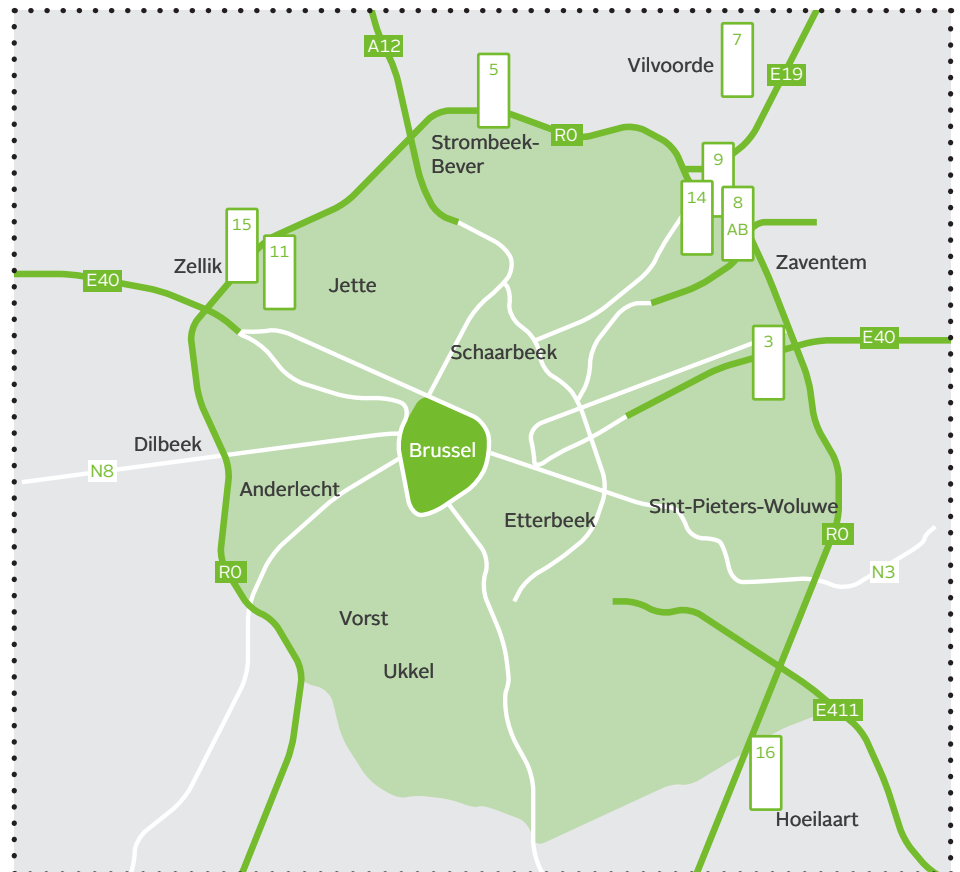
The investment value is calculated on the basis of the actualised value of the future net rental income of each property. For each property the annual expected costs and provisions, the current lease agreements, the realisation period for renovation or construction works, their repercussion on the effective 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.

Office locations in Belgium



26 Classification according to the surface area of the buildings.

Office locations in the Brussels periphery



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

1. Mechelen Campus



Schaliënhoevedreef 20 A - J and T
2800 Mechelen

Space 58.107 m²
Year of construction 2000 - 2007

Borealis Polymers, Cochlear, Viabuild, ON Semiconductor Belgium, Kofax, Endemol België, MC-Square Belgium, Imperial Tobacco Belgium, Basic-Fit, Sungard Benelux, Haskoning DHV Belgium, LBC Belgium Holding, S.W.I.F.T., Planon, Meeza Mechelen, Quares, Crossroad Consulting, Prosource, AFAS, Winx, Rens Accountants, Pebble Media, Fischer, ...

2. Intercity Business Park



Generaal De Wittelaan 9 - 21
2800 Mechelen

Space 42.542 m²
Year of construction 1993 - 2000

Biocartis, SGS Belgium, Galapagos, LabCorp, FANUC Robotics Benelux, Trilux, KBC Bank, Electro Rent Europe, Hammer, PAB Benelux, Logins, SMA Benelux, Info Support, Intersafe Belgium, c-Quilibrium (E-Spot), SDL Trisoft, Oldelft Benelux, De'Longhi Benelux, Keyence International, MC-Bauchemie, Van Gansewinkel, CEWE Belgium, ...

3. Woluwe Garden



Woluwedal 18-22
1932 Sint-Stevens-Woluwe

Space 24.460 m²
Year of construction 2000

PricewaterhouseCoopers

4. Mechelen Business Tower



Blarenberglaan 2C
2800 Mechelen

Space 13.574 m²
Year of construction 2001

Hewlett-Packard Belgium

5. Brussels 7



Nijverheidslaan 1 - 5 / Ringlaan 39
1853 Strombeek - Bever

Space 11.182 m²
Year of construction 1999 - 2002

Whirlpool, Staples, Keyrus, Modero Brussel, 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

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

7. 3T Estate



Luchthavenlaan 25
1800 Vilvoorde

Space 8.904 m²
Year of construction 1998

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

8A. Diegem Campus 2



Berkenlaan 8a
1831 Diegem

Space 8.840 m²
Year of construction 2000

Deloitte

8B. Diegem Campus 1



Berkenlaan 8b
1831 Diegem

Space
Year of construction

8.792 m²
2001 - 2002

Deloitte

9. Park Station



Woluwelaan 148 - 150
1831 Diegem

Space
Year of construction

8.782 m²
2000

EURid, CED België, RAM Mobile Data

10. De Arend



Prins Boudewijnlaan 45 - 49
2650 Edegem

Space 6.929 m²
Year of construction 1997

Technicolor, Euromex, Cheops Technology, Nedelko Belgium

11. Inter Acces Park



Pontbeekstraat 2 and 4
1700 Dilbeek (Groot- Bijgaarden)

Space 6.391 m²
Year of construction 2000

B-Bridge, Amplifon, Edwards Lifesciences, Mitiska, ING, Systech, Phadia, Sabre, Commercial Finance Group, KBC Bank, Allegion, Rooryck & Co

12. Sky Building



Uitbreidingstraat 66
2600 Berchem

Space	5.727 m ²
Year of construction	1988
Year of renovation	2006

LeasePlan Fleet Management, Nationale Borg-Maatschappij, VTG, SKS, CWT Belgium, Royal & Sun Alliance Insurance, Bruid Media, Givi Group

13. Aartselaar



Kontichsesteenweg 54
2630 Aartselaar

Space	4.138 m ²
Year of construction	2000

Invensys Systems

14. Hermes Hills



Berkenlaan 6
1831 Diegem

Space
Year of construction

3.672 m²
1990

Deloitte

15. Exiten



Zuiderlaan 91
1731 Zellik

Space
Year of construction

3.628 m²
2002

Gras Savoye Belgium, Rexel Belgium, ifm Electronic Belgium

16. Park Rozendal



Terhulpesteenweg 6A
1560 Hoeilaart

Space	2.830 m ²
Year of construction	1994
Year of renovation	2006

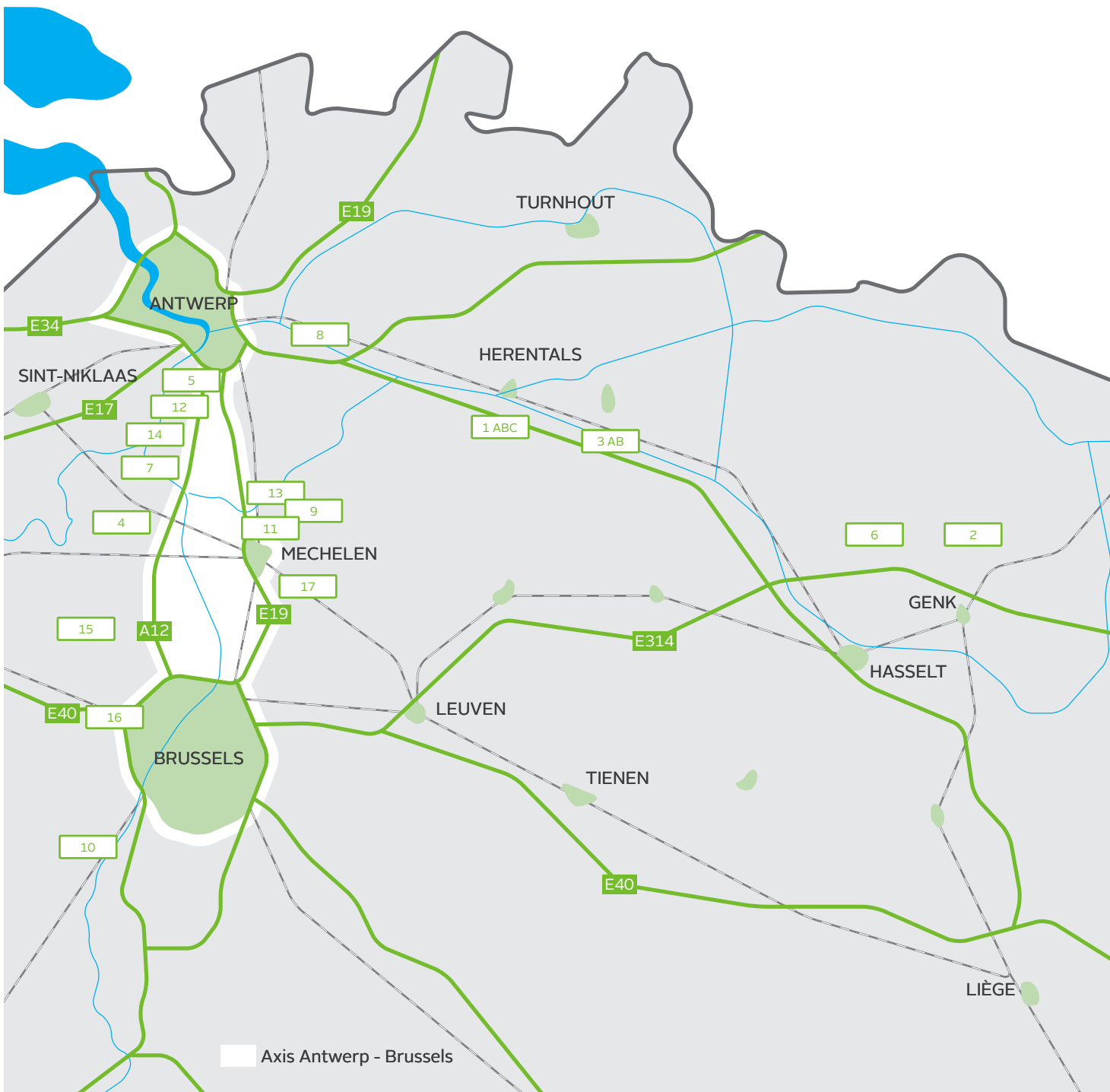
Mylan, Systemex

Cochlear, Mechelen Campus



DESCRIPTION OF THE LOGISTICS PROPERTIES²⁷

Location of the logistics properties in Belgium



27 Classification according to the surface area of the buildings

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

1A. Herentals Logistics 1



Atealaan 34b
2200 Herentals

Space offices	2.338 m ²
Space storage hall	15.008 m ²
Year of construction	1977
Year of renovation	2010-2012

Yusen Logistics, Kreate

1B. Herentals Logistics 2



Atealaan 34c
2200 Herentals

Space offices	2.136 m ²
Space storage hall	48.776 m ²
Year of construction	2008 and 2011

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.

2. Opglabbeek



Weg naar Zwartberg 231
3660 Opglabbeek

Space offices

2.549 m²

Space storage hall

74.893 m²

Year of construction

1999-2012

Covidien, LDM, DHL

3A. Oevel 1 and 3



Nijverheidsstraat 11
2260 Oevel

Space offices 2.044 m²
Space storage hall 26.875 + 5036 m²
Year of construction 2007-2013

UTi Belgium, Seal For Life Industries

3B. Oevel 2



Nijverheidsstraat 9
2260 Oevel

Space offices 3.233 m²
Space storage hall 8.946 m²
Year of construction 2004

Estée Lauder

4. Puurs



Koning Leopoldlaan 5
2870 Puurs

Space offices
Space storage hall
Year of construction

1.657 m²
41.877 m²
2001

Fiege

5. Wilrijk Neerland 1 and 2



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

Space offices
Space storage hall
Year of construction
Year of renovation

1.116 m²
28.423 m²
1986 en 1989
2013 (Neerland 1)

Peugeot, Transports Cordier, Dockx Logistics

6. Houthalen



Europark 1026
3530 Houthalen

Space offices	740 m ²
Space storage hall	26.255 m ²
Year of construction	2001

Neovia Logistic Services International

7. Boom Krekelenberg



Industrieweg 18
2850 Boom

Space offices	787 m ²
Space storage hall	23.934 m ²
Year of construction	2000

CEVA Logistics Belgium

8. Wommelgem Koralenhoeve



Koralenhoeve 25
2160 Wommelgem

Space offices
Space storage hall
Year of construction

1811 m²
22.369 m²
1998

PGZ Retail Concept

9. Duffel Stocletlaan



Stocletlaan 23
2570 Duffel

Space offices
Space storage hall
Year of construction

226 m²
23.160 m²
1998

Iron Mountain Belgium, Sofidel Benelux

10. Huizingen



Gustave Demeurslaan 69 - 71
1654 Huizingen

Space offices
Space storage hall
Year of construction

2.105 m²
15.373 m²
1987 - 1993 (afterwards several renovations)

Pharma Logistics (DHL)

11. Mechelen Oude Baan



Oude Baan 12
2800 Mechelen

Space offices
Space storage hall
Year of construction
Year of renovation

411 m²
14.930 m²
1999
2004

Pharma Logistics (DHL), DHL Freight Belgium

12. Aartselaar



Dijkstraat 1A
2630 Aartselaar

Space offices	939 m ²
Space storage hall	8.926 m ²
Year of construction	1994

Party Rent / Expo Rent

13. Duffel Notmeir



Walemstraat 94
2570 Duffel

Space offices	228 m ²
Space storage hall	8.986 m ²
Year of construction	1995

Reynaers Aluminium

14. Schelle



Molenberglei 8
2627 Schelle

Space offices	1.728 m ²
Space storage hall	6.595 m ²
Year of construction	1993

Meiko Europe, Vereniging voor Verkeersveiligheid, SD Worx

15. Merchtem



Preenakker 20
1785 Merchtem

Space offices	1.075 m ²
Space storage hall	6.193 m ²
Year of construction	1992 (extension in 2002)

WAMO (ZEB)

16. Berchem Technology Center



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

Space offices	2.346 m ²
Space storage hall	4.494 m ²
Year of construction	1992

Brico Belgium, Vlaamse Gemeenschapscommissie, Jiholabo, Galy Sport

17. Mechelen Ragheno



Dellingstraat 57
2800 Mechelen

Space offices	592 m ²
Space storage hall	5.377 m ²
Year of construction	1998 (extension in 2010)

ThyssenKrupp Otto Wolff





FINANCIAL REPORT

Index

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

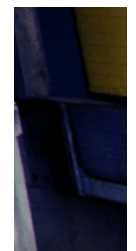
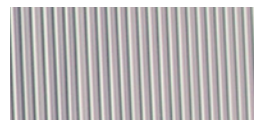
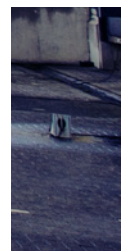
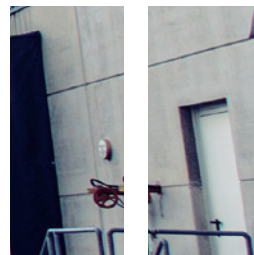
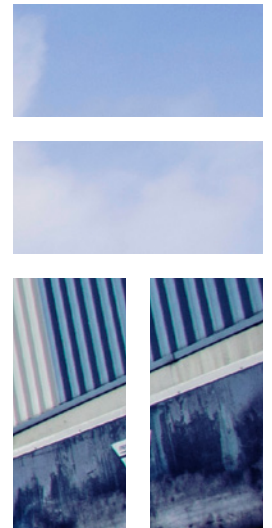
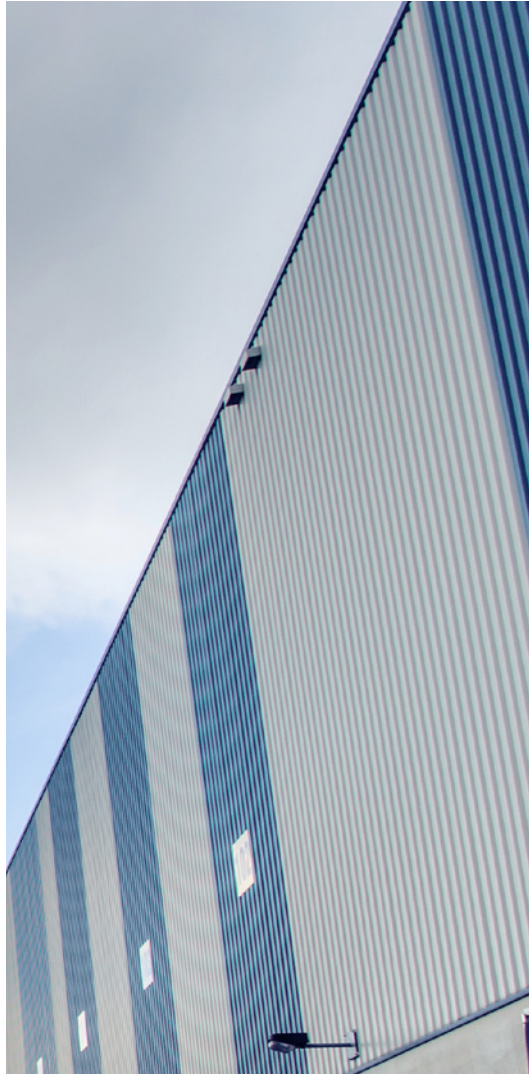
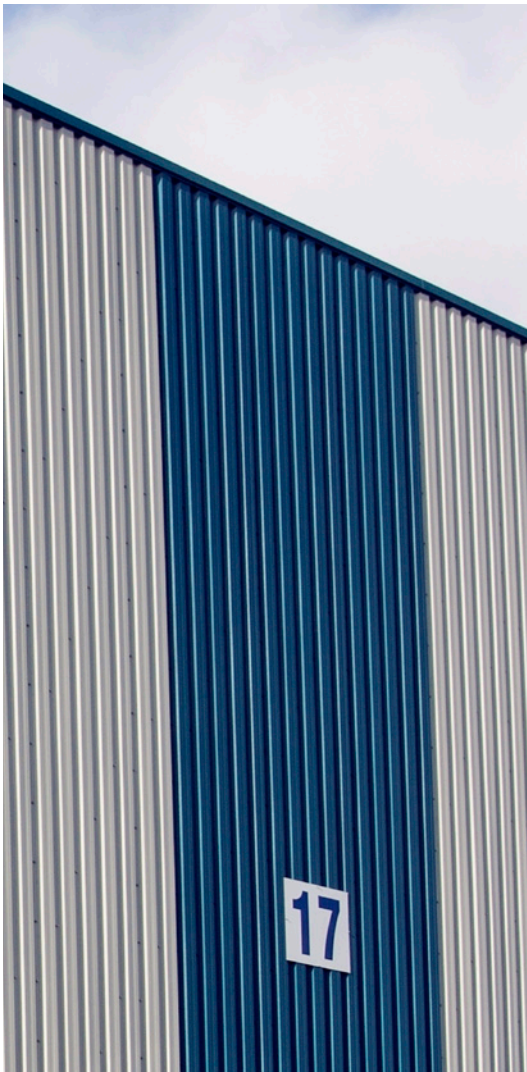
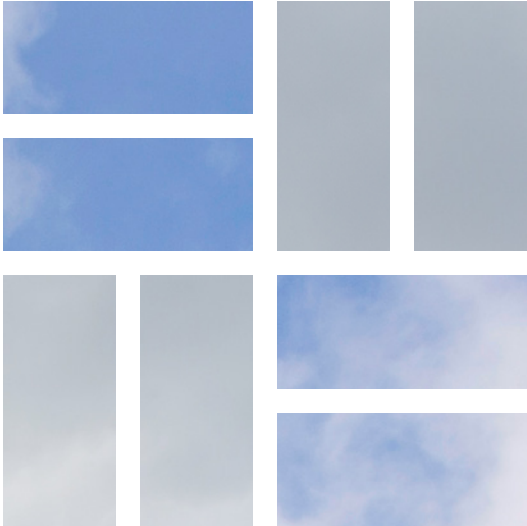
Statement of changes in consolidated equity

Consolidated cash flow statement

Note to the consolidated annual accounts

Statutory auditor's report

Statutory annual accounts Intervest Offices & Warehouses sa



INDEX

Consolidated income statement	142	Note 11. Net interest charges	164
		Note 12. Taxes	165
Consolidated statement of comprehensive income	143	Note 13. Number of shares and result per share	165
		Note 14. Non-current assets: investment properties	168
Consolidated balance sheet	144	Note 15. Current assets	170
		Note 16. Shareholder's equity	172
		Note 17. Provisions	176
Statement of changes in consolidated equity	146	Note 18. Current liabilities	176
		Note 19. Non-current and current financial debts	177
Consolidated cash flow statement	148	Note 20. Financial instruments	180
		Note 21. Calculation of debt ratio	184
Note to the consolidated annual accounts	149	Note 22. Related parties	184
Note 1. Scheme for annual accounts of regulated real estate companies	149	Note 23. List of consolidated companies	185
Note 2. Principles of financial reporting	149	Note 24. Mergers and assimilated operations	185
Note 3. Segmented information	156	Note 25. Fee of the statutory auditor and entities affiliated with the statutory auditor	186
Note 4. Property result	157	Note 26. Conditional rights and obligations	186
Note 5. Property charges	159	Note 27. Events after the balance sheet date	187
Note 6. General costs	161		
Note 7. Employee Benefits	162		
Note 8. Result on disposals of investment properties	163		
Note 9. Changes in fair value of investment properties	163		
Note 10. Other result on portfolio	164		
		Statutory auditor's report	188
		Statutory annual accounts	
		Intervest Offices & Warehouses sa	190

CONSOLIDATED INCOME STATEMENT

in thousands €	Note	2014	2013
Rental income	4	40.037	39.914
Rental-related expenses	4	-22	4
NET RENTAL INCOME		40.015	39.918
Recovery of property charges	4	982	1.269
Recovery of rental charges and taxes normally payable by tenants on let properties	4	8.636	8.880
Costs payable by tenants and borne by the landlord for rental damage and refurbishment		-217	-379
Rental charges and taxes normally payable by tenants on let properties	4	-8.636	-8.880
Other rental-related income and expenses	4	132	182
PROPERTY RESULT		40.912	40.990
Technical costs	5	-997	-721
Commercial costs	5	-209	-188
Charges and taxes on unlet properties	5	-771	-777
Property management costs	5	-2.406	-2.400
Other property charges	5	-49	-104
Property charges		-4.432	-4.189
OPERATING PROPERTY RESULT		36.480	36.801
General costs	6	-1.664	-1.243
Other operating income and costs		72	47
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		34.888	35.605
Result on disposals of investment properties	8	-589	1.947
Changes in fair value of investment properties	9	-5.198	5.465
Other result on portfolio	10	-616	429
OPERATING RESULT		28.485	43.446
Financial income		61	209
Net interest charges	11	-11.856	-11.207
Other financial charges		-20	-6
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	20	-344	2.166
Financial result		-12.159	-8.838
RESULT BEFORE TAXES		16.326	34.608
Taxes	12	-36	-27
NET RESULT		16.290	34.581
Note:			
Operating distributable result	13	23.038	24.574
Result on portfolio	8-10	-6.404	7.841
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	20	-344	2.166
Attributable to:			
Equity holders of the parent company		16.292	34.582
Minority interests		-2	-1

RESULT PER SHARE	Note	2014	2013
Number of shares at year-end	13	16.143.906	14.424.982
Number of shares entitled to dividend	13	14.777.342	14.424.982
Weighted average number of shares	13	14.672.873	14.335.677
Net result (€)	13	1,11	2,41
Diluted net result (€)	13	1,11	2,41
Operating distributable result (€)	13	1,56	1,70

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands €	Note	2014	2013
NET RESULT		16.290	34.581
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	180	472
Transfer to result of hedging instruments becoming ineffective		0	241
COMPREHENSIVE INCOME		16.470	35.294
Attributable to:			
Equity holders of the parent company		16.472	35.295
Minority interests		-2	-1

CONSOLIDATED BALANCE SHEET

ASSETS in thousands €	Note	31.12.2014	31.12.2013
NON-CURRENT ASSETS		609.722	580.986
Intangible assets		16	34
Investment properties	14	609.476	580.709
Other tangible assets		215	228
Trade receivables and other non-current assets		15	15
CURRENT ASSETS		8.868	7.876
Trade receivables	15	3.861	3.800
Tax receivables and other current assets	15	1.655	1.654
Cash and cash equivalents		1.259	691
Deferred charges and accrued income	15	2.093	1.731
TOTAL ASSETS		618.590	588.862

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	Note	31.12.2014	31.12.2013
SHAREHOLDERS' EQUITY		314.167	286.521
Shareholders' equity attributable to the shareholders of the parent company		314.132	286.484
Share capital	16	147.110	131.447
Share premium	16	82.785	65.190
Reserves	16	67.945	55.265
Net result of the financial year		16.292	34.582
Minority interests	23	35	37
LIABILITIES		304.423	302.341
Non-current liabilities		177.162	226.171
Non-current financial debts		171.478	221.251
<i>Credit institutions</i>	19	112.184	146.467
<i>Bond loan</i>		59.291	74.775
<i>Financial lease</i>		3	9
Other non-current financial liabilities	20	5.066	4.384
Other non-current liabilities		618	536
Current liabilities		127.261	76.170
Provisions	17	172	172
Current financial debts	19	112.465	61.720
<i>Credit institutions</i>		37.533	61.712
<i>Bond loan</i>		74.925	0
<i>Financial lease</i>		7	8
Other current financial liabilities	20	0	517
Trade debts and other current debts	18	3.656	2.921
Other current liabilities		187	173
Accrued charges and deferred income	18	10.781	10.667
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		618.590	588.862

Debt ratio in %	Note	31.12.2014	31.12.2013
Debt ratio (max. 65%)	21	46,6%	48,7%

Net value per share in €	31.12.2014	31.12.2013
Net value (fair value)	19,46	19,86
Net value (investment value)	20,36	20,87
Net asset value EPRA	19,77	20,20

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

in thousands €	Share capital	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	
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 result on portfolio 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					
Allocation to 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
Comprehensive income of 2014					
Transfers through result allocation 2013:					
Transfer to the result on portfolio to the reserves for the balance of changes in investment value of real estate properties				7.827	
Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties					14
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 to results carried forward from previous years					
Transfer from reserves					
Issue of shares for optional dividend financial year 2013	3.211	3.864			
Capital increase through contribution in kind in the framework of an operation assimilated to a split (article 77 of the Belgian Companies Code)	12.452	13.731			
Dividend financial year 2013					
Balance at 31 December 2014	147.110	82.785	90	80.030	-14.517

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

RESERVES						NET RESULT OF THE FINANCIAL YEAR	Minority interests	TOTAL SHARE-HOLDERS' EQUITY
	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	Other reserves	Results carried forward from previous financial years	Total reserves			
	-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
	180				180	16.292	-2	16.470
					7.827	-7.827		0
					14	-14		0
		2.166			2.166	-2.166		0
				2.505	2.505	-2.505		0
				-12	-12			-12
								7.075
								26.183
						-22.070		-22.070
	0	-4.722	650	6.414	67.945	16.292	35	314.167

CONSOLIDATED CASH FLOW STATEMENT

in thousands €	Note	2014	2013
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		691	753
1. Cash flow from operating activities		24.790	28.696
Operating result		28.485	43.446
Interests paid		-9.855	-10.893
Other non-operating elements		-338	2.342
Adjustment of result for non-cash flow transactions		7.050	-9.599
• Depreciations on intangible and other tangible assets		132	167
• Result on disposals of investment properties	8	589	-1.947
• Changes in fair value of investment properties	9	5.198	-5.465
• Spread of rental discounts and rental benefits granted to tenants	10	183	243
• Other result on portfolio	10	616	-429
• Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	20	344	-2.166
• Other non-cash flow transactions		-12	-2
Change in working capital		-552	3.400
Movement of assets			
• Trade receivables		-503	1.456
• Tax receivables and other current assets		-2	1.557
• Deferred charges and accrued income		-362	710
Movement of liabilities			
• Trade debts and other current debts		1.058	-555
• Other current liabilities		14	-180
• Accrued charges and deferred income		-757	412
2. Cash flow from investment activities		-2.726	9.912
Investments in existing investment properties	14	-4.524	-2.565
Extensions of existing investment properties	14	-139	-3.145
Income/costs from the disposal of investment properties	8	2.038	15.759
Acquisitions of intangible and other tangible assets		-101	-137
3. Cash flow from financing activities		-21.496	-38.670
Repayment of loans	19	-122.092	-17.450
Drawdown of loans	19	56.325	0
Issue bond loan	19	59.190	0
Repayment/recognition of financial lease liabilities	19	-7	-1
Receipts from non-current liabilities as guarantee		82	-90
Dividend paid	13	-14.994	-21.129
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		1.259	691

NOTES ON THE CONSOLIDATED ANNUAL ACCOUNTS

Note 1. Scheme for annual accounts of regulated real estate companies

As a listed regulated real estate company under Belgian law, Intervest Offices & Warehouses sa has prepared its consolidated annual accounts in accordance with the "International Financial Reporting Standards" (IFRS) as accepted by the European Union. In the Royal Decree of 13 July 2014 on regulated real estate companies a scheme for as well the statutory annual accounts as the consolidated annual accounts of the RREC is contained in Annex C.

The scheme principally means that the result on the portfolio is presented separately in the income statement.

This result on the portfolio includes all movements in the real estate portfolio and consists of:

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

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

Note 2. Principles of financial reporting

Statement of conformity

Intervest Offices & Warehouses is a public regulated real estate company having its registered office in Belgium. The consolidated annual accounts of the company as per 31 December 2014 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 16 March 2015 and will be submitted for approval to the general meeting of shareholders on 29 April 2015.

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 13 July 2014. 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 2014.

New and amended standards and interpretations effective for financial year starting as at 1 January 2014

The following amended standards by the IASB and published standards and interpretations by the IFRIC became effective for the current period, but do not affect the disclosure, notes or financial results of RREC: IFRS 10 Consolidated Financial Statements; IFRS 11 Joint Arrangements; IFRS 12 Disclosures of Interests in Other Entities; IAS 27 Separate Financial Statements; IAS 28 Investments in Associates and Joint Ventures; Amendments to IFRS 10, IFRS 12 and IAS 27 – Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities; Amendments to IAS 32 Financial Instruments: Presentation – Offsetting

Financial Assets and Financial Liabilities; Amendments to IAS 36 – Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Asset; Amendments to IAS 39 – Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting.

New and amended standards and interpretations not yet effective in 2014

The following amended standards will become effective as from following year or later, but are not supposed to affect the disclosure, notes or financial results of the RREC: IFRS 9 Financial Instruments and subsequent amendments (1/1/2018); IFRS 14 Regulatory Deferral Accounts (1/1/2016); IFRS 15 Revenue from Contracts with Customers (1/1/2017); Improvements to IFRS (2010-2012) (1/2/2015); Improvements to IFRS (2011-2013) (1/1/2015); Amendments to IFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (1/1/2016); Amendments to IAS 16 and IAS 38 Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation (1/1/2016); Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants (1/1/2016); Amendments to IAS 19 Employee Benefits – Employee Contributions (1/2/2015); IFRIC 21 – Levies (1/7/2014); Improvements to IFRS (2012-2014) (not yet endorsed in the EU); Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception (not yet endorsed in EU); Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (not yet endorsed in the EU); Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative (not yet endorsed in EU); Amendments to IAS 27 Separate Financial Statements - Equity Method (not yet endorsed in the EU).

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

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 influence 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.

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 agreement to the next possibility of terminating an agreement.

The compensation paid by tenants for early termination of lease agreements 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 on the result

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 estate company, 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

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.

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 company 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.

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: repairs and maintenance, refurbishment, renovations and rent incentives.

- **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".

- **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 tenants often have paid a fee to restore the property (partly) to its original condition.

- **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.

- **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 agreement up to the date of the first break of the lease agreement and are deducted from the rental income.

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 RREC, 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".

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.

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

Definition

The non-current assets under the entity's control that do not meet the definition of investment property are classified as "Other tangible assets".

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.

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.

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

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.

Investments

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

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

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.

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.

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.

Trade debts

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

Equity instruments

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

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.

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

Fair value of investment properties

The fair value of the investment properties of Interinvest 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 uses 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.

Financial derivatives

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

Disputes

The company is, and may be in the future, involved in legal procedures. Interinvest Offices & Warehouses is involved on 31 December 2014 in a procedure before the Court of First Instance in Antwerp, fiscal chamber, as well as in an appeal procedure for the regional director of the control centre large companies regarding the billing of the exit tax assessment year 1999 special (see "Note 26. Off-balance sheet rights and obligations" of the Financial report). The company estimates that this procedure will not have a significant impact on the results of the company.

Note 3. Segmented information

By business segment

The two business segments comprise the following activities:

- the category of "offices" includes the properties that are let to companies for professional purposes as office space.

- the category of "logistics 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 in thousands €	Offices		Logistics properties		Corporate		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
Rental income	24.510	24.502	15.527	15.412			40.037	39.914
Rental-related expenses	-3	58	-19	-54			-22	4
NET RENTAL RESULT	24.507	24.560	15.508	15.358			40.015	39.918
Property management costs and income	819	787	78	285			897	1.072
PROPERTY RESULT	25.326	25.347	15.586	15.643			40.912	40.990
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	22.192	22.579	14.287	14.361	-1.591	-1.335	34.888	35.605
Result on disposals of investment properties	0	0	-589	1.947			-589	1.947
Changes in fair value of investment properties	-6.971	-15.048	1.773	20.513			-5.198	5.465
Other result on portfolio	-266	15	-350	414			-616	429
OPERATING RESULT OF THE SEGMENT	14.955	7.546	15.121	37.235	-1.591	-1.335	28.485	43.446
Financial result					-12.159	-8.838	-12.159	-8.838
Taxes					-36	-27	-36	-27
NET RESULT	14.955	7.546	15.121	37.235	-13.786	-10.200	16.290	34.581

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

Key figures by segment

BUSINESS SEGMENT in thousands €	Offices		Logistics properties		TOTAL	
	2014	2013	2014	2013	2014	2013
Fair value of real estate properties	332.966	337.503	276.510	243.206	609.476	580.709
Investments during the financial year (fair value)	2.434	697	34.158	5.669	36.592	6.366
Disinvestments during the financial year (fair value)	0	0	2.627	12.402	2.627	12.402
Investment value of real estate properties	341.290	345.940	283.423	249.286	624.713	595.226
Total leasable space (m ²)	229.669	229.669	444.487	374.759	674.156	604.428
Occupancy rate (%)	83%	82%	91%	91%	87%	86%

Note 4. Property result

Rental income

in thousands €	2014	2013
Rents	43.273	43.390
Rental discounts	-2.822	-2.728
Rent-free periods	-489	-700
Rental benefits ('incentives')	-53	-108
Compensation for early termination of lease agreements	128	60
Total rental income	40.037	39.914

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 agreements 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 agreement to the next possibility of terminating a lease agreement by the tenant.

Rental income of Intervest Offices & Warehouses is spread over 185 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 47% (49% in 2013) of the rental income, and are often prominent companies in their sector and often part of international groups. On 31 December 2014, the most important tenant represents 8% of the rental income (9% in 2013). In 2014, 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 2013).

The increase in rental income in 2014 of € 0,1 million or approximately 0,3% compared to financial year 2013 (€ 39,9 millions) mainly results from the increase in rental income of the logistics portfolio. Rental income of the office portfolio remains stable in 2014.

For new lease agreements negotiated in financial year 2014 a rent-free period of 1,1 month on average has been granted for 8% of the contract value. For financial year 2013 no rent-free periods were granted. In 2014, for 81% of the new lease agreements rental discounts have been granted (27% in 2013) of 12% on average of annual rental income (16% in 2013). 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 agreements that are extended and/or prolonged during financial year 2014, also on 2% of the contract value a rent-free period has been granted (4% in 2013). In this case, the rent-free period amounts to an average of 0,5 month for each year of the lease agreement (0,4 month in 2013).

For lease agreements that are extended and/or prolonged during financial year 2014, also on 90% on average of the contract value a rent-free period has been granted (9% in 2013) on an average of 8% (10% in 2013).

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 agreements is subject to the following collection terms:

in thousands €	2014	2013
Receivables with a remaining duration of:		
Less than one year	41.267	38.831
Between one and five years	75.811	68.621
More than five years	21.361	24.038
Total of future minimum rental income	138.439	131.490

The increase of the future minimum rental income of € 7 million compared to 31 December 2013 is due for € 3 million to the acquisition of a semi-industrial property in Opglabbeek and in 2014 the company has prolonged

lease agreements with some important tenants, such as Hewlett-Packard Belgium in Mechelen, Nike Europe in Herentals, CEVA Logistics Belgium in Boom and Sofidel Benelux in Duffel.

Rental-related expenses

in thousands €	2014	2013
Rent for leased assets and land rents	-20	-21
Write-downs on trade receivables	-2	-79
Reversal of write-downs on trade receivables	0	104
Total rental-related expenses	-22	4

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 company for the rental of land parcels and buildings for further letting to its tenants.

Recovery of property charges

in thousands €	2014	2013
Compensations on rental damage	379	645
Management fee received from tenants	603	624
Total recovery of property charges	982	1.269

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.

Rebiling of rental charges and taxes

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

in thousands €	2014	2013
Rebiling of rental charges borne by the landlord	4.616	5.204
Rebiling of advance levies and taxes on let properties	4.020	3.676
Total recovery of rental charges and taxes normally payable by tenants on let properties	8.636	8.880

Rental charges and taxes normally payable by tenants on let properties

in thousands €	2014	2013
Rental charges borne by the landlord	-4.616	-5.204
Advance levies and taxes on let properties	-4.020	-3.676
Total rental charges and taxes normally payable by tenants on let properties	-8.636	-8.880
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 (for 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.

Note 5. Property charges

Technical costs

in thousands €	2014	2013
Recurrent technical costs	-999	-723
Maintenance	-984	-710
Insurance premiums	-15	-13
Non-recurrent technical costs	2	2
Claims	-81	-86
Compensation of claims from insurers	83	88
Total technical costs	-997	-721

Technical costs comprise, amongst others, maintenance costs and insurance premiums. This increase comes mainly from a larger maintenance program for the logistics buildings of the company.

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 cost

in thousands €	2014	2013
Brokers' fees	-9	0
Publicity	-149	-106
Lawyers' fees and legal costs	-51	-82
Total commercial costs	-209	-188

Commercial costs a.o. include brokers' fees. The brokers' fees paid to brokers after a period of vacancy are capitalised as the property experts, after a period of vacancy, reduce the estimated fees from the estimated value of the real estate property. 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 €	2014	2013
Vacancy charges of the financial year	-757	-809
Vacancy charges of previous financial year	91	83
Property tax on vacant properties	-657	-656
Recovery of property tax on vacant properties	552	605
Total charges and taxes on unlet properties	-771	-777

Charges and taxes on unlet properties remain almost stable during the financial year 2014 € 0,8 million. Vacancy costs for financial year 2014 represent approximately 1,9% of the total rental income of the company (1,9% in 2013).

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 €	2014	2013
External property management fees	-15	-36
Internal property management fees	-2.391	-2.364
<i>Employee benefits</i>	-1.611	-1.587
<i>Property experts</i>	-156	-147
<i>Other costs</i>	-624	-630
Total property management costs	-2.406	-2.400

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.

Other property charges

in thousands €	2014	2013
Charges borne by the landlord	-39	-67
Other property charges	-10	-37
Total other property charges	-49	-104

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 2014 these commercial interventions amount to approximately € 39.000 on an annual basis or 0,1% of total rental income of the company (€ 67.000 or 0,2% in financial year 2013).

Note 6. General costs

in thousands €	2014	2013
ICB tax	-265	-263
Auditor's fee	-74	-78
Directors' remunerations	-30	-30
Liquidity provider	-15	-15
Financial services	-26	-29
Employee benefits	-698	-558
Advice costs	-203	-17
Other costs	-353	-253
Total general costs	-1.664	-1.243

General costs are all costs related to the management of the company 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.

General costs amount to € 1,7 million and have increased by € 0,5 million compared to previous year (€ 1,2 million) mainly through the increasing number of employees and higher advice and publishing costs for the status change of the company from public property investment fund into public regulated real estate company.

Note 7. Employee benefits

in thousands €	2014			2013		
	Charges for the patrimony management	Charges linked to the management of the company	TOTAL	Charges for the patrimony management	Charges linked to the management of the company	TOTAL
Remunerations of employees and independent staff	1.302	433	1.735	1.300	319	1.619
Salary and other benefits paid within 12 months	794	339	1.133	838	227	1.065
Pensions and postemployment benefits	34	7	41	33	7	40
Social security	210	44	254	221	47	268
Variable remunerations	119	25	144	97	15	112
Dismissal indemnities	0	0	0	15	3	18
Other charges	145	17	162	96	20	116
Remuneration of the management committee	309	265	573	287	239	526
Chairman of the management committee	104	104	208	97	97	194
<i>Fixed remuneration</i>	92	92	184	91	91	182
<i>Variable remuneration</i>	12	12	24	6	6	12
Other members of the management committee	205	161	365	190	142	332
<i>Fixed remuneration</i>	185	119	304	180	108	288
<i>Variable remuneration</i>	20	24	44	10	18	28
<i>Retirement obligations</i>	0	17	17	0	16	16
Total employees benefits	1.611	698	2.308	1.587	558	2.145

The number of employees and self-employed personnel at year-end 2014, expressed in FTE is 17 staff members for the internal management of the patrimony (16 in 2013) and 6 staff members for the management of the fund (5 in 2013). 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 this fund, 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 2014 these contributions amount to € 58.000 (€ 56.000 in 2013).

The insurance company confirmed on 31 December 2014 that the deficit to guarantee the minimum return is not material.

Note 8. Result on disposals of investment properties

in thousands €	2014	2013
Acquisition value	2.914	10.840
Accumulated gains and extra-ordinary impairment losses	-287	1.562
Carrying amount (fair value)	2.627	12.402
Sales price	2.049	14.845
Sales cost	-11	-496
Net result of sale	2.038	14.349
Total result on disposals of investment properties	-589	1.947

In 2014 Intervest Offices & Warehouses has sold a non-strategic semi-industrial building located in Meer, Riyadhstraat, for an amount of € 2 million to the tenant/user of the property. The building is a small semi-industrial building consisting of storage space (7.431 m²) and a limited office space (283 m²). The sales price is approximately 22% below the carrying amount on 31 December 2013 which amounted to € 2,6 million

(fair value as determined by the independent property expert). The transaction is subject to registration rights. The building which is structurally of lower quality compared to the other properties of the company and requires in the medium term considerable maintenance works, only represents 0,5% of the total fair value of the real estate portfolio of the company.

Note 9. Changes in fair value of investment properties

in thousands €	2014	2013
Positive changes of investment properties	4.188	26.561
Negative changes of investment properties	-9.386	-21.096
Total changes in fair value of investment properties	-5.198	5.465

The changes in fair value of investment properties are negative in 2014 and amount to - € 5,2 million compared to the positive changes of € 5,5 million in 2013. These changes in 2014 are the combined effect of a decrease in fair value of the office portfolio and an increase in fair value of the logistics portfolio.

The decrease in fair value of the office portfolio amounts to € 7 million or 2,1% compared to the fair value of the office portfolio on 31 December 2013. This decrease is

due mainly to the general adjustment of the yields for offices as well as to necessary adaptations to the heating and cooling systems of office buildings to replace the polluting R22 coolants, as they are strictly restricted by law as from 2015. Simultaneously the performance of the concerned systems is optimised.

The increase in fair value of the logistics portfolio amounts to € 1,8 million or 0,7% compared to the fair value of the logistics portfolio on 31 December 2013.

Note 10. Other result on portfolio

in thousands €	2014	2013
Changes spread rental discounts and benefits granted to tenants	182	243
Taking into result of the future spread of rental discounts and benefits granted to tenants through the sale of investment properties	2	186
Result on portfolio as a result of merger operations and assimilated operations	-800	0
Total other result on portfolio	-616	429

The other result on portfolio mainly comprises the costs related to the acquisition of the logistics site in Opglabbeek and the exit tax as a result of the merger of the

RREC with 100% subsidiary Duffel Real Estate on 22 December 2014.

Note 11. Net interest charges

in thousands €	2014	2013
Net interest charges with fixed interest rate	-8.753	-7.115
Net interest charges with variable interest rate	-3.103	-4.092
Total net interest charges	-11.856	-11.207

The financial result (excl. changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)) amounts in 2014 to - € 11,8 million (- € 11,0 million). The increase in financing costs of the company results mainly from the issue of the bond loan in March 2014 of € 60 million for the refinancing of the existing bond loan of € 75 million which expires in June 2015 and will be repaid on the expiry date.

The average credit facility withdrawal of the company has decreased in 2014 on an annual basis by approximately € 10 million compared to 2013, due to sale of the semi-industrial building in Kortenberg for an amount of € 14 million in May 2013, partly reinvested in logistics projects in Oevel and Wilrijk and the necessary adaptations to the heating and cooling systems of office buildings.

Net interest charges classified by credit line expiry date

in thousands €	2014	2013
Net interest charges on non-current financial debts	-8.125	-9.311
Net interest charges on current financial debts	-3.731	-1.896
Total net interest charges	-11.856	-11.207

For 2014, the total average interest rate amounts to 4,1% including bank margins, compared to 3,8% in 2013. The average interest rate for the non-current financial debts for 2014 amounts to 4,1% including bank margins (4,1% in 2013). The average interest rate for the current financial debts for 2014 amounts to 4,2% including bank margins (2,8% in 2013).

The (hypothetical) future cash outflow for 2014 of the interest charges from the loans drawn on at 31 December 2014 at a fixed interest rate or a variable

interest rate of 31 December 2014 amounts to € 10,2 million (€ 10,5 million in 2013), taking into account the repayment of the bond loan of € 75 million in June 2015.

For financial year 2014, the effect on the operating distributable result of a (hypothetical) increase in interest rate by 1% gives a negative result of approximately € 0,4 million negative (€ 0,9 million in 2013).

Note 12. Taxes

Taxes

in thousands €	2014	2013
Corporate income tax	-36	-27
Total taxes	-36	-27

With the RREC Act (formerly the Royal Decree of 7 December 2010 and the Royal Decree of 10 April 1995), the legislator gave a favourable tax status to RREC. If a company converts its status into that of a RREC, or if an (ordinary) company merges with a RREC, it must

pay a one-off tax (exit tax). Thereafter, the RREC is only subject to taxes on very specific items, e.g. "Disallowed expenditure". No corporate tax is therefore paid on the majority of the profit that comes from lettings and added value on disposals of investment properties.

Note 13. Number of shares and result per share

Movement of the number of shares

	2014	2013
Number of shares at the beginning of the financial year	14.424.982	14.199.858
Issue of shares for optional dividend	352.360	225.124
Issue of share through contribution in kind in the framework of an operation assimilated to a split (article 77 of the Belgian Companies Code)	1.366.564	0
Number of shares at the end of the financial year	16.143.906	14.424.982
Number of shares entitled to dividend	14.777.342	14.424.982
Adjustments for the calculation of the diluted result per share	-104.469	-89.305
Weighted average number of shares	14.672.873	14.335.677

Determination of amount of mandatory dividend distribution

The amount subject to distribution is determined pursuant to article 13 § 1, sixth clause of the RREC Royal Decree and Chapter 4 of the annex C of the RREC Royal Decree.

in thousands €	2014	2013
Net result according to statutory annual accounts	16.257	34.581
Adjustment for non-cash flow transactions included in the net result:		
• Depreciations and reversal of depreciations	132	167
• Impairment losses and withdrawals on trade receivables	2	-25
• Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	344	-2.166
• Result on portfolio	6.405	-7.841
Corrected result for mandatory distribution	23.140	24.716
Mandatory distribution: 80 %	18.512	19.773
Operating distributable result (statutory annual accounts)	23.006	24.574
Operating distributable result (consolidated annual accounts)	23.038	24.574

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% pursuant to article 45,2° of the RREC Act.

Calculation of result per share

	2014	2013
Net result (€ 000)	16.290	34.581
Weighted average number of shares	14.672.873	14.335.677
Ordinary net result per share (€)	1,11	2,41
Diluted net result per share (€)	1,11	2,41
Operating distributable result (statutory annual accounts) (€ 000)	23.006	24.574
Number of shares entitled to dividend	14.777.342	14.424.982
Operating distributable result per share (€)	1,56	1,70

Proposed dividend per share

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 are crucial to exploit in the long run the value potential of company. Therefore Intervest Offices & Warehouses has concluded that it is essential, just as for financial year 2013, to lower the

pay-out ratio to 90% to keep enough liquidity for investments in the portfolio.

On the basis of a pay-out ratio of 90% a gross dividend of € 1,40 per share compared to € 1,53 for 2013 will be proposed to the shareholders for financial year 2014.

	2014	2013
Operating distributable result per share (€)	1,56	1,70
Dividend distribution as a percentage of consolidated operating distributable result (%)	90%	90%
Gross dividend per share (€)	1,40	1,53
Remuneration of share capital (€ 000)	20.688	22.070

After the close of the financial year, the board of directors proposes this dividend distribution. It will be submitted to the general shareholders meeting of 29 April 2015 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.

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 RREC Royal Decree.

in thousands €	2014	2013
Non-distributable elements of shareholders' equity for profit distribution		
Paid-up capital	147.110	131.447
Share premium, unavailable according to the articles of association	82.785	65.190
Reserve for the positive balance of changes in investment value of investment properties	79.379	71.552
Reserve for the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-14.293	-14.307
Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	0	-180
Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	-4.722	-6.888
Legal reserves	90	90
Result of the financial year which, pursuant to Chapter I of annex C of the Royal Decree of 13 July 2014, is to be allocated to non-distributable reserve		
Result on portfolio	-6.405	7.841
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-344	2.166
Total non-distributable shareholders' equity	283.600	256.911
Statutory shareholders' equity	314.134	286.521
Planned dividend distribution	20.688	22.070
Number of shares	14.777.342	14.424.982
Operating distributable result per share	1,56	1,70
Shareholders' equity after dividend distribution	293.446	264.451
Remaining reserves after distribution	9.846	7.540

On the basis of a pay-out ratio of the dividend of 90%, € 1,40 per share is distributed for financial year 2014 compared to € 1,56 operating distributable result per share. Herewith the remaining reserve after distribution increases by € 2,3 million compared to previous financial year.

Note 14. Non-current assets: investment properties

Investment and revaluation table

in thousands €	2014			2013		
	Offices	Logistics	TOTAL	Offices	Logistics	TOTAL
Balance sheet on 1 January	337.503	243.206	580.709	351.854	229.426	581.280
Acquisitions of investment properties	0	33.033	33.033	0	0	0
Investments in existing investment properties	2.434	986	3.420	697	2.524	3.221
Extensions of existing investment properties	0	139	139	0	3.145	3.145
Disposals of investment properties	0	-2.627	-2.627	0	-12.402	-12.402
Changes in fair value of investment properties	-6.971	1.773	-5.198	-15.048	20.513	5.465
Balance sheet on 31 December	332.966	276.510	609.476	337.503	243.206	580.709
OTHER INFORMATION						
Investment value of real estate properties	341.290	283.423	624.713	345.940	249.286	595.226

In 2014, the **fair value of the real estate portfolio** has increased by approximately € 29 million and amounts on 31 December 2014 to € 609 million (€ 581 million on 31 December 2013). Underlying the fair value of the real estate portfolio has known following evolutions in 2014:

- on the one hand, the increase in fair value of the **logistics portfolio** of € 33,3 million or 14% compared to the fair value on 31 December 2014, mainly for:
 - € 33,0 million for the acquisition of the logistics site in Opglabbeek of approximately 77.000 m²
 - € 1,8 million as a result of the increase in fair value of the existing real estate portfolio
 - € 1,1 million through investments in the existing logistics portfolio
 - - € 2,7 million through the sale of the non-strategic semi-industrial building located in Meer
- on the other hand, the decrease in fair value of the **office portfolio** of € 4,5 million or 1% compared to the fair value on 31 December 2013, mainly for:
 - - € 7,0 million through the decrease in fair value of the office portfolio as a result of the adjustment of returns for some offices in the Brussels periphery and through new lease agreements at lower rents

- € 2,5 million investments in the existing office portfolio for necessary adaptations to the heating and cooling systems to replace the polluting R22 coolants, as they are strongly restrict by law as from 2015. Simultaneously the performance of the concerned systems is optimised.

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

On 31 December 2013, the company has in Herentals on its site Herentals Logistics 3, a spare land of 32.100 m² for the future potential construction of a highly qualitative logistics warehouse in the form of a logistics hall with a space of approximately 19.000 m² that can be subdivided.

At the end of 2014 this spare land is valued as ready for construction with building permit.

On 31 December 2014, 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, and on the logistics property in Wilrijk please refer to Note 26.

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 company's investment properties is 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 yields 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 agreements. 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 leaseability 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 2014 comes to 8,6% (8,5% on 31 December 2013).

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:

	2014	2013
Average gross market rent per m² (in €)		
Offices	142	142
Logistics properties	48	49
Average gross yield (%)	8,6%	8,5%
Offices	9,6%	9,5%
Logistics properties	7,5%	7,3%
Average net yield (%)	7,7%	7,7%
Offices	8,3%	8,4%
Logistics properties	6,8%	6,7%
Vacancy rate (%)	13,5%	14,5%

In the case of a hypothetical negative adjustment of 1% (from 7,5% to 8,5% on average) to the yield used by property experts for valuing the real estate portfolio of the company (yield or capitalisation rate), the fair value of the real estate would decrease by € 72 million or 12%. This would raise the debt ratio of the company by 6% to around 53%. If this is reversed, and a hypothetical positive adjustment of 1% (from 7,5% to 6,5% on average) is made to this yield, the fair value of the real estate would increase by € 95 million or 16%. This would lower the debt ratio of the company by 6% to around 40%.

In the case of a hypothetical decrease in the current rents of the company (assuming a constant yield) of € 1 million (from € 46,6 million to € 45,6 million), the fair

value of the real estate would decrease by € 13 million or 2%. This would raise the debt ratio of the company by 1% to around 48%. In the reverse case of a hypothetical increase of the current rents of the company (assuming a constant yield) of € 1 million (from € 46,6 million to € 47,6 million), the fair value of the real estate properties would increase by € 13 million or 2%. This would lower the debt ratio of the company by 1% to around 46%.

A correlation exists between changes in the current rents and the yields that are used to value the real estate properties, 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 company and on the assumptions and valuation models used by the property experts.

Information supplied by the company, such as current rents, periods and conditions of lease agreements, service charges, investments, etc. This information comes from the company'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 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 company. This involves an examination of the changes in fair value during the relevant period.

Note 15. Current assets

Trade receivables

in thousands €	2014	2013
Trade receivables	568	495
Advance billing of rents	2.740	2.797
Invoices to issue	464	369
Doubtful debtors	409	443
Provision doubtful debtors	-409	-443
Other trade receivables	89	139
Total trade receivables	3.861	3.800

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

Aging analysis of trade accounts receivable

in thousands €	2014	2013
Receivables < 30 days	259	191
Receivables 30-90 days	117	63
Receivables > 90 days	192	241
Total outstanding trade receivables	568	495

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 €	2014	2013
Recoverable corporate tax	215	215
Recoverable exit tax	459	459
Recoverable withholding tax on liquidation boni from mergers	878	878
Other receivables	103	102
Total tax receivables and other current assets	1.655	1.654

For the description of the Group's tax situation, please see Note 26.

Deferred charges and accrued income

in thousands €	2014	2013
Recoverable property tax	1.479	1.329
Other deferred charges	614	402
<i>Charges related to loans</i>	395	265
<i>Other charges to be deferred</i>	66	137
<i>Costs related to investment reports</i>	153	0
Total deferred charges and accrued income	2.093	1.731

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

Note 16. 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
28.05.2014	Capital increase through optional dividend financial year 2013	3.211	134.657	352.360	14.777.342
22.12.2014	Capital increase through contribution in kind in the framework of an operation assimilated to a split (article 77 of the Belgian Companies Code)	12.453	147.110	1.366.564	16.143.906

On 31 December 2014, the share capital amounts to € 147.110.066,82 and is divided among 16.143.906 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 26 of the RREC Act.

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 June 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 June 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 2014, 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 articles 26 and 27 of the RREC Act.

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
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 26 §2 of the RREC Act, 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; for the application of previous sentence it is allowed to deduct an amount of the amount meant in previous paragraph at point (b) which correspond to the part of the non-distributed gross dividend on which the new shares possibly would give no rights, on the condition that the board of directors specifically justifies the deducted amount of the cumulated dividend in its special report and explain the financial conditions of the operation in its financial report

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
4. the report referred to under 1. must also explain the impact of the proposed contribution on the situation of former shareholders, particularly as far as their share of the profits, net asset value and capital is concerned, as well as the impact on the voting rights.

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

Share premium

Share premium evolution in thousands €		Capital increase	Contribution in cash	Contribution value	Share premium
Date	Transaction				
05.02.99	Capital increase by contribution in cash	1.039	0	20.501	19.462
21.12.01	Settlement of the accounting losses as a result of the merger by acquisition of the companies belonging to the VastNed Group	0	0	0	-13.747
31.01.02	Contribution of 575.395 Siref shares	10.231	1.104	27.422	16.087
08.05.02	Contribution of max. 1.396.110 Siref shares in the context of the bid	24.824	2.678	66.533	39.031
25.05.12	Capital increase through optional dividend	2.666	0	5.211	2.545
23.05.13	Capital increase through optional dividend	2.051	0	3.863	1.812
28.05.14	Capital increase through optional dividend	3.211	0	7.075	3.864
22.12.14	Capital increase through contribution in kind in the framework of an operation assimilated to a split (article 77 of the Belgian Companies Code)	12.453	0	26.183	13.730
Total share premium					82.785

On 22 December 2014 Intervest Offices has proceeded to a capital increase through a contribution in kind in the framework of an operation assimilated to a split or partial split (article 677 of the Belgian Companies Code). Herewith the capital has increased by € 12.452.706,39 in order to bring it from € 134.657.360,43 to € 147.110.066,82 through the contribution in kind with an agreed net contribution value of € 26.183.370,00. As compensation for the contribution in kind 1.366.564

new shares without nominal value have been issued. The new shares have the same dividend rights as the existing shares and are participating into the result as from 1 January 2015. The issue price amounted to € 19,16 per share, and the difference between the total issue price up to € 26.183.370,00 and the capital increase up to € 12.452.706,39, being an amount of € 13.730.663,61 has been recorded on the liability account not available for distribution "Share premium".

Reserves

For the movement of the reserves during financial year 2014, please see the statement of changes in equity.

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

in thousands €	2014	2013
Amount at the end of the preceding financial year	-14.531	-14.613
Changes in investment value of investment properties	-296	167
Acquisitions of investment properties of the preceding financial year	0	-194
Disposal of investment properties of the preceding financial year	310	109
Total reserve for the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-14.517	-14.531

The difference between the fair value of the real estate property (in accordance with IAS 40) and the investment value of the real estate 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 company.

Woluwe Garden



Note 17. Provisions

in thousands €	2014	2013
Current provisions	172	172
Provision for rental guarantees from disposal of investment properties	172	172
Total provisions	172	172

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

Note 18. Current liabilities

Trade debts and other current debts

in thousands €	2014	2013
Trade debts	539	277
Advances received from tenants	1.062	225
Invoices to be received	898	1.514
VAT payable	113	314
Other current debts	1.044	591
Total trade debts and other current debts	3.656	2.921

Accrued charges and deferred income

in thousands €	2014	2013
Received indemnities for refurbishment	140	952
Deferred compensations for early termination of lease agreements	1.200	1.200
Other accrued charges	5.266	3.774
Pre-billed rental income	3.102	3.544
Other deferred income	1.073	1.197
Total accrued charges and deferred income	10.781	10.667

On 31 December 2014, 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 agreements by Tibotec-Virco in 2010 in Intercity Business Park in Mechelen.

The other accrued charges comprise, among others, the interest on the bond loan due on 29 June 2015 as well as the interests due on 1 April 2015 on the bond loan issued in March 2014.

The pre-billed rental income for the first quarter of next financial year amounts to € 3,1 million.

Note 19. Non-current and current financial debts

For the description of the financial structure of the company, please see the Report of the management committee.

Classification by expiry date of withdrawn credit facilities

in thousands €	2014					2013				
	Debts with a remaining duration of			Total	Percentage	Debts with a remaining duration of			Total	Percentage
	< 1 year	> 1 year and < 5 years	> 5 years			< 1 year	> 1 year and < 5 years	> 5 years		
Credit institutions: withdrawn credit facilities	37.533	101.450	10.734	149.717	53%	61.712	142.200	4.267	208.179	74%
Bond loan	74.925	24.702	34.589	134.216	47%	0	74.775	0	74.775	26%
Financial lease	7	3	0	10	0%	8	9	0	17	0%
TOTAL	112.465	126.155	45.323	283.943	100%	61.720	216.984	4.267	282.971	100%
Percentage	40%	44%	16%	100%		22%	77%	1%	100%	

Guarantees regarding financing

In addition to the requirement to maintain the RREC status and to comply with financial ratios as enforced by the RREC Act, the bank credit agreements of Intervest Offices & Warehouses are subject to compliance with financial ratios, which are primarily related to the company'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 company, no mortgage registrations are made and no mortgage

authorisations have been permitted as per 31 December 2014.

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 2014. If Intervest Offices & Warehouses were no longer to respect these ratios, the financial institutions could demand that the financing agreements of the company be cancelled, renegotiated, terminated or prematurely repaid.

Brussels 7



Classification by expiry date of credit lines

in thousands €	2014					2013				
	Debts with a remaining duration of			Total	Percentage	Debts with a remaining duration of			Total	Percentage
	< 1 year	> 1 year and < 5 years	> 5 years			< 1 year	> 1 year and < 5 years	> 5 years		
Credit institutions: withdrawn credit facilities	37.533	101.450	10.734	149.717	40%	61.712	142.200	4.267	208.179	66%
Not-withdrawn credit facilities	50.479	40.200	0	90.679	24%	11.300	19.450	0	30.750	10%
Bond loan	74.925	24.702	34.589	134.216	36%	0	74.775	0	74.775	24%
TOTAL	162.937	166.352	45.323	374.612	100%	73.012	236.425	4.267	313.704	100%
Percentage	43%	45%	12%	100%		23%	76%	1%	100%	

The above table "Classification by expiry date of credit lines" comprises an amount of € 91 million of not-withdrawn credit lines (€ 31 million on 31 December 2013). 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 €	2014		2013	
	Total	Percentage	Total	Percentage
Credit facilities with variable interest rate	42.717	15%	88.179	31%
Credit facilities with fixed interest rate or covered by interest rate swaps	241.216	85%	194.775	69%
TOTAL	283.933	100%	282.954	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 loans

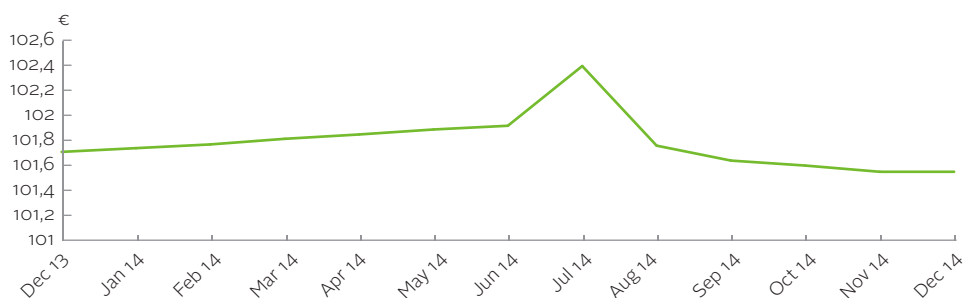
Public bond loan 2010

In June 2010, Intervest Offices & Warehouses issued a bond loan on the Belgian market for an amount of € 75 million with duration of 5 years. The issue price was set at 100,875% of the nominal value on the bonds with a gross coupon of 5,10% payable as at 29 June each year.

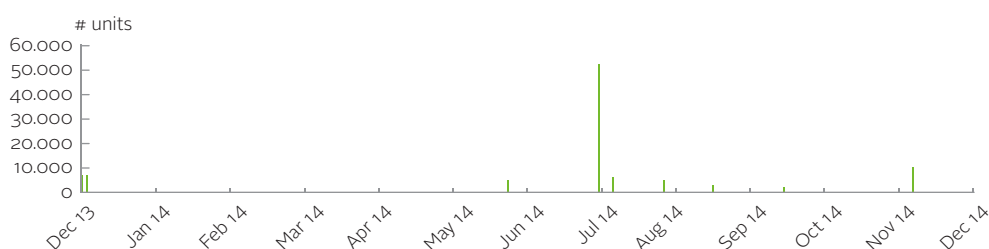
The gross actuarial yield of the issue price amounts to 4,90% (on the issue price of 100,875%). The bond loan is listed on NYSE Euronext Brussels. The bond loan is payable in June 2015 at the nominal value of € 75 million.

ISIN BE0002175413 (INTOFFI5,1%29JUN15)	2014	2013
Share price (€)		
Share price on closing date	101,55	101,71
Average share price	101,89	101,86
Highest share price	102,50	102,51
Lowest share price	101,55	101,25
Number of stocks	75.000	75.000
Number of traded stocks (in thousands)	90	549

• Evolution share price bond loan



• Traded volume bond loan



Private placement of bonds of € 60 million

On 19 March 2014 Intervest Offices & Warehouses realised the private placement of bonds for a total amount of € 60 million. The bonds have a term of respectively 5 years (€ 25 million) and 7 years (€ 35 million) and expire respectively on 1 April 2019 and 1 April 2021. The bonds with expiry date 1 April 2019 generate a fixed annual

gross return of 3,430%, the bonds with expiry date on 1 April 2021 a fixed annual gross return of 4,057%.

The issue price of the bonds was equal to their nominal amount, being € 100.000. The bonds were placed with institutional investors.

Note 20. Financial instruments

The major financial instruments of Intevest 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 of the financial instruments			2014		2013	
in thousands €	Categories	Level	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL INSTRUMENTS ON ASSETS						
Non-current assets						
Trade receivables and other non-current assets	A	2	15	15	15	15
Current assets						
Trade receivables	A	2	3.861	3.861	3.800	3.800
Tax receivables and other current assets	A	2	1.655	1.655	1.654	1.654
Cash and cash equivalents	B	2	1.259	1.259	691	691
FINANCIAL INSTRUMENTS ON LIABILITIES						
Non-current liabilities						
Non-current financial debts (interest-bearing)	A	2	171.478	177.165	221.251	224.498
Other non-current financial liabilities	C	2	5.066	5.066	4.384	4.384
Other non-current liabilities	A	2	618	618	536	536
Current liabilities						
Current financial debts (interest-bearing)	A	2	112.465	113.811	61.720	61.720
Other current financial liabilities	C	2	0	0	517	517
Trade debts and other current debts	A	2	3.656	3.656	2.921	2.921
Other current liabilities	A	2	187	187	173	173

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 profit and loss, 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.

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Fair value of financial derivatives

On 31 December 2014, the company has following financial derivatives:

in thousands €	Start date	Expiry date	Interest rate	Contractual notional amount	Hedge accounting	Fair value		
						Yes/No	2014	2013
1	IRS	11.09.2009	11.09.2014	2,8150%	10.000	Yes	0	-179
2	IRS	11.09.2009	11.09.2014	2,8150%	10.000	No	0	-179
3	IRS	30.04.2009	30.04.2014	2,6300%	10.000	No	0	-79
4	IRS	30.04.2009	30.04.2014	2,6300%	10.000	No	0	-80
Other current financial liabilities							0	-517
5	IRS	02.01.2012	02.01.2017	2,3350%	50.000	No	-2.309	-2.646
6	IRS	02.01.2012	01.01.2017	2,1400%	10.000	No	-422	-470
7	IRS	02.01.2012	01.01.2018	2,3775%	10.000	No	-694	-612
8	IRS	02.01.2012	01.01.2018	2,3425%	10.000	No	-681	-600
9	IRS	30.04.2014	30.04.2019	1,2725%	10.000	No	-480	-28
10	IRS	30.04.2014	30.04.2019	1,2725%	10.000	No	-480	-28
Other non-current financial liabilities							-5.066	-4.384
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							0	-180
• In shareholders' equity: Reserve for the balance of changes in fair value of authorized hedging instruments not subject to hedge accounting							-4.722	-6.888
• In the income statement: Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)							-344	2.166
Total fair value financial derivatives							-5.066	-4.901

On 31 December 2014, these interest rate swaps have a negative market value of - € 5,0 million (contractual notional amount € 100 million), which is determined on a quarterly basis by the issuing financial institute.

On 31 December 2014, Intervest Offices & Warehouses classifies none of the interest rate swaps as cash flow hedge. The fluctuations in value of all existing interest rate swaps are recognised directly in the income statement.

Management of financial risks

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

Financing risk

For the description of this risk and its management is referred to chapter "Financing 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 2014 is 3,9 years. Intervest Offices & Warehouses has also diversified its funding sources through the use of 6 European financial institutions and the issue of bond loans.

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 2014, the company still had € 91 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 company 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 2014 the interest rates on the credit facilities of company remain fixed for a remaining average duration of 2,9 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.

Note 21. Calculation of debt ratio

in thousands €	Note	2014	2013
Non-current financial debts	19	171.478	221.251
Other non-current liabilities		618	536
Current financial debts	19	112.465	61.720
Trade debts and other current debts	18	3.656	2.921
Other current liabilities	18	187	173
Total liabilities for calculation of debt ratio		288.404	286.601
Total assets		618.590	588.862
Debt ratio		46,6%	48,7%

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.

Note 22. 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 nv

in thousands €	2014	2013
Interests paid on current account	5	5

Directors and members of the management committee

The remuneration for the directors and the members of the management committee are recognised in the items "Property management costs" and "General costs"

(see Notes 5 and 6). More details of the composition of the remuneration of the members of the management committee can be found in "Note 7. Employee benefits".

in thousands €	2014	2013
Directors	61	61
Members of the management committee	574	526
Total	635	587

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

Note 23. List of consolidated companies

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

Company name	Address	Company number	Capital share in %	Minority interests in thousands €	
				2014	2013
Aartselaar Business Center sa	Uitbreidingstraat 18 2600 Berchem	BE 0466.516.748	99,00%	1	1
Mechelen Business Center sa	Uitbreidingstraat 18 2600 Berchem	BE 0467.009.765	99,00%	33	35
Mechelen Research Park sa	Uitbreidingstraat 18 2600 Berchem	BE 0465.087.680	99,90%	1	1
Total minority interests				35	37

Note 24. Mergers and assimilated operations

Name of the acquired company	Company number	Type	Date	Percentage acquired shares	Number of new shares	Fair value issued shares
Duffel Real Estate sa	0464.415.115	Merger	22.12.2014	100%	0	0
Partial split of Machiels Real Estate sa	0421.095.113	An operation assimilated to a split or partial split (article 77 of the Belgian Companies Code)	22.12.2014	n/a	1.366.564	26.183.370
Total					1.366.564	26.183.370

Note 25. Fee of the statutory auditor and entities affiliated with the statutory auditor

in thousands €	2014	2013
Excl. VAT		
Fee statutory auditor	67	73
Fee for exceptional activities or special assignments within the company by the statutory auditor regarding		
Other control assignments	20	4
Tax advice assignments	0	0
Other assignments apart from audit assignments	105 ²⁹	0
Fee for exceptional activities or special assignments within the company by persons affiliated with statutory auditor	0	0
Total fee of the statutory auditor and the entities affiliated with the statutory auditor	192	77

Note 26. Conditional rights and obligations

Disputed tax assessments

With the RREC Act (formerly the Royal Decree of 7 December 2010 and the Royal Decree of 10 April 1995) the legislator gave RREC a favourable tax status. When a company transforms its status into that of a RREC, or when (ordinary) companies merge with a RREC, they must pay a one-time exit tax. The RREC is subsequently subject to taxation on only very specific elements, such as "rejected expenses". No corporate tax is therefore paid on the majority of the profit derived from rental revenue and capital gains realised on the sale of real estate. Since 1 January 2005, this exit tax has been set at 16,995% (16,5% + 3% crisis tax).

Tax legislation stipulates that this basis for taxation is to be calculated as the difference between the actual value of the equity and the (tax-related) carrying amount. The Minister of Finance has decided by circular (dated 23 December 2004) that the transfer costs related to the transaction must not be taken into account when determining the fair value, but specifies that the securitisation premium remains subject to company tax. Tax assessments based on the securitisation premium should therefore be owed. Intervest Offices & Warehouses contests this interpretation and has still open appeals for an amount of 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 RREC and the Belgian State concerning this issue, the Court of First Instance in Leuven 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.

²⁹ Including due diligence assignments as part of potential acquisitions.

During 2013 the tax authorities have rejected one of the appeals and Intervest Offices & Warehouses has introduced an appeal before the Court of First Instance,

whereby the pleading date is set on 6 March 2015. The settlement of other appeals is deferred in the expectation of the decision of the Court of First Instance.

Conditional rights

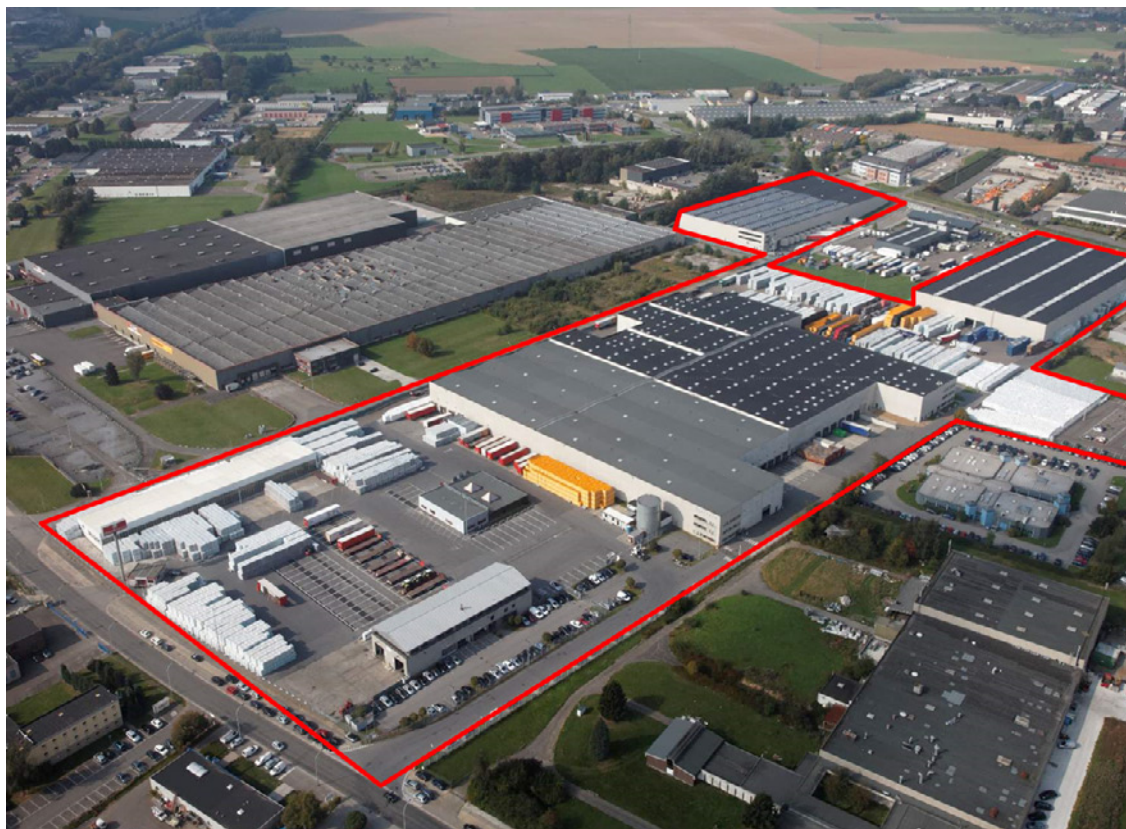
Intervest Offices & Warehouses has conditional rights regarding receivable refurbishment fees and compensation on the departure of tenants. The amount of compensation is strongly dependent on a number of suspensive conditions which may or may not be realised

in the coming years. The total compensation could be between € 4,0 million and no more than € 7,5 million. This compensation will be used as much as possible for the refurbishment and renovation of the buildings.

Note 27. 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 2014, except the acquisition at the beginning of 2015 of the shares of Stockage Industriel sa, owner of the logistics site in Liège³⁰.

Logistics site in Liège



³⁰ See press release of 5 February 2015 for more information.

STATUTORY AUDITOR'S REPORT

Intervest Offices & Warehouses sa, public regulated real estate company under Belgian law

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 december 2014

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 balance sheet as at 31 December 2014, 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 regulated real estate company 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 balance sheet shows total assets of 618.590 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 16.292 (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 regulated real estate company under Belgian law give a true and fair view of the group's net equity and financial position as of 31 December 2014, 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, 16 March 2015

The statutory auditor

DELOITTE Bedrijfsrevisoren /Réviseurs 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 IRFS standards and in accordance with the RREC Royal Decree of 13 July 2014. The entire version of the statutory annual accounts of Intervest Offices & Warehouses sa, 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 €	2014	2013
Rental income	40.037	39.914
Rental-related expenses	-22	4
NET RENTAL INCOME	40.015	39.918
Recovery of property charges	982	1.269
Recovery of rental charges and taxes normally payable by tenants on let properties	8.636	8.880
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-217	-379
Rental charges and taxes normally payable by tenants on let properties	-8.636	-8.880
Other rental-related income and expenses	132	182
NET RENTAL INCOME	40.912	40.990
Technical costs	-997	-721
Commercial costs	-209	-188
Charges and taxes on unlet properties	-771	-777
Property management costs	-2.406	-2.400
Other property charges	-48	-102
PROPERTY CHARGES	-4.431	-4.188
OPERATING PROPERTY RESULT	36.481	36.802
General costs	-1.656	-1.238
Other operating income and costs	72	47
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	34.897	35.611
Result on disposals of investment properties	-589	1.947
Changes in fair value of investment properties	-5.198	5.465
Other result on portfolio	-617	429
OPERATING RESULT	28.493	43.452

Income statement (continued)

in thousands €	2014	2013
OPERATING RESULT	28.493	43.452
Financial income	253	390
Net interest charges	-11.856	-11.207
Other financial charges	-21	-6
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-344	2.166
Changes in fair value of financial fixed assets	-232	-187
FINANCIAL RESULT	-12.200	-8.844
RESULT BEFORE TAXES	16.293	34.608
TAXES	-36	-27
NET RESULT	16.257	34.581
Note:		
Operating distributable result	23.006	24.574
Result on portfolio	-6.405	7.841
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other elements	-344	2.166

RESULT PER SHARE	2014	2013
Number of shares at year-end	16.143.906	14.424.982
Number of shares entitled to dividend	14.777.342	14.424.982
Weighted average number of shares	14.672.873	14.335.677
Net result (€)	1,11	2,41
Diluted net result (€)	1,11	2,41
Operating distributable result (€)	1,56	1,70

Statement of comprehensive income

in thousands €	2014	2013
NET RESULT	16.257	34.581
Other components of comprehensive income (recyclable in income statement)		
Changes in the effective part of the fair value of authorised hedging instruments subject to hedge accounting	180	472
Transfer to result of hedging instruments becoming ineffective	0	241
COMPREHENSIVE INCOME	16.437	35.294

Result allocation (according to the scheme recorded in Section 4 of Part 1 of Chapter 1 of Annex C of the RREC Royal Decree of 13 July 2014)

in thousands €	2014	2013
A. NET RESULT	16.257	34.581
B. ALLOCATION TO/TRANSFER FROM RESERVES		
1. Allocation to/transfer from the reserves for the balance of changes in fair value ³¹ of real estate properties:		
• Financial year	5.028	-6.190
• Realisation real estate properties	655	-1.637
2. Allocation to/transfer from the reserve of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	722	-14
3. Allocation to/transfer from the reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	344	-2.166
11. Allocation to/transfer from results carried forward from previous financial years	-2.318	-2.504
C. REMUNERATION OF CAPITAL pursuant to article 13, § 1, paragraph 1 of the RREC Royal Decree	20.688	22.070

Balance sheet

ASSETS in thousands €	31.12.2014	31.12.2013
NON-CURRENT ASSETS	609.689	580.990
Intangible assets	16	34
Investment properties	600.668	571.782
Other tangible assets	215	228
Financial fixed assets	8.775	8.931
Trade receivables and other non-current assets	15	15
CURRENT ASSETS	8.866	7.871
Assets held for sale	0	0
Trade receivables	3.861	3.800
Tax receivables and other current assets	1.655	1.654
Cash and cash equivalents	1.257	686
Deferred charges and accrued income	2.093	1.731
TOTAL ASSETS	618.555	588.861

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

Balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	31.12.2014	31.12.2013
SHAREHOLDERS' EQUITY	314.134	286.521
Share capital	147.110	131.447
Share premium	82.785	65.190
Reserves	67.982	55.303
Net result of the financial year	16.257	34.581
LIABILITIES	304.421	302.340
Non-current liabilities	177.162	226.171
Non-current financial debts	171.478	221.251
<i>Credit institutions</i>	112.184	146.467
<i>Bond loan</i>	59.291	74.775
<i>Financial lease</i>	3	9
Other non-current financial liabilities	5.066	4.384
Other non-current liabilities	618	536
Current liabilities	127.259	76.169
Provisions	172	172
Current financial debts	112.465	61.720
<i>Credit institutions</i>	37.533	61.712
<i>Bond loan</i>	74.925	0
<i>Financial lease</i>	7	8
Other current financial liabilities	0	517
Trade debts and other current debts	3.656	2.920
Other current liabilities	187	173
Accrued charges and deferred income	10.779	10.667
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	618.555	588.861

DEBT RATIO	31.12.2014	31.12.2013
Debt ratio (max. 65%)	46,6%	48,7%

NET VALUE PER SHARE in €	31.12.2014	31.12.2013
Net value (fair value)	19,46	19,86
Net value (investment value)	20,34	20,85
Net asset value EPRA	19,77	20,20





GENERAL INFORMATION

- Identification
- Extract from the articles of association
- Statutory auditor
- Liquidity provider
- Property experts
- Property management company
- Regulated real estate company - legal framework
- Statement to the annual report



IDENTIFICATION

Name

Intervest Offices & Warehouses sa is a public RREC under Belgian Law.

On 27 October 2011 the name of the company changed from "Intervest Offices" into "Intervest Offices & Warehouses".

The articles of association were amended by deed executed before Eric De Bie, 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/OO86866.

By the decision of 5 May 2014, drawn up by deed executed by notary Eric De Bie and announced in the Annexes of the Belgian Official Gazette under number 2014-05-21/O103735, the board of directors of Intervest Offices & Warehouse has conditionally increased the capital in execution of the decision for the allocation of the optional dividend. By decision of 28 May 2014, drawn up by deed executed by notary Eric De Bie and deposited at the Registry of the Commercial Court at Antwerp for announcement in the Annexes of the Belgian Official Gazette under number 2014-06-16/O116910, the implementation was recorded of the capital increase in the context of the authorised capital.

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.

The articles of association were amended by deed executed by notary Eric De Bie on 27 October 2014, announced in the Annexes of the Belgian Official Gazette under number 2014-11-14/O207173, whereby the corporate objective was changed because the company has become a public regulated real estate company in the sense of article 2, 2° of the law of 12 May 2014 concerning the regulated real estate companies (and is therefore no longer a public property investment fund) and whereby also other changes to the Articles of Association were implemented in order to refer to the Act of 12 May 2014 concerning the regulated real estate companies instead of the real estate legislation.

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 Bleecx, 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, notary in Antwerp-Ekeren, with the intervention of Carl Ockerman, 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, notary in Antwerp-Ekeren on 27 October 2011, and published in the Appendices to the Belgian Official Gazette on 21 November 2011 under number 2011-11-21/O174565, the name changed into "Intervest Offices & Warehouses".

The articles of association were most recently amended by deed executed by notary Eric De Bie on 22 December 2014, announced in the Annexes of the Belgian Official Gazette under number 2015-01-22/OO11337, whereby the corporate capital was increased via contribution in kind in the context of a partial split, and whereby also a change to the articles of association was implemented with regard to the possibilities of the dematerialisation of shares.

On 15 March 1999, Intervest Offices was recognised as a "Public property investment fund with fixed capital under Belgian law", abbreviated to "Property investment funds under Belgian law". Taking into account the coming into force of the law of 19 April 2014 regarding the alternative institutions for collective investments and their managers (the "AIFMD Act")³², the company has opted to apply for the status of public regulated real estate company, as implemented by the RREC Act, instead of the status of public property investment fund. In this context, the company submitted its permit application as public regulated real estate company to the FSMA on 17 July 2014. The company was subsequently granted the status of public regulated real estate company by the FSMA pursuant to articles 9, §3 and 77 of the RREC Act on 9 September 2014, under the suspensive condition of a change in the Articles of Association of the company and compliance with the stipulations of article 77, §2 and following of the RREC Act. Finally, on 27 October 2014, the extraordinary general meeting of shareholders in the company approved, with 99.99% of the votes, the change in the corporate objective regarding the change of status from property investment fund to public regulated real estate company, pursuant to the RREC Act.

³² This act forms the conversion of the European Directive to Belgian law with regard to alternative investment funds managers, with the result that this Directive is known as the "AIFMD Directive" and this law as the "AIFMD act".

Considering that at the abovementioned extraordinary general meeting of shareholders no right of abstention whatsoever was executed, and all suspensive conditions were fulfilled to which the change in the articles of association by the extraordinary general meeting of shareholders and the permit granted by the FSMA were subject, Intervest Offices & Warehouses enjoys the status of public regulated real estate company as from 27 October 2014. As a public regulated real estate company, the company is no longer subjected to the stipulations of the Royal Decree of 7 December 2010 regarding property investment funds and the Act of 3 August 2012 regarding certain forms of collective management of investment portfolios, but since 27 October 2014 the applicable legislation consists of the RREC Act and the RREC Royal Decree.

The company is registered at the Financial Services and Markets Authority (FSMA).

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

4.1. The company has the exclusive purpose of:

- a. either directly, or by means of a company in which it possesses a holding pursuant to the stipulations of the RREC Act and the decisions and regulations made for the execution of the same, to make real estate available to users; and,
- b. within the bounds of the applicable legislation on regulated real estate companies, to possess real estate as mentioned in article 2, 5°, vi to x of the RREC Act.

Real estate in the sense of article 2, 5° of the RREC Act includes:

- i. real estate as defined in articles 517 and following of the Civil Code, and rights in rem on real estate, with the exclusion of real estate of an architectural, agricultural or mining nature;
- ii. voting shares issued by real estate companies managed exclusively or jointly by the company;
- iii. option rights to property;
- iv. shares of public or institutional regulated real estate companies, provided that the latter are jointly or exclusively managed by the company;
- v. rights arising from contracts under which one or more properties have been placed under a rental arrangement with the company, or any other similar rights of usufruct have been granted;
- vi. shares of public property investment funds;
- vii. units in foreign institutions for collective property investment registered on the list referred to in Article 260 of the law of 19 April 2014 on alternative institutions for collective investment and their managers;
- viii. 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 260 of the law of 19 April 2014 on alternative institutions for collective investment and their managers, insofar as they are subject to a similar control as public property investment funds;
- ix. shares issued by companies (i) with the status of a legal entity; (ii) resorting under the jurisdiction of another Member State of the European Economic Area; (iii) of which the shares have been admitted for trading on a regulated market and/or that are subject to a prudential control regime; (iv) of which the main activity consists of the acquisition or establishment of real estate with a view to making the same available to users, or the direct or indirect possession of holdings in companies with similar

activities; and (v) which are exempt from tax on profit income arising from the activity intended by the stipulation under (iv) above, provided certain legal obligations are complied with, and which are at least mandatory for the distribution of a portion of their income among their shareholders (hereinafter “Real Estate Investment Trusts” (or “REITs”));

- x. property certificates as defined in article 5, §4 of the law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on a regulated market;

In the context of making available real estate, the company may execute all activities related to the establishment, rebuilding, renovation, development, acquisition, disposal, management and exploitation of real estate properties.

The company develops a strategy enabling it to position itself in all stages of the value chain of the real estate sector. To this end, the company acquires and disposes of real estate and rights in rem with regard to real estate with the objective of making the same available to its users, however the company may also manage its development, (the renovation, development, expansion, establishment, etc.), and the daily management of real estate in its possession. It may be a building manager for real estate of which it is co-owner or “property manager” of a building complex of which it is one of the owners. In this context it may execute all other activities that provide added value to its real estate or to its users e.g. facility management, the organisation of events, caretaker services, rebuilding activities adapted to the specific needs of the tenant, etc. The company may also offer customised real estate solutions whereby the real estate is adapted to the specific needs of its users.

For that purpose:

- a. the company exercises its activities independently, without delegating such activities to a third party other than an affiliated company in any way whatsoever, pursuant to articles 19 and 34 of the RREC Act, by which means the asset management cannot be delegated;
- b. it conducts direct relationships with its clients and suppliers;
- c. it has, with a view to the execution of its activities in the manner stipulated by this article, operational teams at its disposal which form a significant proportion of its workforce.

4.2. The company may incidentally or temporarily invest in securities that are not real estate in the sense of the applicable legislation on regulated real estate companies. These investments will be executed in accordance with the risk management policy adopted by the company and will be diversified, thus guaranteeing an appropriate risk diversification. The company may also own unallocated liquid assets in any currency in the form of demand deposit accounts or term deposit accounts, or in the form of any other easily negotiable monetary instrument.

The company may also conclude transactions in connection with hedging instruments, insofar as these are exclusively intended to cover interest and exchange rate risks in the context of the financing and management of the company's real estate and to the exclusion of any transactions of a speculative nature.

4.3. The company may lease or rent one or more real estate properties (as referred to in the IFRS standards). The activity of leasing real estate with a purchase option (referred to in the IFRS standards) may only be carried out as an incidental activity, unless such real estate is intended for general purposes, including social housing and education (in this case the activity may be executed as the main activity).

4.4. Pursuant to intermediate legislation on the regulated real estate companies, 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;
- granting mortgages or other securities or guarantees only in the context of the financing of its real estate activities, pursuant to article 43 of the RREC Act;
- granting credits and providing securities or guarantees in favour of a subsidiary of the company pursuant to article 42 of the RREC Act.

4.5. The company may acquire, rent or rent out, carry over or exchange all movable or immovable property, materials and accessories and generally, pursuant to the applicable legislation on regulated real estate companies, perform all commercial or financial actions that are directly or indirectly related to its objective and the exploitation of all intellectual rights and commercial properties related to it.

Insofar as it is compatible with the articles of association of regulated real estate companies, the company may, through contributions 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 corporate objective of which is identical to its own or the nature of which is such that it promotes its objective.

EXTRACT FROM THE ARTICLES OF ASSOCIATION³³

Capital – Shares

Article 7 - Authorised capital

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

The board of directors is authorised to increase the nominal capital by contribution in cash or contribution in kind, if applicable through incorporation of the reserves or share premiums, or by issuing convertible bonds or warrants, under regulations provided for by the Belgian Companies Code, these articles of association and the applicable legislation on regulated real estate companies. This authorisation 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 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 registered shares or in dematerialised form. 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.

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

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.

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 13 of the RREC Act, the board of directors is composed in such way that the company can be managed pursuant to article 4 of the RREC Act.

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

The effective leadership of the public regulated real estate company must be consigned to at least two persons.

All directors and their representatives must satisfy the requirements in terms of professional reliability, experience and autonomy, as specified by article 14 §1, 6° of the RREC Act. They may not fall under the application of the prohibitions referred to in article 20 of the Act of 25 April 2014 related to the statute for and supervision of credit institutions.

The members of the board of directors and the persons in charge of the effective leadership must satisfy the requirements of articles 14 and 15 of the RREC Act. Unabated the transitional stipulation as provided for by article 38, the members of the board of directors and the persons in charge of effective leadership are exclusively persons.

Article 15 - Delegation of authority

De 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.

³³ 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 www.intervest.be.

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.

If no management committee is appointed, the board of directors can only delegate day-to-day management as provided for by article 13, fourth paragraph of the current articles of association.

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

The board can determine the remuneration of each mandate-holder to whom special powers are assigned, all in accordance with the applicable legislation on regulated real estate companies.

Unabated the transitional stipulations as provided by article 38, the member of the management committee are exclusively natural persons and they have to comply with articles 14 and 15 of the RREC Act.

Article 17 - Conflicts of interest

The directors, the persons charged with day-to-day management and the authorised agents of the company will respect the rules relating to conflicts of interests, as provided for by articles 36, 37 and 38 of the RREC Act and by the Belgian Companies Code as they may be amended.

Article 18 - Auditing

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

The statutory auditor(s) also audits (audit) and certifies (certify) the accounting information contained in the company's annual accounts.

The mission of the statutory auditor may only be assigned to one or more recognised statutory auditors' companies, recognised by the FSMA. Prior approval is required from the FSMA for the appointment of auditors to the company. This approval is also required for the renewal of an order.

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 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 registered 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.

Social documents - Result allocation

Article 30 - Appropriation of profit

Pursuant to article 45, 2° of the RREC Act the company distributes annually as capital at least 80 % as determined by the RREC Act, as implementation of the taken decisions and regulations.

This obligation is not detrimental to article 617 of the Belgian Companies Code.

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 € 60.600 (excl. VAT, incl. costs) as from the financial year started on 1 January 2014 for the survey of the statutory and consolidated annual accounts.

PROPERTY EXPERTS

On 31 December 2014, the property experts of the real estate company are:

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

In accordance with the RREC Act, 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.

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 MANAGEMENT

The activities are managed internally by Intervest Offices & Warehouses and not delegated to a third party, except for the facility management of Mechelen Campus that is managed by the external manager Quares Asset Management. This facility management is supervised by the coo of Intervest Offices & Warehouses who has built-in the necessary controls.

RREC – LEGAL FRAMEWORK

The regulated real estate company's system is formalised in the Act of 12 May 2014 on regulated real estate companies (the RREC Act) and in the Royal Decree of 13 July 2014 on regulated real estate companies (the RREC Royal Decree) to stimulate public investments in real estate properties. The concept is very similar to that of the Real Estate Investment Trusts (REIT-USA), the Fiscal Investment Institutions (FBI-Netherlands), the Sociétés d'Investissement Immobilier Côtées (SIIC - France) and the REIT in the United Kingdom and Germany.

As a public RREC with a separate REIT status, the RREC is subject to strict legislation with a view to the protection of its shareholders and financiers. The status provides both financiers and private investors with the opportunity of gaining access in a balanced, cost-effective and fiscally transparent manner to a diversified real estate portfolio.

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

- 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
- the public regulated real estate company has for only purpose (a) either directly, or by means of a company in which it possesses a holding pursuant to the stipulations of the RREC Act and the decisions and regulations made for the execution of the same, to make real estate available to users and b) within the bounds of the applicable legislation on regulated real estate companies, to possess real estate as mentioned in article 2, 5°, vi to x of the RREC Act. The RREC does not have a statutory embedded investment policy but develops a strategy enabling it to position itself in all stages of the value chain of the real estate sector.
- 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 pursuant to the provisions of article 24 of the RREC Act. In case of a dispensation authorised by the FSMA based on article 30, §3 and §4 of the RREC Act, the consolidated debt ratio of the public RREC pursuant the provisions of article 30, §3 and §4 of the RREC Act may not exceed 33%.
- 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 company
- 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 pro-property experts, based on a rotation principle
- risk spread: a maximum of 20% of capital in one building, except certain exceptions
- a RREC may not engage itself in "development activities"; this means that the company 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).
- the opportunity to establish subsidiary companies which take the form of an 'institutional RREC' which must operate under the exclusive or joint control of the public RREC in order to be able to implement specific projects with a third, being 1) professional clients such as credit institutions, investment companies and collective investment institutions, or 2) legal persons who can be considered as eligible investor by introducing a simply request to the FSMA without additional conditions having to be fulfilled.
- at least three independent directors in the sense of Article 526b of the Belgian Companies Code sit on the board of directors
- the fixed fees of directors and the actual managers may not depend on the operations and transactions carried out by the public RREC 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 RREC 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 Dijkman, Johan Buijs and Daniel van Dongen, declares that according to its knowledge:

- a. the annual accounts, prepared in accordance with the “International Financial Reporting Standards” (IFRS) as accepted by the European Union and in accordance with the Act of 12 May 2014 on regulated real estate companies, give a true and fair view of the equity, the financial position and the results of Intervest Offices & Warehouses and the companies included in the consolidation
- b. the annual report gives a true statement of the development and results of Intervest Offices & Warehouses during the current year and of the position of company and the companies included in the consolidation, as well as of the main risks and uncertainties that Intervest Offices & Warehouses is confronted with.

Mechelen Campus



TERMINOLOGY

Acquisition value of an investment property

This term is used at the purchase of 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 agreements 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 real estate company 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 13, §1 second paragraph of the Royal Decree of 13 July 2014. By means of this Royal Decree the maximum debt ratio of the company 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.

EPRA vacancy rate

The EPRA vacancy rate is calculated as the ratio between the estimated rental value of the vacant properties available for letting and the same estimated rental value of the entire portfolio available for letting.

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 entitled to dividend.

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 ratio 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 EPRA

Total shareholders' equity attributable to the shareholders of the parent company, adjusted for the fair value of financial instruments and deferred taxes, divided by the number of shares at the end of the year.

Net value (investment value)

Total shareholders' equity attributable to the equity holder of the parent company 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 at the end of the year.

Net value (fair value)

Total shareholders' equity attributable to the equity holder of the parent company divided by the number of shares at the end of the year.

Net dividend

The net dividend is equal to the gross dividend after deduction of withholding tax of 25 % (as from tax year 2013).

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 ratio 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.

Regulated real estate company (RREC)

The status of regulated real estate company is regulated by the Act of 12 May 2014 on regulated real estate companies (RREC Act) and by the Royal Decree of 13 July 2014 on regulated real estate companies (RREC Royal Decree) in order to stimulate joint investments in property.

RREC Act

The Act of 12 May 2014 on regulated real estate companies.

RREC Royal Decree

The Royal Decree of 13 July 2014 on regulated real estate companies.

Vacancy rate

The vacancy rate is calculated as the ratio between the estimated rental value of the vacant properties and the same estimated rental value 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.

Herstal, Luik





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