

Interim statement

by the board of directors
for the first quarter of 2013



ANTWERP, 7 MAY 2013

SALE OF A NON-STRATEGIC BUILDING WITH A GAIN OF 15 %

HIGHER RENTAL ACTIVITY IN THE FIRST QUARTER OF 2013 AND
ACTIVE PIPELINE

OCCUPANCY RATE: 85 %

OPERATING DISTRIBUTABLE RESULT PER SHARE:
€ 0,45 IN THE FIRST QUARTER OF 2013 (- 6 %¹)

FAIR VALUE OF REAL ESTATE PORTFOLIO:
DECREASE OF 0,3 %² IN THE FIRST QUARTER OF 2013

1. Operational activities for the first quarter of 2013

Investment in investment properties

In the first quarter of 2013 Interinvest Offices & Warehouses has pursued the development projects in its existing logistic portfolio:

- ✓ In **Oevel** the construction has started of the extension of approximately 5.000 m² of the distribution centre of Estée Lauder and its logistic service provider UTi Belgium. The site will be leased by means of a lease agreement by UTi Belgium as from the delivery (probably 1 July 2013) till 31 December 2023. The total estimated budget for the extension amounts to € 3,3 million. As from the third quarter of 2013 this extension will generate for the property investment fund approximately € 0,3 million additional rental income. The financing of this investment will be funded from the existing credit lines of the property investment fund.
- ✓ In **Herentals**, on the not yet renovated part of **Herentals Logistics 1** preparations are made for the potential construction of a highly qualitative logistic warehouse with a space of approximately 19.000 m² that can be subdivided.
- ✓ For the logistic building **Neerland 1 in Wilrijk** a building permit has been obtained for the conversion/renovation into a showroom and garage of the front part of the building (located Boomssteenweg next to Ikea) for the French car builder Peugeot (group PSA). The transaction includes a built-up surface area of approximately 5.000 m² on a ground area of nearly 11.000 m² (including parking spaces). The works will start soon. The total estimated budget for the conversion/renovation amounts to approximately € 3,3 million. The transaction will generate for the property investment fund as from the fourth quarter of 2013 an annual rental income of approximately € 0,6 million (during 15 years). The financing of this investment will be funded from the existing credit lines of the property investment fund.

¹ Compared to the operating distributable result of the first quarter of 2012 which amounted to € 0,48 per share.

² Compared to the fair value of investment properties on 31 December 2012, based on an unchanged composition of the portfolio.

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Divestments of investment properties

Interinvest Offices & Warehouses has reached in March 2013 an agreement for the sale of its semi-industrial building located in **Kortenberg**, Jan-Baptist Vinkstraat 2 for an amount of € 14,2 million.

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

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

The transaction offers an opportunity for the property investment fund to sell the building at an attractive price. The agreed sales price is namely 15 % above the carrying amount on 31 December 2012 which amounted to € 12,4 million (fair value as determined by the independent property expert of the property investment fund). The building represents 2 % of the total fair value of the property investment fund's real estate portfolio. The transaction is subject to registration rights. Herewith, the sale provides a gross initial yield of 7,1 %. The final transfer is planned for the end of May 2013.

Rental activity

On 31 March 2013 the **occupancy rate**³ of Interinvest Offices & Warehouses amounts to 85 % which is 1 % lower than on 31 December 2012 through the sale of the semi-industrial building in Kortenberg.

Already 17 lease contracts have been concluded in the first quarter of 2013, which is more than in the first quarter of 2012. Furthermore, there is a very active pipeline, namely regarding extensions for existing tenants. The occupancy rate of the office portfolio remains nevertheless under pressure through the already announced departure of BDO in Sky Building in Berchem.



Sky Building - 5.700 m²
Berchem

³ 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. The commercial rental income is the contractual rental income and the rental income of already signed lease contracts regarding locations which are contractually vacant on balance sheet date.

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Evolution investment properties

REAL ESTATE PATRIMONY	31.3.2013	31.12.2012	31.3.2012
Fair value of investment properties (€ 000)	567.929	581.280	583.294
Investment value of investment properties (€ 000)	582.127	595.812	597.958
Occupancy rate (%)	85 %	86 %	86 %
Total leasable space (m ²)	603.356	614.308	627.096

At 31 March 2013 the **fair value of the investment properties** of the property investment fund amounts to € 568 million (€ 581 million at 31 December 2012). This decrease of € 13 million is mainly due to the sale of a semi-industrial building located in Kortenberg (with a fair value of € 12,4 million on 31 December 2012) and the general adjustment of the estimated rental values for offices in the Brussels periphery.

Operating result

In the first quarter of 2013 the **operating distributable result** of Intervest Offices & Warehouses decreases to € 6,3 million (€ 6,6 million in the first quarter of 2012). This results mainly from the decrease in rental income through the start of the new lease contract with PwC in Woluwe Garden at lower rental prices (with a fixed duration of 9 years).

This represents an operating distributable result of € 0,45 per share for the first quarter of 2013 compared to € 0,48 in the first quarter of 2012 or a decrease of approximately 6 %.



Construction Oevel 3 - 5.036 m²

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2. Financial result

Consolidated income statement

in thousands €	31.3.2013	31.3.2012
Rental income	9.977	10.348
Rental related expenses	-22	-83
Property management costs and income	453	595
Property result	10.408	10.860
Property charges	-1.081	-1.176
General costs and other operating costs and income	-311	-379
Operating result before result on portfolio	9.016	9.305
Result on disposals of investment properties	1.488	0
Changes in fair value of investment properties	-1.715	1.550
Other result on portfolio	-88	-131
Operating result	8.701	10.724
Financial result (excl. changes in fair value - IAS 39)	-2.686	-2.671
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	832	-854
Taxes	3	-4
Net result	6.850	7.195
Note:		
Operating distributable result	6.333	6.630
Result on portfolio	-315	1.419
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	832	-854
DATA PER SHARE	31.3.2013	31.3.2012
Number of shares entitled to dividend	14.199.858	13.907.267
Net result (€)	0,48	0,52
Operating distributable result (€)	0,45	0,48

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Analysis of results⁴

The **rental income** of Interinvest Offices & Warehouses decreases in the first quarter of 2013 by approximately € 0,3 million to € 10,0 million (€ 10,3 million) mainly as a result of the new lease contract with PwC at lower rental prices with a fixed duration till end 2021 in the office building Woluwe Garden.

For the first quarter of 2013, **property charges** amount to € 1,1 million and decrease by € 0,1 million compared to the same period of 2012 (€ 1,2 million) through lower vacancy costs.

In the first quarter of 2013, **general costs and other operating income and costs** of the property investment fund amount to € 0,3 million, a slight decrease compared to the first quarter of 2012 (€ 0,4 million).

The **result on disposals of investment properties** comprises in the first quarter of 2013 the gain of € 1,5 million realised on the sale of the semi-industrial building in Kortenberg (after deduction of sales costs and VAT revision).

Changes in fair value of investment properties are negative in the first quarter of 2013 in the amount of - € 1,7 million (€ 1,6 million), mainly due to the general adjustment of the estimated rental value for offices in the Brussels periphery.

The **financial result (excl. changes in fair value - IAS 39)** for the first quarter of 2013 amounts to - € 2,7 million and remains herewith almost stable compared to the first quarter of 2012 (- € 2,7 million). The average interest rate of the property investment fund for the first quarter of 2013 amounts to 3,7 %, including bank margins (3,7 %).



Mechelen Campus - 60.768 m²
Malines

⁴ Between brackets comparable figures of the first quarter of 2012.

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As at 31 March 2013:

- ✓ 77 % of the credit lines of the property investment fund are long-term financings, with an average remaining duration of 2,6 years.
- ✓ 23 % of the credit lines are short-term financings, consisting of financings with unlimited duration (progressing each time for 364 or 30 days) and of 2 credit facilities for a total amount of € 25 million which expire within the year (December 2013 and January 2014) and have to be refinanced.
- ✓ 67 % of the withdrawn credit lines have a fixed interest rate or are fixed by interest rates swaps with an average remaining duration of 2,8 years.
- ✓ there are € 32 million of available non-withdrawn credit lines for the dividend distribution and the planned investments in the on-going logistic projects.

The **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** include the reduction of the negative market value of interest rate swaps that, in line with IAS 39, cannot be classified as cash flow hedging instruments, in the amount of € 0,8 million (- € 0,9 million).

The **net result** of property investment fund Interinvest Offices & Warehouses for the first quarter of 2013 amounts to € 6,9 million (€ 7,2 million) and may be divided into:

- ✓ the **operating distributable result** of € 6,3 million (€ 6,6 million) or a decrease of € 0,3 million, mainly through the decrease in rental income.
- ✓ the **result on portfolio** of - € 0,3 million (€ 1,4 million) comprising the gain on the disposals of investment properties and the decrease in value of the real estate portfolio.
- ✓ **changes in fair value of the financial assets and liabilities (ineffective hedges - IAS 39)** for an amount of € 0,8 million (- € 0,9 million).

This results in an **operating distributable result** of € 0,45 per share (€ 0,48) for the first quarter of 2013).

BALANCE SHEET DATA PER SHARE	31.3.2013	31.12.2012
Number of shares entitled to dividend	14.199.858	14.199.858
Net asset value (fair value) (€)	19,67	19,18
Net asset value (investment value) (€)	20,70	20,21
Net asset value EPRA (€)	20,15	19,73
Share price on closing date (€)	19,70	20,12
Premium to net asset value (fair value) (%)	0	5 %
Debt ratio (max. 65 %) (%)	49,7 %	51,2 %

On 31 March 2013, the **net asset value** (fair value) of the share is € 19,67 (€ 19,18 on 31 December 2012). As the share price on 31 March 2013 is € 19,70, the share is quoted at the end of the first quarter 2013 at practically the net asset value

The **debt ratio** of the property investment fund is 49,7 % at 31 March 2013 and decreases herewith by 1,5 % compared to 31 December 2012 (51,2 %).

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3. Optional dividend

The board of directors has decided to offer the shareholders of the property investment fund an optional dividend. In this context there is a choice for receiving the dividend of 2012 under the form of new ordinary shares, or payment in cash, or a combination of the two previous payment forms.

The conditions for the optional dividend have been disclosed in the press release of 25 April 2013 and can be found on the website www.intervestoffices.be.

4. Forecast

As mentioned in its Annual Report 2012, Intervest Offices & Warehouses will focus in 2013 on keeping the stability of the occupancy rate at a level of 86 %, on logistic developments in its existing portfolio (projects in Oevel, Herentals and Wilrijk), on the sale of non-strategic buildings in order to concentrate on investments in high qualitative real estate and on the study of alternative sources of funding.

The early prolongation of a number of important lease contracts in 2012 has resulted in the increased guarantee of rental income in the long term. The average duration of lease contracts is prolonged to approximately 4,5 years. Most of the time however these prolongations are combined with lower rents. In the short term this will have consequences, together with the fact that the occupancy rate is under pressure, on the operating distributable result of 2013 which will be, as expected, markedly lower than in 2012.



Herentals Logistics 1 - 17.320 m²

Note to the editors: for more information, please contact:

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Annexes



Financial statements

Consolidated income statement

in thousands €	31.3.2013	31.3.2012
Rental income	9.977	10.348
Rental related expenses	-22	-83
NET RENTAL INCOME	9.955	10.265
Recovery of property charges	542	554
Recovery of charges and taxes normally payable by tenants on let properties	2.336	2.224
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-109	-113
Rental charges and taxes normally payable by tenants on let properties	-2.336	-2.226
Other rental related income and expenses	20	156
PROPERTY RESULT	10.408	10.860
Technical costs	-263	-183
Commercial costs	-48	-32
Charges and taxes on unlet properties	-189	-376
Property management costs	-595	-510
Other property charges	14	-75
PROPERTY CHARGES	-1.081	-1.176
OPERATING PROPERTY RESULT	9.327	9.684
General costs	-322	-393
Other operating income and costs	11	14
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	9.016	9.305
Result on disposals of investment properties	1.488	0
Changes in fair value of investment properties	-1.715	1.550
Other result on portfolio	-88	-131
OPERATING RESULT	8.701	10.724

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Consolidated income statement (continued)

in thousands €	31.3.2013	31.3.2012
OPERATING RESULT	8.701	10.724
Financial income	85	5
Net interest charges	-2.769	-2.670
Other financial charges	-2	-6
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	832	-854
FINANCIAL RESULT	-1.854	-3.525
RESULT BEFORE TAXES	6.847	7.199
Taxes	3	-4
NET RESULT	6.850	7.195
Attributable to:		
Equity holders of the parent company	6.850	7.195
Minority interests	0	0
Note:		
Operating distributable result	6.333	6.630
Result on portfolio	-315	1.419
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	832	-854
RESULT PER SHARE	31.3.2013	31.3.2012
Number of shares entitled to dividend	14.199.858	13.907.267
Net result (€)	0,48	0,52
Diluted net result (€)	0,48	0,52
Operating distributable result (€)	0,45	0,48

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Consolidated statement of comprehensive income

in thousands €	31.3.2013	31.3.2012
NET RESULT	6.850	7.195
Changes in the effective part of the fair value of the authorized hedging instruments for cash flow hedges	152	-28
COMPREHENSIVE INCOME	7.002	7.167
Attributable to:		
Equity holders of the parent company	7.002	7.167
Minority interests	0	0

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Consolidated balance sheet

ASSETS in thousands €	31.3.2013	31.12.2012
Non-current assets	568.222	581.588
Intangible assets	44	45
Investment properties	567.929	581.280
Other tangible assets	234	248
Trade receivables and other non-current assets	15	15
Current assets	25.899	12.489
Assets held for sale	15.135	1.225
Trade receivables	4.798	4.860
Tax receivables and other current assets	3.215	3.211
Cash and cash equivalents	505	753
Deferred charges and accrued income	2.246	2.440
TOTAL ASSETS	594.121	594.077

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Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	31.3.2013	31.12.2012
Shareholders' equity	279.358	272.356
Shareholders' equity attributable to the shareholders of the parent company	279.320	272.318
Share capital	129.395	129.395
Share premium	63.378	63.378
Reserves	72.539	72.389
Net result of financial year 2012	7.156	7.156
Net result of financial year - first quarter 2013	6.850	0
Minority interests	38	38
Liabilities	314.763	321.721
Non-current liabilities	237.179	260.659
Non-current financial debts	229.789	252.253
<i>Credit institutions</i>	<i>155.117</i>	<i>177.617</i>
<i>Bond loan</i>	<i>74.662</i>	<i>74.625</i>
<i>Financial lease</i>	<i>10</i>	<i>11</i>
Other non-current financial liabilities	6.795	7.780
Other non-current liabilities	595	626
Current liabilities	77.584	61.062
Provisions	172	172
Current financial debts	61.718	48.018
<i>Credit institutions</i>	<i>61.712</i>	<i>48.012</i>
<i>Financial lease</i>	<i>6</i>	<i>6</i>
Trade debts and other current debts	2.992	2.822
Other current liabilities	347	354
Accrued charges and deferred income	12.355	9.696
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	594.121	594.077