



Interim statement by the board of directors on the first quarter of 2018

- Third logistics site in the **Netherlands**: agreement signed for the purchase of the site and development of logistics project of approximately 28.000 m² in **Roosendaal**.
- Development potential of over 250.000 m² of logistics real estate on the Ford site in Genk with the selection of **“Genk Green Logistics”**: contractual agreement with the Flemish government is nearing completion.
- Construction works on **Greenhouse BXL** with 3rd RE:flex (coworking lounge) are in progress and marketing is fully under way.
- **Fair value** of the total real estate portfolio: € 667 million as at 31 March 2018 (€ 663 million as at 31 December 2017). Increase by the redevelopment of Greenhouse BXL and the sharpening of the yields for logistics real estate in the Netherlands.
- **Ratio** of real estate segments unchanged at 54% logistics real estate and 46% office buildings.
- **Stable occupancy rate** of the real estate portfolio: 86% as at 31 March 2018 (86% as at 31 December 2017); 91% without the Greenhouse BXL redevelopment project.
- **Occupancy rate** of the **office portfolio**: 76% as at 31 March 2018 (76% as at 31 December 2017); 84% without the Greenhouse BXL redevelopment project.
- **Occupancy rate** of the **logistics portfolio**: 97% as at 31 March 2018 (98% as at 31 December 2017).
- Increase of the **EPRA earnings** with 11% during the first quarter of 2018 (compared to the first quarter of 2017) as a result of higher rental income from 5 acquisitions in the logistics real estate portfolio in 2017.
- Stable **EPRA earnings per share**: € 0,36 in the first quarter of 2018 (€ 0,36 in the first quarter of 2017).
- Stable **average interest rate** for the financing: 2,5% in the first quarter of 2018 (2,5% in the first quarter of 2017).
- Decrease of the **debt ratio**: 43,7% as at 31 March 2018 (44,6% as at 31 December 2017).
- Buffer of **available credit lines** to pay the dividend for financial year 2017 in May 2018 and the financing of the further growth of the real estate portfolio: € 79 million.

Table of contents

1. Operational activities for the first quarter of 2018	3
2. Financial annual results of the first quarter of 2018	5
2.1. Consolidated income statement	5
2.2. Analysis of results	6
2.3. Financial structure	7
3. Optional dividend	8
4. Outlook	8
Annexes: Financial statements	10



Alternative performance measures and the term “EPRA earnings”

Alternative performance measures are criteria used by Intervest to measure and monitor its operational performance. The measures are used in this press release, but they are not defined by an act or in the generally accepted accounting principles (GAAP). The European Securities and Markets Authority (ESMA) issued guidelines which, as of 3 July 2016, apply on the use and explanation of the alternative performance measures. The concepts that Intervest considers to be alternative performance measures are included in a lexicon on the www.intervest.be website, called “Terminology and alternative performance measures”. The alternative measures are indicated with a 🍀 and include a definition, objective and reconciliation as required by the ESMA guidelines. A consequence of these guidelines is that the term used prior to this, “operating distributable result”, is no longer usable. For that reason, the label has been changed to “EPRA earnings”. However, with regard to content there is no difference with “operating distributable result”, the term used previously.

EPRA (European Public Real Estate Association) is an organisation that promotes, helps develop and represents the European listed real estate sector, both in order to boost confidence in the sector and to increase investments in Europe’s listed real estate. For more details, please visit www.epra.com.



1. Operational activities for the first quarter of 2018

In January 2018, Intervest Offices & Warehouses (referred to hereafter as "Interinvest") concluded an **agreement** subject to the usual suspensive conditions for the acquisition of a site of 3,9 hectares on the industrial site Borchwerf I in **Roosendaal, The Netherlands**. In cooperation with a specialised developer, Intervest will build a state-of-the-art logistics complex on this site, consisting of over 24.100 m² of warehouse space, 3.200 m² of mezzanine and 600 m² of offices. The location currently still has an industrial use. The site will only be transferred to Intervest clear for construction following demolition works. The logistics complex will then be built and is expected to be delivered in the second half of 2019. Given the high demand for logistics in the region, the project will be completed with or without advance rental. By getting on board the project at an early stage, the site can be acquired on favourable terms. The final purchase price will depend on the rental situation at the time the building is delivered. It is currently estimated that the building will generate approximately € 1,3 million in rental income on an annual basis and that the gross initial yield will vary between 7,25% and 6,0%, depending on the duration of the lease agreement. With this acquisition, Intervest is strengthening its position as a logistics owner in the Southern Netherlands.

*Agreement for a site of
3,9 hectares and logistics
development of 28.000 m² in*

Roosendaal

The Flemish government's allocation as preferred bidder to **Genk Green Logistics** of the redevelopment of the Ford site in Genk also contributes substantially to the future achievement of Intervest's previously announced growth plan. The contractual agreement with the Flemish government is approaching completion and is expected to be finalised in the second quarter of 2018. Genk Green Logistics is a joint venture to be set up between Intervest, on the one hand, and Group Machiels, on the other, which in cooperation with developer MG Real Estate and DEME Environmental Contractors will be responsible for the redevelopment of one of the most large-scale tri-modal logistics hubs in Flanders. Genk Green logistics plans a full new development project at zone B, which will consist of state of the art logistics complex of over 250.000 m² after full development. This surface area is intended to be developed in phases, spread over different buildings, over an expected period of 5 years.

*Development potential of
Genk Green Logistics*

250.000 m²



Greenhouse BXL - Work in progress

In the office portfolio, the **redevelopment of Greenhouse BXL** in Diegem into an innovative, inspiring and service-oriented multi-tenant campus with a third RE:flex continues to enjoy priority. The construction works are making progress and are expected to be completed by mid-2018. The site is also currently being marketed.

Greenhouse BXL is currently being marketed

The **fair value of the investment properties** amounted to € 667 million as at 31 March 2018 (€ 663 million as at 31 December 2017). The € 4 million or 0,7% increase in the first quarter of 2018 is primarily the result of the increase in value of in the office portfolio of € 3 million caused by the redevelopment of Greenhouse BXL and a lease in Woluwe Garden. The logistics portfolio displays an increase in fair value of € 1 million as a result of the renovation carried out in Wommelgem and the sharpening of the yields in the Netherlands.

Fair value of investment properties

+0,7%

No important changes occurred in the **occupancy rate** of the Intervest buildings in the first quarter of 2018. The occupancy rate of the total real estate portfolio remained the same compared to 31 December 2017 and amounted to 86% as at 31 March 2018. Occupancy rate without taking into account the Greenhouse BXL redevelopment project: 91% as at 31 March 2018.

Occupancy rate

86%

Occupancy rate without Greenhouse BXL

91%

INVESTMENT PROPERTIES	31.03.2018	31.12.2017
Fair value of investment properties (€ 000)	666.869	662.539
Total portfolio occupancy rate (%)	86%	86%
• Office portfolio occupancy rate (%)	76%	76%
• Logistics portfolio occupancy rate (%)	97%	98%
Total portfolio occupancy rate, excluding Greenhouse BXL redevelopment project (%)	91%	91%
• Office portfolio occupancy rate, excluding Greenhouse BXL redevelopment project (%)	84%	85%
Total leasable space (m ²)	794.896	794.896

The occupancy rate of the office portfolio as at 31 March 2018 was 76%. Occupancy rate without taking into account the Greenhouse BXL redevelopment project amounted to 84%. The occupancy rate for the logistics portfolio amounted to 97% and dropped slightly compared to 31 December 2017 as a result of the reduction of the leased surface area of a current tenant.

2. Financial results for the first quarter of 2018

2.1. Consolidated income statement

in thousands €	31.03.2018	31.03.2017
Rental income	11.597	10.446
Rental-related expenses	-27	34
Property management costs and income	118	123
Property result	11.688	10.603
Property charges	-2.046	-1.820
General costs and other operating income and costs	-1.021	-960
Operating result before result on portfolio	8.621	7.823
Changes in fair value of investment properties	2.500	-354
Other result on portfolio	-270	104
Operating result	10.851	7.573
Financial result (excl. changes in fair value of financial assets and liabilities)	-1.884	-1.778
Changes in fair value of financial assets and liabilities (ineffective hedges)	243	122
Taxes	-41	-10
NET RESULT	9.169	5.907
Note:		
EPRA earnings	6.696	6.035
Result on portfolio	2.230	-250
Changes in fair value of financial assets and liabilities (ineffective hedges)	243	122
INFORMATION PER SHARE	31.03.2018	31.03.2017
Number of shares entitled to dividend	18.405.624	16.784.521
Weighted average number of shares	18.405.624	16.784.521
Net result (€)	0,50	0,35
EPRA earnings (€)	0,36	0,36

2.2. Analysis of the results¹

The **rental income** of Interinvest in the first quarter of 2018 amounted to € 11,6 million (€ 10,4 million). The increase of € 1,2 million or 11% took place almost entirely in the logistics real estate portfolio and was mainly the result of the acquisition of five logistics sites concluded in 2017.

The **property charges** amounted to € 2,0 million for the first quarter of 2018 (€ 1,8 million). The rise was primarily due to the increase in the management costs of the real estate due to the expansion of the acquisition team and the reinforcing of the team for logistics real estate.

The **general costs and other operating income and costs** amounted to € 1,0 million (€ 1,0 million) and thereby remained at the same level as during the first quarter of last year.

The increase in rental income and the increase in property charges meant that the **operating result before result on portfolio** rose by € 0,8 million or 10% to € 8,6 million (€ 7,8 million).

The **changes in the fair value of the investment properties** amounted to € 2,5 million (€ -0,4 million) in the first quarter of 2018, or an increase of 0,4% compared to the close of 2017. The increase in the fair value resulted of leases in the office portfolio and the sharpening of the yields for the logistics real estate in the Netherlands.

The **financial result (excl. changes in fair value of financial assets and liabilities)** amounted to € -1,9 million (€ -1,8 million) for the first quarter of 2018. The increase of the net interest charges by € 0,1 million was the result of the growth of the real estate portfolio pursuant to the acquisitions carried out in 2017, which were partly financed with borrowed capital.

The **changes in fair value of financial assets and liabilities (ineffective hedges)** included the decrease in the negative market value of the interest rate swaps which, in line with IAS 39, cannot be classified as cash flow hedging instruments, in the amount of € 0,2 million (€ 0,1 million).

The **net result** of Interinvest for the first quarter of 2018 amounted to € 9,2 million (€ 5,9 million) and can be divided into:

- the **EPRA earnings** of € 6,7 million (€ 6,0 million), or an increase of € 0,7 million or 11%, mainly as a result of the increase in rental income, partly offset by the increase in property charges and financing costs related to Interinvest's strategic growth in the logistics real estate segment;
- the **result on portfolio** of € 2,2 million (€ -0,3 million);
- the **changes in the fair value of financial assets and liabilities (ineffective hedges)** in the amount of € 0,2 million (€ 0,1 million).

The EPRA earnings amounted to € 6,7 million for the first quarter of 2018. Taking into account 18.405.624 weighted average number of shares in the first quarter of 2018 (16.784.521 in the first quarter of 2017), this means that there are **distributable EPRA earnings per share** of € 0,36 (€ 0,36).

¹ The figures between brackets are the comparable figures for the first quarter of 2017.

BALANCE SHEET INFORMATION PER SHARE	31.03.2018	31.12.2017	31.03.2017
Number of shares at end of period	18.405.624	18.405.624	16.784.521
Number of shares entitled to dividend	18.405.624	17.740.407	16.784.521
Weighted average number of shares	18.405.624	17.409.850	16.784.521
Net value (fair value) (€)	20,02	19,52	19,78
Net value (investment value) (€)	20,85	20,35	20,72
Net asset value EPRA (€)	20,11	19,62	19,95
Share price on closing date (€)	23,05	22,49	23,79
Premium with regard to net value (fair value) (%)	15%	15%	20%
Debt ratio (max. 65%)	43,7%	44,6%	44,9%

As at 31 March 2018, the **net value (fair value)** of a share was € 20,02 (€ 19,52 as at 31 December 2017). As the share price of an Interinvest share (INTO) was € 23,05 as at 31 March 2018, the share was listed at a premium of 15% on the closing date compared with the net value (fair value).

2.3. Financial structure

In 2017, in the area of finance, Interinvest improved and prepared its financing and balance sheet structure for the 2018 growth plan.

At the end of the first quarter of 2018, the financial debts of Interinvest amounted to € 299 million (excluding the market value of financial derivatives). The credit portfolio has well-spread **due dates** between 2018 and 2025 and is spread over seven European financial institutions and bond holders.

Some 89% of the credit lines are **long-term financing**, with an average remaining duration of 4,3 years. 11% of the credit lines are short-term financing, 9% of which consist of financing having an unlimited duration and 2% of which consist of loans falling due within one year and which will be refinanced.

In view of the persistent low interest rates on the financial markets in 2017, Interinvest increased the target for the **hedge ratio** to 80%. At 31 March 2018, 73% of the withdrawn credit facilities had a fixed interest rate, or the rate was set by interest rate swaps. 27% had a variable interest rate. The average remaining duration of the hedging instruments is 3,3 years.

The **average interest rate** for Interinvest's financing for the first quarter of 2018 amounted to 2,5%, including bank margins (2,5% as at 31 March 2017).

The **debt ratio** of the company was 43,7% as at 31 March 2018, a decrease of 0,9% compared with 31 December 2017 (44,6%). Based on this debt ratio, as at 31 March 2018 Interinvest also had an additional **investment potential** with borrowed capital of approximately € 87 million before reaching the top of the strategic range of 45%-50%. As at 31 March 2018, Interinvest had a buffer of € 79 million of **non-withdrawn credit lines** to pay the dividend for financial year 2017 in May 2018 and to finance the further growth of the real estate portfolio. Furthermore, issues of debt instruments and share issues to finance further growth will be examined and, where possible, always geared towards the real estate investments pipeline.

The debt ratio of Interinvest amounted 43,7% as at 31 March 2018.

3. Optional dividend

As at 3 May 2018 the board of directors of Interinvest decided to offer shareholders a dividend in cash or shares. They can choose to receive the dividend for 2017 in the form of new ordinary shares, cash, or a combination of these two payment methods.

The conditions for the dividend in cash or shares have been published in the separate press release dated 3 May 2018 and can be found on the company's website in the section "Investors" at <https://www.interinvest.be/en/optional-dividend-shares>.

4. Outlook for 2018

Also in the second half of 2018, Interinvest will continue to work on its strategic **growth plan** involving the reorientation of its office portfolio and the expansion of the logistics real estate portfolio. The intention in doing so is to have the real estate portfolio, which was € 667 million as at 31 March 2018, grow to € 800 million by the end of 2018. Interinvest currently analyses a promising set of potential acquisitions including in the Netherlands.

For **Genk Green Logistics** the contractual agreement with the Flemish Government to acquire the site is expected to be finalised in the second quarter of 2018. A start will be made to market the new construction development on the Ford site.

In the office portfolio, the redevelopment of **Greenhouse BXL** in Diegem will be completed during the course of 2018. The construction works are expected to be completed by mid-2018. Marketing of the site is fully under way. After having attracted the first tenant in 2017, Interinvest aims to be able to welcome more new tenants there in 2018.

The **occupancy rate** of the Interinvest real estate portfolio was 86% as at 31 March 2018. Occupancy rate without taking into account the Greenhouse BXL redevelopment project was 91%. Increasing tenant retention by extending lease duration continues to be the key challenge in the area of asset management, as does further stabilising and possibly improving the occupancy rate in the office segment.



The change in the occupancy rate in the logistics segment will significantly depend on the re-renting of the sites in Puurs and Boom. As at 16 February 2018, Intervest learned via the press of the intention of its tenant Medtronic of closing its logistics site in Opglabbeek. No formal initiative whatsoever has been taken by Medtronic to date, and the current availability agreement remains in force. The annual rent for Medtronic represents 4,7% of Intervest's total contractual rental income. The first possibility to give notice for the agreement is 31 August 2022.

The expected **EPRA earnings** for 2018 will significantly depend on the leases of Greenhouse BXL for the office portfolio and the re-renting of the sites in Puurs and Boom for the logistics segment. The planned growth of the portfolio to € 800 million by the end of 2018 can, in its turn, yield a positive contribution towards the expected results for 2018.

Within the scope of its announced growth strategy, Intervest decided in March 2016 to plan a **gross dividend** of a minimum of € 1,40 per share¹ for financial years 2016, 2017 and 2018.

¹ Subject to approval by the annual general meeting of shareholders to be held in 2019.

Intervest Offices & Warehouses nv, (hereinafter Intervest), 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 invests in high-quality Belgian office buildings and logistics properties that are leased to first-class tenants. The properties in which Intervest invests, consist primarily of up-to-date buildings that are strategically located in the city centre and 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 - Nivelles and Antwerp - Limburg - Liège axis with further extensions in Belgium, the Netherlands and towards Germany. Intervest distinguishes itself when leasing space by offering more than square metres only. The company goes *beyond real estate* by offering 'turnkey solutions' (a tailor-made global solution for and with the customer), extensive services provisioning, co-working and serviced offices.

For more information, please contact:

INTERVEST OFFICES & WAREHOUSES nv, public regulated real estate company under Belgian law,
Jean-Paul SOLS - ceo or Inge TAS - cfo, T. + 32 3 287 67 87.

<http://www.intervest.be/en>

ANNEXES - FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

in thousands €	31.03.2018	31.03.2017
Rental income	11.597	10.446
Rental-related expenses	-27	34
NET RENTAL INCOME	11.570	10.480
Recovery of property charges	139	118
Recovery of rental charges and taxes normally payable by tenants on let properties	5.792	5.140
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-136	-39
Rental charges and taxes normally payable by tenants on let properties	-5.792	-5.140
Other rental-related income and expenses	115	44
PROPERTY RESULT	11.688	10.603
Technical costs	-372	-405
Commercial costs	-36	-54
Charges and taxes on unlet properties	-287	-277
Property management costs	-1.012	-937
Other property charges	-339	-147
Property charges	-2.046	-1.820
OPERATING PROPERTY RESULT	9.642	8.783
General costs	-1.019	-955
Other operating income and costs	-2	-5
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	8.621	7.823
Changes in fair value of investment properties	2.500	-354
Other result on portfolio	-270	104
OPERATING RESULT	10.851	7.573
Financial income	5	1
Net interest charges	-1.886	-1.777
Other financial charges	-3	-2
Changes in fair value of financial assets and liabilities (ineffective hedges)	243	122
Financial result	-1.641	-1.656
RESULT BEFORE TAXES	9.210	5.917
Taxes	-41	-10
NET RESULT	9.169	5.907



in thousands €	31.03.2018	31.03.2017
NET RESULT	9.169	5.907
Note:		
EPRA earnings	6.696	6.035
Result on portfolio	2.230	-250
Changes in fair value of financial assets and liabilities (ineffective hedges)	243	122
Attributable to:		
Shareholders of the parent company	9.169	5.907
Minority interests	0	0
RESULT PER SHARE	31.03.2018	31.03.2017
Number of shares entitled to dividend	18.405.624	16.784.521
Weighted average number of shares	18.405.624	16.784.521
Net result (€)	0,50	0,35
Diluted net result (€)	0,36	0,35
EPRA earnings (€)	0,36	0,36

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands €	31.03.2018	31.03.2017
NET RESULT	9.169	5.907
Other components of comprehensive income (recyclable through income statement)	0	0
COMPREHENSIVE INCOME	9.169	5.907
Attributable to:		
Shareholders of the parent company	9.169	5.907
Minority interests	0	0

CONSOLIDATED BALANCE SHEET

ASSETS in thousands €	31.03.2018	31.12.2017
NON-CURRENT ASSETS	668.104	663.846
Intangible assets	494	501
Investment properties	666.869	662.539
Other tangible assets	555	611
Non-current financial assets	173	182
Trade receivables and other non-current assets	13	13
CURRENT ASSETS	26.482	15.572
Trade receivables	11.152	9.609
Tax receivables and other current assets	3.864	3.471
Cash and cash equivalents	4.292	728
Deferred charges and accrued income	7.174	1.764
TOTAL ASSETS	694.586	679.418
SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	31.03.2018	31.12.2017
SHAREHOLDERS' EQUITY	368.535	359.366
Shareholders' equity attributable to shareholders of the parent company	368.535	359.366
Share capital	167.720	167.720
Share premiums	111.642	111.642
Reserves	58.818	58.818
Net result for the 2017 financial year	21.186	21.186
Net profit for the financial year - first quarter of 2018	9.169	0
Minority interests	0	0
LIABILITIES	326.051	320.052
Non-current liabilities	259.039	255.584
Non-current financial debts	255.421	252.371
<i>Credit institutions</i>	195.691	192.675
<i>Bond loan</i>	59.730	59.696
Other non-current financial liabilities	1.771	2.020
Other non-current liabilities	1.429	1.001
Deferred tax - liabilities	418	192
Current liabilities	67.012	64.468
Current financial debts	43.105	46.805
<i>Credit institutions</i>	43.105	46.805
Other current financial liabilities	0	3
Trade debts and other current debts	3.106	2.290
Other current liabilities	216	217
Accrued charges and deferred income	20.585	15.153
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	694.586	679.418