

# Press release Annual results 2012



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## Annual results 2012

The gross dividend of Interinvest Offices & Warehouses increases to € 1,76 per share in 2012 (€ 1,73 in 2011).

The average remaining duration of the lease contracts of the property investment fund has increased in 2012 from 3,7 years to 4,5 years through the prolongation of lease contracts with, among others, PwC, Estée Lauder and UTi Belgium.

The total occupancy rate of Interinvest Offices & Warehouses remains stable in 2012 and amounts to 86 %. The occupancy rate of the office portfolio has increased by 1 %, taking this to 85 % in 2012.

Interinvest Offices & Warehouses has expanded in 2012 its real estate portfolio by € 15 million or 2,6 %, mainly in the logistic segment.

In 2012, the fair value of the real estate portfolio has decreased by € 14 million<sup>1</sup> or 2,4 %, mainly in the office segment.

<sup>1</sup> Based on an unchanged composition of the real estate portfolio compared to 31 December 2011.

## 1. Operating activities of 2012

Despite the continuing economic crisis, the property investment fund Intervest Offices & Warehouses succeeded in closing 2012 with a better operating distributable result than in 2011. Besides the increase in rental income due to acquisitions and lower property charges, the decrease in the interest charges of the property investment fund, as a result of new interest rate swaps taking effect at lower interest rates, has also contributed significantly to the improvement of the result as compared to 2011. This has allowed the property investment fund to offer its shareholders a gross dividend of € 1,76 for financial year 2012 as compared to € 1,73 for financial year 2011, which represents an increase of 2 %. Furthermore, a number of important lettings and extensions, both in the logistic and office portfolio, has resulted in an increase in the average remaining duration of the property investment fund's lease contracts from 3,7 years to 4,5 years in 2012.

Distribution of gross dividend



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

### Logistic real estate portfolio

In 2012, Intervest Offices & Warehouses has again expanded its position in logistic real estate. By now, 39 % of the real estate portfolio consists of high-quality logistic real estate in prime locations. This makes Intervest Offices & Warehouses the second largest investor in logistic real estate in Belgium at present<sup>2</sup>. The market for logistic real estate has withstood the difficult economic conditions relatively well. Despite the crisis and the decreased transaction volume, the level of interest in available spaces has remained satisfactory.

Despite the overall market demand being lower than in 2011, Intervest Offices & Warehouses has succeeded to conclude some excellent transactions.

In addition to the expansion of the logistic site in Oevel with a space of approximately 5.000 m<sup>2</sup>, the lease contracts with both Estée Lauder and UTi Belgium have been renewed at favourable terms, for 4,5 and 6 years respectively, till the end of 2023.

A lease agreement for a term of 15 years has been signed with the PSA Group for converting the front part of the Neerland 1 building in Wilrijk, located next to Ikea, into the new Antwerp showroom and garage for Peugeot.

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

<sup>2</sup> Source: Expertise Top 100 - Investors Directory 2013

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## Office portfolio

During the past year, the primary focus of the office portfolio has been to ensure the continuity of the lease contracts. In difficult market conditions and a full-scale economic crisis, where demand for offices is decreasing, the property investment fund has managed to increase the occupancy rate of its office portfolio by 1 %, taking this to 85 %.

The most important transaction of 2012 has been the prolongation of the lease contract with the largest tenant, PwC, in the Woluwe Garden building. From 1 January 2013, a new lease contract comes into effect for the same space (21.272 m<sup>2</sup>, including 23.712 m<sup>2</sup> of archives) for a fixed period of nine years. In view of the difficult office market, this will result in a decrease of approximately € 1,4 million in annual rental income but, on the other hand, the cash flow of the property investment fund is guaranteed for nine years.

In 2012, there has been a lot of media attention for the unfavourable office market and structural oversupply of offices. For a long time, the office market has been largely a replacement market, where relatively recent offices are often vacated for new offices which are frequently customised to the needs of large corporates. As such the tenant Deloitte decided to vacate the buildings in Diegem over time and move to a building to be developed, a few kilometres away at the airport. The agreements with Deloitte continue until early 2016 and longer, so that there is sufficient time to re-commercialise these buildings. Given the location of this site near Diegem-station and the quality of the buildings (BREEAM-Very Good), these offer an excellent opportunity to meet a potential demand for large office spaces. Some concrete scenarios for dealing with the departure of Deloitte are outlined here. The buildings could be redeveloped into a multi-tenant campus offering extensive services, based on the example of what was achieved at Mechelen with RE:Flex. In the other scenario of a single tenant, the three buildings could be connected to each other. A concrete design for this has already been drawn up.

The decrease in the value of the real estate properties, as a result of this new lease agreement with PwC at lower rental incomes and the announced departure of the tenant Deloitte, has already been included in the figures as at 31 December 2012.

THE AVERAGE REMAINING DURATION OF THE LEASE CONTRACTS OF THE PROPERTY INVESTMENT FUND HAS INCREASED IN 2012 FROM 3,7 YEARS TO 4,5 YEARS



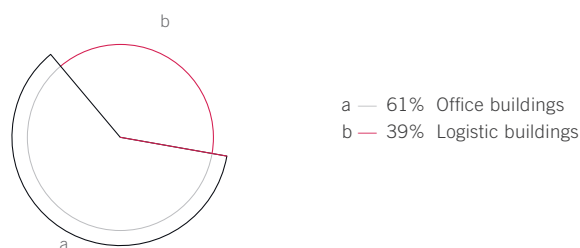
Deloitte Campus 2 - Diegem

## Evolution real estate portfolio

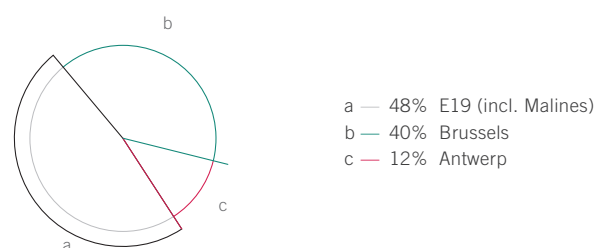
Intervest Offices & Warehouses focuses on an investment policy based on the principles of high-quality professional real estate and the principles of risk diversification based on building type and geographic spread and the nature of tenants.

On 31 December 2012 this risk spread is as follows:

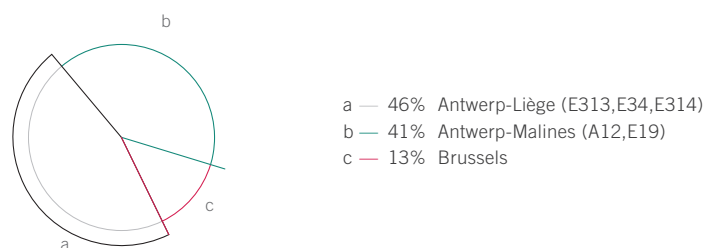
### Nature of the portfolio



### Geographic spread of offices



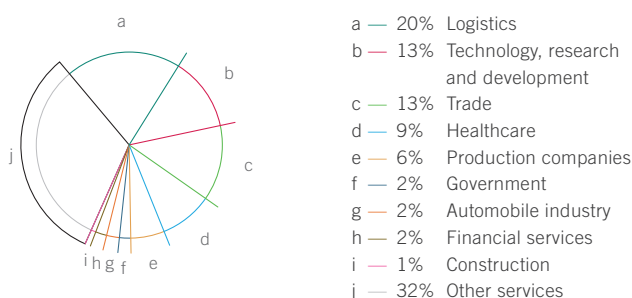
### Geographic spread of logistic properties



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## Diversification by tenants



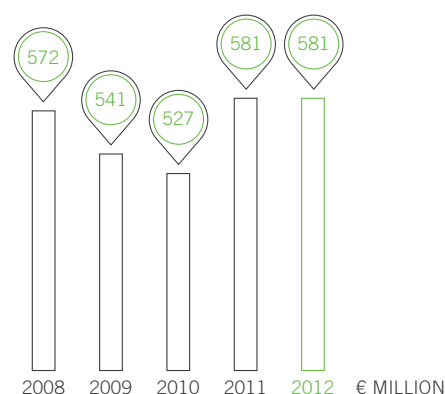
REAL ESTATE PATRIMONY	31.12.2012	31.12.2011
Fair value of investment properties (€ 000)	581.280	581.305
Investment value of investment properties (€ 000)	595.812	595.919
Occupancy rate (%)	86 %	86 %
Total leasable space (m <sup>2</sup> )	614.308	627.096

In 2012, the **fair value of the real estate portfolio** of the property investment fund has remained stable and amounts on 31 December 2012 to € 581 million (€ 581 million on 31 December 2011).

The fair value of the **logistic portfolio** has increased by € 18 million, primarily through the purchase of the leasehold rights and extension of the second distribution centre in Oevel, the delivery to Nike Europe of a second office block in Herentals Logistics 2, the ongoing renovation, redevelopment and expansion projects in Herentals Logistics 1 and Neerland 1 in Wilrijk and the extension of the lease contracts with Estée Lauder and UTi Belgium at the site in Oevel until 31 December 2023.

The fair value of the **office portfolio** decreases by € 18 million mainly as a result of the lease contract concluded in October 2012 with PwC in Woluwe Garden (till end 2021), the announced departure of tenant Deloitte in Diegem in 2016 and the general adjustment of the estimated rental value for offices in the Brussels periphery.

## Evolution of fair value of real estate properties



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

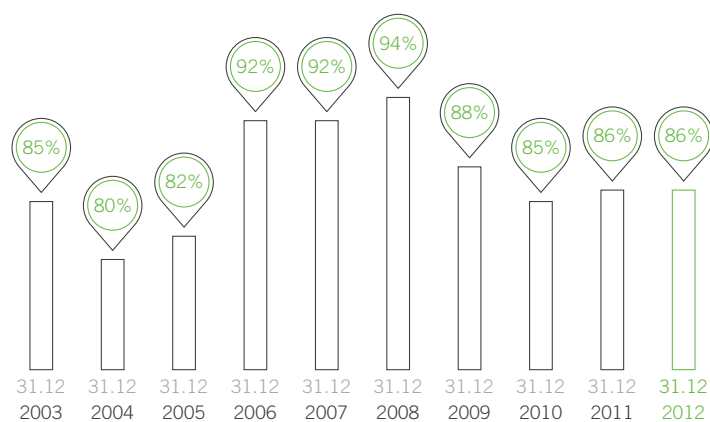
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On 31 December 2012, the total occupancy rate of the real estate portfolio of Intervest Offices & Warehouses amounts to 86 % (86 % on 31 December 2011):

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

## Occupancy rate on 31 December



**IN 2012, THE TOTAL  
OCCUPANCY RATE OF INTERVEST  
OFFICES & WAREHOUSES REMAINS  
STABLE AT 86 %**

## Rental activity in 2012

For offices as well as logistic real estate the number of new lettings has noticeably decreased compared 2011 and 2010. On the opposite, the successfully negotiated m<sup>2</sup> at end of lease renewals, extensions or prolongations of lease contracts has considerably increased compared to 2011.

### Rental activity of the office portfolio

#### New tenants

In the office portfolio of Intervest Offices & Warehouses new lease contracts have been signed in 2012 for a total space of 3.200 m<sup>2</sup>, attracting 6 new tenants (on a total office portfolio of approximately 231.000 m<sup>2</sup>). This is less compared to the new lettings of 2011, when still 13 new tenants were attracted for a total space of 9.755 m<sup>2</sup>.

In 2012, the most important transactions are:

- ✓ letting to Viabuild at Mechelen Campus for 2.149 m<sup>2</sup>
- ✓ letting to Tempo-Team Projects in Vilvorde 3T Estate for 636 m<sup>2</sup>



3T Estate - Vilvorde

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

In the office portfolio of the property investment fund, current lease contracts have been renegotiated or prolonged in 2012 for a space of 45.761 m<sup>2</sup> in 30 transactions. In 2011 a total space of 26.306 m<sup>2</sup> was renegotiated in 36 transactions.

In 2012, the most important transactions are:

- ✓ prolongation of PricewaterhouseCoopers in Woluwe Garden for 23.712 m<sup>2</sup> offices and archives (as from 1 January 2013)
- ✓ prolongation of Kuwait Petroleum (Q8) in Antwerp Gateway House for 4.996 m<sup>2</sup>
- ✓ prolongation of Technicolor in Edegem De Arend for 3.578 m<sup>2</sup>
- ✓ extension of Biocartis at Intercity Business Park in Malines for 2.669 m<sup>2</sup>
- ✓ prolongation and extension of MC Square at Mechelen Campus for 1.583 m<sup>2</sup>
- ✓ prolongation of Sungard at Mechelen Campus for 1.050 m<sup>2</sup>
- ✓ prolongation of Amplifon at Inter Access Park in Dilbeek for 814 m<sup>2</sup> (as from 1 January 2013)
- ✓ prolongation and extension of Logins at Intercity Business Park in Malines for 756 m<sup>2</sup>
- ✓ temporary prolongation of Telenet at Mechelen Campus for 653 m<sup>2</sup>
- ✓ prolongation and extension of Info Support at Intercity Business Park in Malines for 541 m<sup>2</sup>

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## Rental activity of the logistic portfolio

### New tenants

In the logistic portfolio of the property investment fund, new lease contracts have been concluded in 2012 for a total space of 16.552 m<sup>2</sup> in 4 transactions. This is noticeably lower than in 2011, which was an exceptional year due to the transaction with Nike Europe in Herentals for almost 51.000 m<sup>2</sup>.

In 2012, these transactions are:

- ✓ letting of 6.895 m<sup>2</sup> to ZEB in Merchtem (as from 1 February 2013)
- ✓ property lease with Peugeot in Wilrijk for 5.000 m<sup>2</sup> (as from 1 October 2013)
- ✓ letting of 3.175 m<sup>2</sup> to TNT Post Pakketservice in Wilrijk
- ✓ letting of 1.482 m<sup>2</sup> to Galy Sport in Berchem-Sainte-Agathe

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

In the logistic portfolio, lease contracts for a space of 82.487 m<sup>2</sup> have been renewed, extended or prolonged in 2012 in 12 transactions. This is noticeably more than in 2011 when 6 transactions were concluded for a space of 26.385 m<sup>2</sup>.

In 2012, these transactions are:

- ✓ prolongation and extension of UTi Belgium in Oevel for a total space of 30.341 m<sup>2</sup> (as from 1 July 2013)
- ✓ prolongation of Fiege in Puurs for 16.538 m<sup>2</sup>
- ✓ prolongation of Estée Lauder in Oevel for 9.780 m<sup>2</sup>
- ✓ prolongation of Party Rent/Expo Rent in Aartselaar Dijkstraat for 8.062 m<sup>2</sup>
- ✓ prolongation of Meiko in Schelle for 6.849 m<sup>2</sup>
- ✓ extension of Yusen Logistics Benelux in Herentals Logistics 1 for 6.200 m<sup>2</sup>
- ✓ extension of Pharma Logistics in Malines Oude Baan for 4.717 m<sup>2</sup>

Wilrijk Neerland 1&2 - Wilrijk





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### Prolongation of the lease contract with PwC till end 2021

Intervest Offices & Warehouses has prolonged in October 2012 the lease contract with its largest tenant PwC in the Woluwe Garden office building, located in Sint-Stevens-Woluwe. The lease contract, for a space of 21.272 m<sup>2</sup> offices (23.712 m<sup>2</sup> including archives), has been concluded for a fixed period of 9 years as from 1 January 2013 till 31 December 2021. This tenant currently represents on 31 December 2012 approximately 10 % of the rental income of the property investment fund.

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

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

In March 2012, Intervest Offices & Warehouses has concluded two additional lease contracts with biotechnology company Biocartis for additional space of respectively 1.254 m<sup>2</sup> for offices and 1.415 m<sup>2</sup> for laboratories at Intercity Business Park in Malines. Both lease contracts have a fixed term of 15 years, with a termination option after 9 years. This further extension of Biocartis represents a gross rental income of approximately € 420.000 an annual basis<sup>3</sup>. With a total space of 6.639 m<sup>2</sup> of offices and laboratories, leased for a long term, Biocartis is now the largest tenant of Intervest Offices & Warehouses at Intercity Business Park.

As a result of this re-letting transaction, the property investment fund has included in profit the first quarter of 2012 a part of the compensation received in 2010 from Tibotec-Virco, for an amount of € 0,5 million.

Besides, a lease contract has also been concluded in the first quarter of 2012 with Viabuild (road construction) for a surface area of 2.149 m<sup>2</sup> of offices and warehouse space at Mechelen Campus (building F, formerly leased by Tibotec-Virco). The lease contract has a duration of 9 years, with an option to terminate after 6 years.

As a result of the above-mentioned transactions with Biocartis and Viabuild, 96 % of the space previously leased by Tibotec-Virco has already on 31 March 2013 been re-leased to tenants within or outside the existing portfolio of Intervest Offices & Warehouses (being 18.725 m<sup>2</sup> out of a total of 19.526 m<sup>2</sup>).

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

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## Operational optimisations in 2012

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

### Flexible work: RE:flex

On 20 June 2012 Intervest Offices & Warehouses opened its new “RE:flex, flexible business hub” on the ground floor of Mechelen Campus Tower. This hub is a high-technical innovative office concept and has entirely been designed and created by Intervest Offices & Warehouses. For the furniture there has been a cooperation through a partnership with Steelcase, one of the leading manufacturers of office furniture. RE:flex gives, on the one hand, an answer to growing needs regarding flexibility and teamwork in a professional environment. A membership card (multiple formulas possible) gives access to a flexible “third working space” and a range of facilities and services. On the other hand RE:flex is equipped with ‘state of the art’ conference and meeting facilities, providing a good addition to the existing offer in the centre of Malines. The spaces are suitable for seminars, receptions, product presentations, team meetings, etc.

### Turn-key solutions

Intervest Offices & Warehouses has further profiled itself as provider of turn-key housing solutions. Different projects have been achieved, the most successful being the design from A to Z of the 5th floor (1.630 m<sup>2</sup>) at the Antwerp Gateway House for the new Antwerp office of DLA Piper.

### Officeplanner.be

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

Officeplanner.be brings candidate-tenant and lessor together in a unique way. By introducing online the location and the number of desired working space the candidate-tenant acquires immediately a view of the available buildings and spaces. As soon as the candidate-tenant chooses a building, he sees instantly the future office in 3D and video, obtaining herewith a good image of the possible design of the office space.

[www.officeplanner.be](http://www.officeplanner.be)



RE:flex - Malines

## Investments in 2012

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

### Acquisition of a second distribution centre in Oevel and extension agreement

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

At the moment of the acquisition the building was entirely let to cosmetics concern Estée Lauder till 2019. This acquisition generates for the property investment fund a rental income of € 0,7 million on an annual basis and contributes immediately to the operating distributable result of the property investment fund.

Afterwards, the property investment fund concluded an agreement with Estée Lauder as well as with its logistic service provider UTi Belgium to further extend the logistic site. The buildings of West-Logistics and the distribution centre of Estée Lauder will be entirely integrated with each other. An additional logistic building of approximately 5.000 m<sup>2</sup> with parking spaces will be built between the two existing buildings. This site will be leased by UTi Belgium as from the delivery (probably 1 July 2013) till 31 December 2023 by means of a lease agreement.

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

Simultaneously the existing lease contracts for warehouses with Estée Lauder as well as UTi Belgium are prolonged till 31 December 2023, being a prolongation of respectively 4,5 and 6 years of the existing lease contracts. This prolongation has resulted in 2012 in an increase in fair value of this logistic site by € 3,5 million or approximately 12 %.

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

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## Renovation Herentals Logistics 1

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

Given the interest of some candidate-tenants for qualitative new logistic real estate on this location, the property investment fund currently prepares on the not yet renovated part of Herentals Logistics 1 the construction of a logistic warehouse with a space of approximately 19.000 m<sup>2</sup> that can be subdivided. This realisation will contribute to the further radiance of Herentals Logistics as logistic centre, along one of the most important logistic corridors of the country. On 31 December 2012 a space of 32.100 m<sup>2</sup> is valued as spare land.



Herentals Logistics 1  
Herentals

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

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

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

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

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

## Disinvestments in 2012

Interinvest Offices & Warehouses has signed in 2012 a private deed for the sale of a non-strategic logistic building, constructed in 1997 and located in Antwerp, Kaaie 218-220. The total space of the building comprises 5.500 m<sup>2</sup> warehouses and represents only 0,9 % of the total leasable space of the property investment fund.

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

## 2. Financial annual results<sup>4</sup>

### Consolidated income statement

in thousands €	2012	2011
Rental income	41.207	38.587
Rental related expenses	49	-76
Property management costs and income	1.097	2.435
<b>Property result</b>	<b>42.353</b>	<b>40.946</b>
Property charges	-4.759	-5.145
General costs and other operating costs and income	-1.577	-1.244
<b>Operating result before result on portfolio</b>	<b>36.017</b>	<b>34.557</b>
Result on disposals of investment properties	140	64
Changes in fair value of investment properties	-13.953	2.294
Other result on portfolio	-730	-2.478
<b>Operating result</b>	<b>21.474</b>	<b>34.437</b>
Financial result (excl. changes in fair value - IAS 39)	-11.156	-12.018
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-3.128	-4.175
Taxes	-35	-227
<b>Net result</b>	<b>7.155</b>	<b>18.017</b>
OPERATING DISTRIBUTABLE RESULT	24.826	21.707
RESULT ON PORTFOLIO	-14.543	-120
CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (INEFFECTIVE HEDGES - IAS 39)	-3.128	-4.175
OTHER NON-DISTRIBUTABLE ELEMENTS (SUBSIDIARIES)	0	605

<sup>4</sup> Between brackets the comparable figures of financial year 2011.

## Analysis of results

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

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

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

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

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

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



Woluwe Garden - Sint-Stevens-Woluwe

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

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



Oevel 2 - Oevel

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

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

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

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

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

# Press release

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# 2012



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

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

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

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

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

RESULT PER SHARE	2012	2011
Number of shares entitled to dividend	14.199.858	13.907.267
Net result (€)	0,51	1,30
Operating distributable result (€)	1,75	1,56
Adaptation dividend to the changed valuation rule (€)	0,01	0,17
Gross dividend (€)	1,76	1,73
Net dividend <sup>5</sup> (€)	1,32	1,37

<sup>5</sup> Pursuant to the Finance Act of 27 December 2012 (Belgian Official Gazette 31 December 2012) withholding tax on dividends of public property investments funds increases as from taxation year 2013 from 21% to 25% (subject to certain exemptions).



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## Consolidated balance sheet

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

## Assets

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

**Non-current assets** consist mainly of the investment properties of Intervest Offices & Warehouses. In 2012, the **fair value of the real estate portfolio** remains stable and amounts to € 581 million on 31 December 2012 (€ 581 million on 31 December 2011). The underlying fact is that the fair value of the investment properties has known following evolutions in 2012:

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

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

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

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## Liabilities

**Shareholders' equity** of the property investment fund amounts on 31 December 2012 to € 272 million (€ 284 million). Total number of shares entitled to dividend amounts to 14.199.858 units on 31 December 2012 (13.907.267 units). The **share capital** of the property investment fund has increased in 2012 through the capital increase in the framework of the optional dividend for the financial year 2011 by € 2,7 million to € 129 million (€ 127 million) and the **share premium** by € 2,5 million to € 63 million (€ 61 million). The **reserves** of the company amount to € 72 million (€ 78 million).

On 31 December 2012, the **net asset value (fair value)** of the share is € 19,18 (€ 20,42). As the share price on 31 December 2012 of the Interest Offices & Warehouses' share (INTO) is € 20,12, the share is quoted on closing date with a premium of 5 % compared to the net asset value (fair value).

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

**Current liabilities** amount to € 61 million (€ 46 million) and consist mainly of € 48 million current financial debts (short-term financings progressing each time and a credit facility of € 10 million expiring in December 2013), of € 3 million trade debts and of € 10 million accrued charges and deferred income.

Herentals Logistics 2 - Herentals



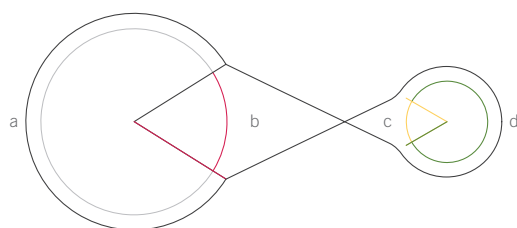
## Financial structure

The most important characteristics of the financial structure of Interinvest Offices & Warehouses at the end of 2012 are:

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

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

### Duration of financings

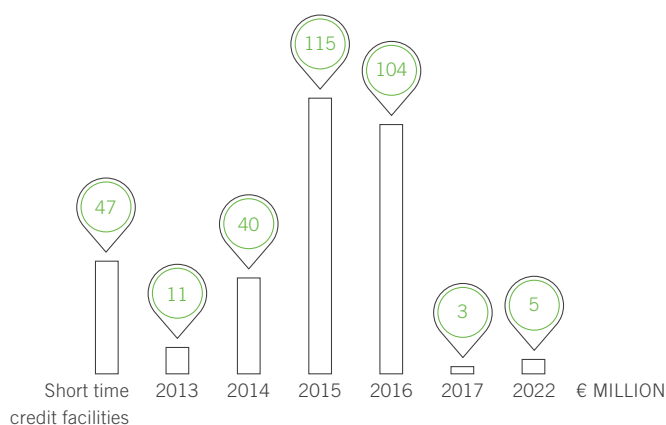


- a — 82% Long-term credit facilities
- b — 18% Short-term credit facilities
- c — 3% Credit facility to be refinanced by December 2013
- d — 15% Credit facilities with indefinite duration, progressing each time for 30 or 364 days

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## Expiry calendar of available credit facilities



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

## INTERVEST OFFICES & WAREHOUSES DOES NOT HAVE TO CARRY OUT ANY MAJOR REFINANCING OF ITS CREDIT FACILITIES IN 2013

On 31 December 2012, the **debt ratio** of the property investment fund amounts to 51,2 % and has increased by 1,3 % compared to 31 December 2011 (49,9 %) mainly as a result of the acquisition of the leasehold rights of the second distribution centre in Oevel financed with borrowed capital and the devaluation of the office portfolio.

## 3. Forecast

### Focus on occupancy rate

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

As for the current lease contracts in the logistic portfolio, only a limited volume is expiring in 2013, which puts Interinvest Offices & Warehouses in a relatively comfortable starting position. Expectations are that the demand for larger spaces will remain limited, just like in 2012. The full list of available logistic buildings in the property investment funds' portfolio are primarily located along the Antwerp-Brussels axis, which is in itself a much demanded rental market. It concerns, among other things, the building on the Stocletlaan in Duffel, of approximately 19.000 m<sup>2</sup> (leasable from approximately 4.000 m<sup>2</sup>), and the building on the Notmeir in Duffel of approximately 8.800 m<sup>2</sup>. There is relatively little warehouse space over 10.000 m<sup>2</sup> available in the vicinity, which increases the rental chances for Interinvest Offices & Warehouses.

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

### Logistical developments in the existing portfolio

In 2013, Interinvest Offices & Warehouses will continue to focus on increasing the share of logistic real estate in its portfolio. The existing Estée Lauder logistic distribution centre in Oevel will be expanded by approximately 5.000 m<sup>2</sup>. Construction is expected to start in early 2013 with delivery by mid-2013. Furthermore, Interinvest Offices & Warehouses expects to be granted a urban development permit in the first quarter of 2013 to convert the existing site at Neerland 1 in Wilrijk into a showroom and garage for Peugeot. The delivery of these works is planned for the autumn of 2013.

### Investments/ disinvestments

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

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## Financing

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

## Result forecast

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

## 4 Financial calendar

- ✓ Announcement of annual results as at 31 December 2012: Friday 8 February 2013
- ✓ General meeting of shareholders: Wednesday 24 April 2013 at 4:30 pm
- ✓ Dividend payable:
  - Ex-date dividend 2012                      Monday 29 April 2013
  - Record date dividend 2012              Thursday 2 May 2013
  - Dividend payment 2012                  as from Friday 24 May 2013
- ✓ Interim statement on the results as at 31 March 2013: Tuesday 7 May 2013
- ✓ Half-yearly financial statements as at 30 June 2013: Tuesday 30 July 2013
- ✓ Interim statement on the results as at 30 September 2013: Friday 25 October 2013

The annual report for financial year 2012 will be available as from 25 March 2013 on the website of the company ([www.intervestoffices.be](http://www.intervestoffices.be)).

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

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Jean-Paul Sols - CEO or Inge Tas - CFO, T + 32 3 287 67 87, [www.intervestoffices.be](http://www.intervestoffices.be)



## Financial statements<sup>6</sup>

### Consolidated income statement

in thousands €	2012	2011
Rental income	41.207	38.587
Rental related expenses	49	-76
<b>NET RENTAL INCOME</b>	<b>41.256</b>	<b>38.511</b>
Recovery of property charges	1.408	1.261
Recovery of charges and taxes normally payable by tenants on let properties	8.992	6.700
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-652	-142
Rental charges and taxes normally payable by tenants on let properties	-8.992	-6.680
Other rental related income and expenses	341	1.296
<b>PROPERTY RESULT</b>	<b>42.353</b>	<b>40.946</b>
Technical costs	-840	-940
Commercial costs	-286	-263
Charges and taxes on unlet properties	-981	-1.404
Property management costs	-2.293	-2.184
Other property charges	-359	-354
<b>PROPERTY CHARGES</b>	<b>-4.759</b>	<b>-5.145</b>
<b>OPERATING PROPERTY RESULT</b>	<b>37.594</b>	<b>35.801</b>
General costs	-1.628	-1.274
Other operating income and costs	51	30
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>36.017</b>	<b>34.557</b>
Result on disposals of investment properties	140	64
Changes in fair value of investment properties	-13.953	2.294
Other result on portfolio	-730	-2.478
<b>OPERATING RESULT</b>	<b>21.474</b>	<b>34.437</b>

<sup>6</sup> The statutory auditor has confirmed that his full audit, which has been substantially completed, has not revealed material adjustments which would have to be made to the accounting information disclosed in this press release and that an unqualified auditor's report will be issued.

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## Consolidated income statement (continued)

in thousands €	2012	2011
<b>OPERATING RESULT</b>	<b>21.474</b>	<b>34.437</b>
Financial income	20	72
Net interest charges	-11.165	-12.070
Other financial charges	-11	-20
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-3.128	-4.175
<b>FINANCIAL RESULT</b>	<b>-14.284</b>	<b>-16.193</b>
<b>RESULT BEFORE TAXES</b>	<b>7.190</b>	<b>18.244</b>
Taxes	-35	-227
<b>NET RESULT</b>	<b>7.155</b>	<b>18.017</b>
Note:		
Operating distributable result	24.826	21.707
Result on portfolio	-14.543	-120
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-3.128	-4.175
Other non-distributable elements (subsidiaries)	0	605
Attributable to:		
Equity holders of the parent company	7.156	18.018
Minority interests	-1	-1
<b>RESULT PER SHARE</b>	2012	2011
Number of shares entitled to dividend	14.199.858	13.907.267
Net result (€)	0,51	1,30
Diluted net result (€)	0,51	1,30
Operating distributable result (€)	1,75	1,56

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## Consolidated statement of comprehensive income

in thousands €	2012	2011
<b>NET RESULT</b>	<b>7.155</b>	<b>18.017</b>
Changes in the effective part of the fair value of the authorized hedging instruments for cash flow hedges	32	2.561
<b>COMPREHENSIVE INCOME</b>	<b>7.187</b>	<b>20.578</b>
Attributable to:		
Equity holders of the parent company	7.188	20.579
Minority interests	-1	-1

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## Consolidated balance sheet

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

## Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	31.12.2012	31.12.2011
<b>Shareholders' equity</b>	<b>272.356</b>	<b>284.018</b>
<b>Shareholders' equity attributable to the shareholders of the parent company</b>	<b>272.318</b>	<b>283.978</b>
Share capital	129.395	126.729
Share premium	63.378	60.833
Reserves	72.389	78.398
Net result of financial year	7.156	18.018
<b>Minority interests</b>	<b>38</b>	<b>40</b>
<b>Liabilities</b>	<b>321.721</b>	<b>310.116</b>
<b>Non-current liabilities</b>	<b>260.659</b>	<b>264.426</b>
Non-current financial debts	252.253	259.143
<i>Credit institutions</i>	<i>177.617</i>	<i>184.650</i>
<i>Bond loan</i>	<i>74.625</i>	<i>74.475</i>
<i>Financial lease</i>	<i>11</i>	<i>18</i>
Other non-current financial liabilities	7.780	4.685
Other non-current liabilities	626	598
<b>Current liabilities</b>	<b>61.062</b>	<b>45.690</b>
Provisions	172	172
Current financial debts	48.018	34.018
<i>Credit institutions</i>	<i>48.012</i>	<i>34.012</i>
<i>Financial lease</i>	<i>6</i>	<i>6</i>
Trade debts and other current debts	2.822	2.641
Other current liabilities	354	399
Accrued charges and deferred income	9.696	8.460
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>594.077</b>	<b>594.134</b>

## Statement of changes in consolidated equity

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in thousands €	Share capital	Share premium	Reserves	Net result of financial year	Minority interests	Total shareholders' equity
<b>Balance at 31 December 2010</b>	<b>126.729</b>	<b>60.833</b>	<b>81.289</b>	<b>19.977</b>	<b>41</b>	<b>288.869</b>
Comprehensive income of 2011			2.561	18.018	-1	20.578
Transfers through result allocation 2010:						
Transfer to reserves for the balance of changes in investment value of real estate			-8.675	8.675		0
Transfer of changes in fair value of financial assets and liabilities to the reserve for the balance of changes in fair value of authorised hedging instruments that are not subject to hedge accounting			655	-655		0
Other mutations			23	-2		21
Allocation of additional result 2010 due to change in valuation rules to results carried forward			2.545	-2.545		0
Dividend financial year 2010				-25.450		-25.450
<b>Balance at 31 December 2011</b>	<b>126.729</b>	<b>60.833</b>	<b>78.398</b>	<b>18.018</b>	<b>40</b>	<b>284.018</b>
Comprehensive income of 2012			32	7.156	-1	7.187
Transfers through result allocation 2011:						
Transfer to the reserves for the balance of changes in investment value of real estate			1.245	-1.245		0
Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties			-1.365	1.365		0
Transfer of changes in fair value of financial assets and liabilities to the reserve for the balance of changes in fair value of authorised hedging instruments that are not subject to hedge accounting			-4.175	4.175		0
Allocation to results carried forward from previous years			605	-605		0
Allocation to other reserves and minority interest			13	-12	-1	0
Issue of shares from optional dividend financial year 2011	2.666	2.545				5.211
Dividend financial year 2011			-2.364	-21.696		-24.060
<b>Balance at 31 December 2012</b>	<b>129.395</b>	<b>63.378</b>	<b>72.389</b>	<b>7.156</b>	<b>38</b>	<b>272.356</b>