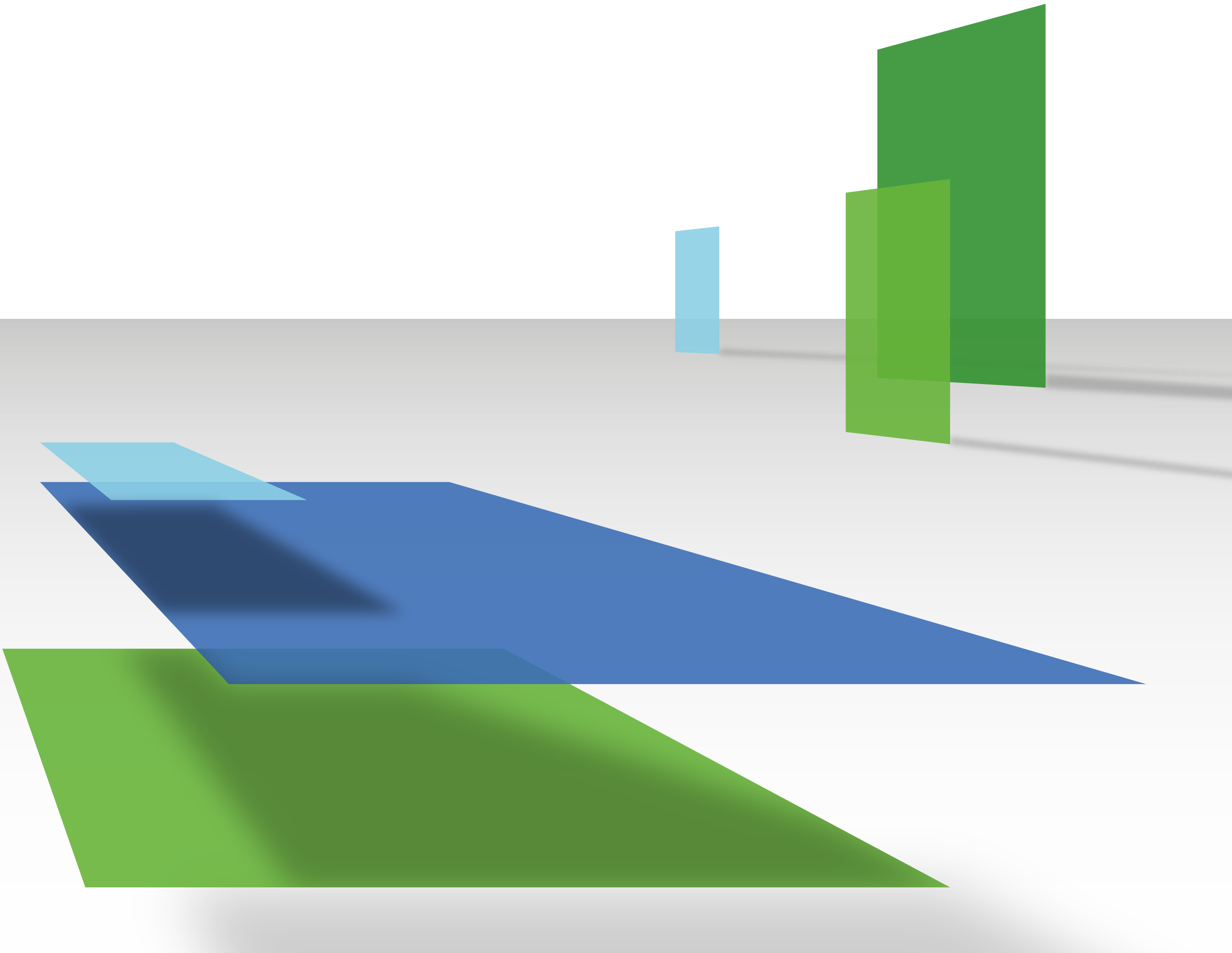
INTERVEST
OFFICES &
WAREHOUSES
Feel Real Estate

ANNUAL REPORT 2015



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Resultaten: dividend

CONTENTS

◄ Sky Building, Berchem
Intervest Offices & Warehouses

RISK FACTORS

◄ Sky Building, Berchem
Intervest Offices & Warehouses

Most important risk factors and internal control and risk management systems

In 2015, the board of directors of Intervest Offices & Warehouses as always focused attention on the risk factors with which Intervest Offices & Warehouses must contend: market risks, operational, financial and regulatory risks .

Permanent changes in the real estate and financial markets require continuous monitoring of market risks, operational, financial and regulatory risks in order to safeguard the results and financial situation of Intervest Offices & Warehouses.

This chapter describes the most important risks that the company faces. On the following pages, the first column states the risk. The second column describes its possible influence on the activities of Intervest Offices & Warehouses, which can arise if the risk materialises. The third column provides an overview of the measures that Intervest Offices & Warehouses takes in order to limit and control any possible negative impact of these risks.

The taken measures and the impact on the figures of these risks are described in detail in separate chapters of this Annual report.

The reader is reminded that these risks are continuously evaluated and that new risks can be identified. This list is therefore non-exhaustive and based on the information that was available at the time this report was published.

In addition, it should be noted that risk management is not an exercise that takes place with a certain frequency, but that it is an inseparable part of the way in which the company is managed. This comprises daily financial and operational management, analysis of new investment files, formulating the strategy and objectives, but also establishing strict procedures for decision-making. Understanding and protecting against risks that arise from internal as well as external factors is essential for achieving a total return in the long term.

1 The numbering under *Limiting factors and control* refers to the *Potential impact* in the adjacent column.

1. Market risks

Description of the risks	Potential impact	Limiting factors and control	Note
Economic climate Material deterioration of economic situation.	1. Decreased demand for offices, storage and distribution space. 2. Increased vacancy rate and/or lower lease rates when re-renting. 3. Decrease in fair value of the property and as a result also a decrease of the net value. 4. Possible bankruptcies of tenants.	• Excellent location of the buildings. (2/3) • Long duration of the lease agreements. (1/2/3) • Sectoral diversification of tenants and a low average contractual lease price. (4) • Quality of tenant base with mainly big national and international companies and a limited annual provision for doubtful debtors. (1/4)	Property report » Composition of the portfolio
Rental market for office buildings and logistics real estate Declining demand for office buildings and logistics real estate, oversupply, weakened financial situation of tenants.	1. Rental income and cash flow affected by an increase of the vacancy rate and costs of re-rental. 2. Decreased solvency of tenant base and increase of doubtful debtors, causing a decrease in the collection ratio of rental income. 3. Decrease in fair value of the real estate portfolio, resulting in a decrease in the net value.	• Diversified tenant base with a restriction on the maximum exposure to one tenant and good sectoral spreading of tenants. (1/2) • Deeply anchored in the market due to years of experience and own commercial teams. (1) • Only sites at strategic logistical hubs or secondary locations with growth potential. (1/3) • High level of construction-technical quality and sustainability that is in accordance with legal norms and standards, implying versatility and multi-functionality. (1/3) • Flexible real estate player who wishes to meet the changing needs of tenants. (1)	Property report » Composition of the portfolio Report of the board of directors » Investment strategy
Type of real estate Decreased attractiveness of the investment properties due to, among other things, deteriorated economic conditions, oversupply of certain real estate segments or changing standards for the sustainability standards of the buildings or in society.	1. Operating result and cash flow affected by lowered rental prices, increase of vacancy rate and commercial costs of re-rental. 2. Decrease in fair value of the investment properties and as result also of the net value and increase of the debt ratio. 3. Not achieving the yield objectives of the investment properties.	• Adequate sectoral and regional spreading. Strategic choice for investments in the offices sector and the logistics sector. When making investment decisions, adequate sectoral spreading is the aim, with a sufficient percentage of investments in liquid real estate markets, as well as a limitation of the exposure of investments in a certain place/region. (1/2/3) • Proactive follow-up and years of experience. The investment properties are valued on a quarterly basis by independent property experts. In this way, trends in the real estate market become visible quickly and measures can be taken proactively. In addition, there is a deep anchor in the market and a strong knowledge of the market due to years of experience and a own commercial teams. (1/2/3)	Property report » Composition of the portfolio Property report » Valuation of the portfolio by the property experts

Description of the risks	Potential impact	Limiting factors and control	Note
Time of investment and divestment Making a transaction (investing/divesting in real estate) entails the inherent risk that, if the transaction takes place at the wrong juncture within the economic cycle, a property could be purchased for a price that is higher than its fair value, or conversely, that it could be sold for a price that is lower than its fair value.	1. Operating result and cash flow affected by lowered rental prices, increase of vacancy rate and commercial costs of re-rental. 2. Decrease in fair value of the investment properties and as a result also a decrease of the net value and a increase of the debt ratio. 3. Not achieving the yield objectives of the investment properties.	• Clear periods of economic boom lead to higher market prices which may, at a later date, be subject to negative adjustments. During this period of economic boom, a more moderate policy will be applied regarding investments. During periods of economic recession, the fair value and occupancy rate of investment properties usually decline. However, once the economy picks up again, a more active investment policy is followed in anticipation of the increasing fair value of investment properties and a more active rental market. In this regard, due care is taken to prevent the debt ratio of the company from rising above the legally permitted levels. (1/2/3)	Report of the board of directors » Investment strategy
		• Adequate sectoral and regional spreading. (1/2/3) • Real estate that is to be purchased and sold must be valued before acquisition or sale by an independent property expert. (1/2/3)	Property report » Composition of the portfolio
Deflation A decrease in economic activity leading to a general decrease in prices.	1. Decrease of rental income, among other things due to downward pressure on market lease levels and a decreased or negative indexation.	• Clause in most lease agreements that stipulates a minimum for the basic rent or states that negative indexation cannot take place. (1)	/
Volatility of interest rates Future fluctuations in the leading short and/or long term interest rates on the international financial markets.	1. Negative influence on the financial charges and thus on the cash flow in case of increased interest rates. 2. Fluctuations in the value of the financial instruments that serve to cover the debts. 3. Possible negative influence on the net value.	• High level of hedging against fluctuations in interest rates by means of derived financial instruments (such as Interest Rate Swaps). (1) • Follow-up of the evolution of interest rates and monitoring its impact on the effectiveness of covering against those risks. (1) • The fluctuations in fair value of the hedging instruments concern a non-realised and non-cash item (if the products are held until due date and are not settled prematurely). (2/3)	Report of the management committee » Financial structure Financial report » Note 19 Financial instruments
Volatility on the financial markets External volatility and insecurity on the international markets.	1. More difficult access to the equity markets to gain new capital/equity capital and reduction of the options surrounding the financing of debt. 2. Fluctuations in the share price. 3. Less liquidity available in the debt capital markets concerning refinancing the outstanding bond loans.	• Frequent dialogue with capital markets and financial counter-parties as well as transparent communication with clear targets. (1/2/3) • Follow-up and management of all risks that can have a negative impact on the perception of investors and financiers of the company. (1/3) • Working towards building up long term relationships with financial partners and investors. (1/3)	Report of the management committee » Financial structure

2. Operational risks

Description of the risks	Potential impact	Limiting factors and control	Note
Investment risk Risk of erroneous investment decisions and inappropriate policy choices.	1. Operating result and cash flow affected by lowered rental prices, increase of vacancy rate and commercial costs of re-rental. 2. Decrease in fair value of investment properties, mainly caused by increasing vacancy rate, unpaid rents, decrease of the rental prices when concluding new lease agreements or when extending existing lease agreements and technical characteristics relating to real estate such as soil pollution and energy performance. 3. Decrease of the net value and increase of the debt ratio.	• Internal checking measures: careful assessment of the risk profile based on market research, estimate of future yields, screening of existing tenants, study of environmental and permit requirements, analysis of tax risks, etc. (1/2/3) • Constant monitoring of changes in economic, real-estate specific and regulatory trends (among other things regarding tax legislation, regulations regarding RRECs, etc.). (1/2/3) • Pursuant to article 49, §1 of the RREC Act, an independent property expert values each acquisition or sale of real estate. (2) • For each disposal, the assessment value determined by the independent property expert is an important guiding principle for the transaction value. (2) • Close supervision of the safeguards put in place during the transaction, both regarding duration and regarding value. (1) • Technical, administrative, legal, accounting and tax due diligence for each acquisition based on continuous analysis procedures, usually with support from external specialised consultants. (1/2/3) • Experience of the management and supervision by the board of directors, during which a clear investment strategy is defined with a long term vision and consistent management of the capital structure. (1/2/3)	Report of the management committee » Important developments in 2015
Negative changes in fair value of the buildings Negative revaluation of the real estate portfolio.	1. Negative influence of the net result and the net value. 2. Negative evolution of the debt ratio.	• The real estate portfolio is assessed every quarter by independent experts, so that trends are visible soon and measures can be taken proactively. (1/2) • Investment policy that is aimed at high quality real estate at strategic logistical hubs and at locations with growth potential. (1) • Well diversified portfolio. (1) • Clearly defined and careful management of the capital structure. (2)	Report of the board of directors » Investment strategy Property report » Valuation of the portfolio by the property experts

<table>
<tr><th>Description of the risks</th><th>Potential impact</th><th>Limiting factors and control</th><th>Note</th></tr>
<tr>
<td rowspan="2">Rental risk

The risk that a building will not be able to be rented for the previously calculated rent (which may or may not result in vacancy). This risk is influenced by the nature and the location of the property, the level of competition with buildings nearby, the target group aimed at and the users, the quality of the real estate, the quality of the tenant and the lease agreement.</td>
<td rowspan="2">1. Operating result and cash flow damaged by downward amendments to rental prices, increase of vacancy rate and commercial costs of re-rental, increase of property charges that are at the expense of the owner, such as service charges that cannot be passed on and property tax.
2. Decrease in fair value of the investment properties and as result also of the net value and a decrease of the debt ratio.
3. Not achieving the intended yields.</td>
<td>• Mitigating the impact of the economic situation on the results by:
∘ Spreading the duration of lease agreements and conducting a periodic analysis of the vacancy risk by means of calendar of lease agreements' expiry dates. The company strives to maintain a balanced distribution of the duration of the lease agreements and timely anticipation of future lease terminations and agreement revisions, all in compliance with rules defined in the applicable leasing legislation. (1/3)
∘ Spreading the risk according to tenants and quality of the tenants, in order to limit the risk of bad debts and improve income stability. (1/3)
∘ Sectoral spreading of investment properties in which tenants are well spread among a large number of different economic sectors. (1/2/3)
∘ Location and quality of investment properties, with offices located on the Antwerp-Brussels axis, which is the most important and most liquid office region in Belgium, and a logistics portfolio at strategic logistical hubs in Belgium. (1/2/3)
• Allocation of a risk profile to each investment property, which is regularly evaluated (based on the company's own local knowledge and data from external parties and/or property valuers). Depending on the risk profile, a certain yield must be realised over a certain period, which is compared with the expected yield according to the internal yield model. On the basis of this, an analysis is made of which objects require additional investments, where the tenant mix must be adapted and which premises are eligible for sale. (1/2/3)</td>
<td>Property report » Composition of the portfolio</td>
</tr>
<tr>
<td>• Lease agreements contain protective elements such as rental deposits and bank guarantees of the tenants, clauses for automatic annual indexation of the rental prices in conformance with the health index and often a mandatory compensation payment from the tenant in case of early termination of the agreement. (1/3)</td>
<td>Financial report » Note 4 Recovery of property charges</td>
</tr>
</table>

Description of the risks	Potential impact	Limiting factors and control	Note
Cost control risk Risk of unexpected volatility and an increase in operating costs and maintenance investments.	1. Operating result and cash flow impacted, unexpected fluctuations in the property charges.	• Periodic comparison of maintenance budgets with the current situation. (1) • Approval procedures when entering into maintenance and investment obligations, in which one or multiple quotations are requested from various contractors based on the amount. The technical department then conducts a comparison of the price, quality and timing of the works. Depending on the size of the amount quoted for the works to be carried out, there are various levels of approval within the company. (1) • Proactive policy regarding maintenance of the buildings and constant screening of the buildings by the technical managers and the commercial teams in their daily discussions with the tenants. (1) • Timely drawing up and close following of investment budgets on the long term for thorough renovations and upgrades. (1)	Financial report » Note 5 Property charges
Risk relating to the deteriorated condition of the buildings and the risk of major works Risk of constructional and technical deterioration in the life cycle of buildings: the state of the buildings deteriorates due to wear and tear of various parts because of normal ageing and constructional and technical ageing.	1. Operating result and cash flow damaged by downward amendments to rental prices, increase of vacancy rate and commercial costs of re-rental, increase of property charges that are at the expense of the owner, such as service charges that cannot be passed on and property tax. 2. Maintenance and renovation costs and investments are necessary to achieve the rental price estimated beforehand. 3. Decrease in fair value of the investment properties and as result also of the net value and decrease of the debt ratio.	• Proactive policy regarding maintenance of the buildings. (1) • Constant monitoring of the investment plan in order to guarantee the quality of the portfolio. (1/2/3) • Ad hoc redevelopment and renovation of outdated buildings alongside regular investments in quality and sustainability.(1/2/3) • At the time of the termination of the lease agreement, the tenant (in accordance with the contractual agreements made in the lease agreement) must pay the company a refurbishment fee for rental damage. Rental damage is determined by an independent expert, who compares the incoming inventory of fixtures with the outgoing inventory of fixtures. These compensations for damage can be used to prepare the space for occupation by the next tenant.(1) • Sale of outdated buildings. (1/2/3)	Report of the management committee » Important developments in 2015 » Operational and commercial optimisations (Sky Building and Diegem Campus)
Destruction of the buildings The risk that buildings are destroyed by fire or other disasters.	1. Operating result and cash flow affected by loss of rental income and loss of tenants. 2. Decrease in fair value of the investment properties and as result also of the net value and decrease of the debt ratio.	• The real estate portfolio is insured for reconstruction value excluding the premises on which the buildings are located. (1/2) • The insurance policies also include additional guarantees for the real estate properties becoming unfit for use, such as loss of rental income, costs for maintenance and cleaning up the property, claims of tenants and users and third party claims. The lost rental income is reimbursed as long as the building has not been rebuilt, without time limit. (1/2)	Property report » Overview of the portfolio » Insured value

Description of the risks	Potential impact	Limiting factors and control	Note
Debtor's risk The risk that the company decides it does not want to rent the building to a specific tenant for the rent which was estimated beforehand (resulting in a higher vacancy rate) or that the rent cannot (or can no longer) be collected due to solvency problems.	1. Operating result and cash flow impacted by loss of rental income and write-off of uncollected trade receivables, as well as an increase of the costs that cannot be passed on to the tenant due to vacancy. 2. Decrease in fair value of the investment properties and as result also of the net value and decrease of the debt ratio.	• Clear procedures for screening tenants when new lease agreements are concluded. (1/2) • Deposits or bank guarantees are always insisted upon when entering into lease contracts. In the standard rental contract for offices, a rental deposit or bank guarantee is applied that equals 6 months of rent in value, and one that equals 4 months of rent in value for logistics buildings. (1) • Strict debtor management in order to safeguard timely collection of lease receivables and adequate follow-up of rent arrears. (1) • Rents are payable in advance on a monthly or quarterly basis. For rental charges and taxes which may be contractually passed on to the tenants, a quarterly provision is requested. (1)	Financial report » Note 14 Current assets » Trade receivables and Note 4 Property result » Rental-related expenses
Legal and tax risks: contracts and corporate reorganisations Inadequate contracts concluded with third parties.	1. Negative impact on operating result, cash flow and net value. 2. Not achieving the yield objectives of the investment properties. 3. Reputation damage.	• If the complexity requires so, contracts concluded with third parties are checked by external consultants.(1/2/3) • Insurance against liability arising from the activities or investments by means of a third party liability insurance that covers physical injury and material damage. In addition, the board members and members of the management committee are insured for board member liability. (1/2) • Corporate reorganisations (merger, demerger, partial demerger, contribution in kind, etc.) are always subject to due diligence activities, guided by external consultants to minimise the risk of legal and financial errors. (1/2/3)	Property report » Overview of the portfolio » Insured value
Turnover of key staff Risk of key staff leaving the company.	1. Negative influence on existing professional relationships. 2. Loss of decisiveness and efficiency levels in the management decision-making process.	• Remuneration in line with the market. (1/2) • Working in teams, avoiding individuals being responsible for important and strategic tasks. (1/2) • Clear and consistent procedures and communication. (1/2)	Financial report » Note 7 Employee benefits

Description of the risks	Potential impact	Limiting factors and control	Note
Compliance risk The risk of an inadequate level of compliance with relevant legislation and regulations and the risk of employees not acting with integrity.	1. Negative influencing of the entire business and operations, the result, the profitability, the financial position and forecast. 2. Reputation damage.	• Extra attention is paid to screening integrity when recruiting new staff. Awareness is created around this risk among staff and it is ensured that they have sufficient knowledge about changes in the relevant legislation and regulations, supported by external legal advisers. To ensure a corporate culture of integrity, an internal code of conduct and whistle-blowing rules have been defined. (1/2) • Adequate internal control mechanisms based on the “four eyes” principle. These mechanisms are intended to limit the risk of behaviour without integrity. (1/2) • Presence of an independent compliance function (pursuant to article 17, §4 of the RREC Act) focused on examining and promoting compliance with the rules relating to the integrity of its business activities. The rules concern those resulting from the company’s policy, the status of the company and other legal and regulatory provisions. In other words, this concerns an element of corporate culture, with an emphasis on honesty and integrity and adherence to high ethical standards in doing business. In addition, both the company and its employees must behave with integrity, i.e. honestly, reliably and in a trustworthy manner. (1/2)	Report of the board of directors » Corporate Governance statement » Independent control function

3. Financial risks

Description of the risks	Potential impact	Limiting factors and control	Note
Financing risk A relative increase in borrowed capital compared to shareholders' equity can result in a higher yield (known as "leverage"), but simultaneously brings increased risk.	1. Being unable to meet interest and repayment obligations of borrowed capital and other payment obligations when yields from real estate are disappointing and when the fair value of investment properties decreases. 2. Not obtaining financing with new borrowed capital or only against very unfavourable terms. 3. The forced sale of investment properties against less favourable conditions in order to be able to meet payment obligations, with a negative impact on the results and the net value.	• Balance between shareholders' equity and borrowed capital for financing the real estate while keeping the debt ratio between 50% and 55%. This may be temporarily derogated from if specific market conditions require. (1/2/3) • A balanced spread of refinancing dates of the long-term financing with an average duration between 3,5 and 5 years. This may be temporarily derogated from if specific market conditions require. (1/2) • Aiming at safeguarding access to the capital market through transparent provision of information, regular contacts with financiers and shareholders (and potential shareholders) and increasing the liquidity of the share. (1/2/3)	Report of the management committee » Financial structure
Banking covenant risk Risk of failure to observe certain financial parameters within the framework of the credit facility agreements and the legal requirements that apply to the company: the bank credit facility agreements are subject to compliance with financial ratios that mainly concern the consolidated financial debt level or the financial interest charges. These ratios limit the amount that can be borrowed. In addition there is a limitation of borrowing capacity due to the maximum debt ratio that the regulations on RRECs allow.	1. Cancellation, renegotiation, termination or undue financing agreements becoming due from the financial institutions when ratios imposed are no longer respected.	• Careful financial policy with continuous monitoring in order to fulfil financial parameters. (1) • Follow-up of the changes in the debt ratio at regular intervals and prior analysis of the influence of every intended investment operation on the debt ratio. (1) • Drawing up a financial plan with an implementation scheme as soon as the consolidated debt ratio as defined in the RREC Royal Decree amounts to over 50%, pursuant to art. 24 of the RREC Royal Decree. (1)	Report of the management committee » Financial structure

Description of the risks	Potential impact	Limiting factors and control	Note
Liquidity risk Risk of insufficient cash flows to meet daily payment obligations.	1. Operating distributable result and cash flow influenced by increase of the cost of debts due to higher bank margins. 2. Financing for interest payments, capital or operational costs being unavailable. 3. Impossibility to finance acquisitions or developments.	• Limiting this risk by means of the measures mentioned under operational risks, which reduces the risk of loss of cash flows due to e.g. vacancy or bankruptcies of tenants. (1) • Sufficient credit margin with financiers to absorb fluctuations in liquidity requirements. In order for the company to avail itself of this credit margin, the conditions of credit facilities must be complied with on a continuous basis. (1/2/3) • Constant dialogue with financing partners in order to build up a sustainable relationship with them. (2) • Conservative and careful financing strategy with balanced distribution of due dates, diversification of the financing sources and financing partners. (1/2)	Report of the management committee » Financial structure
Interest rate risk As a result of financing with borrowed capital, the operating distributable result and the yield are also dependent on future interest rate developments.	1. Operating distributable result and cash flow influenced by increase of the cost of debts.	• A ratio of the borrowed capital of one third with a variable interest and two thirds of borrowed capital with a fixed interest rate when composing the credit facility portfolio. (1) • Protection against the risk of increasing interest rates by using hedging instruments. Depending on the developments in interest rates, a derogation from this may occur. (1) • Aiming at a balanced distribution of interest reviewing dates and a duration of at least 3 years for long-term financing. This may be temporarily derogated from if specific market conditions require. (1)	Report of the management committee » Financial structure Financial report » Note 19 Financial instruments
Risk associated with the use of financial derivatives In case of unfavourable market developments (for example a sharp decline in interest rates), derivatives receive a negative value in order to hedge the interest rate risk.	1. Complexity and volatility of the fair value of the hedging instruments and therefore also of the net result and the net value. 2. Counter-party risk towards the party with whom the financial derivatives have been concluded (see also 'Risk associated with banking counter-parties').	• Fluctuations in fair value of the hedging instruments allowed have no impact on the cash flow since these financial derivatives are kept until the due date of these contracts. Only settlement before the due date would result in extra charges. (1) • All financial derivatives are only used for hedging purposes. No speculative instruments are used. (1)	Report of the management committee » Financial structure Financial report » Note 19 Financial instruments

Description of the risks	Potential impact	Limiting factors and control	Note
Risk associated with banking counter-parties The conclusion of financing contracts or the use of a hedging instrument with a financial institution gives rise to a counter-party risk if this institution remains in default.	1. Operating distributable result and cash flow impacted by additional financial costs and in some extreme circumstances termination of the refinancing contract or the hedging instrument. 2. Loss of deposits.	• Relying on various reference banks in the market to ensure a certain diversification of sources of financing and interest rate hedges, with particular attention for the price-quality ratio of the services provided. (1/2) • Regular revision of the banking relations and exposure to each of them. (1/2) • Tight control of cash position so that the cash position at financial institutions is in principle limited and the cash surplus is used to reduce financial debts, unless it has already been designated for new investments. (2)	Report of the management committee » Financial structure Financial report » Note 18 Non-current and current financial debts
Risk associated with the debt capital markets The risk of being shut out of the international debt capital market should investors fear that the company's credit standing is too low to comply with the annual interest payment obligation and the repayment obligation on the expiry date of the financial instrument to be applied. Risk that the debt capital market will be too volatile to convince investors to purchase the company's bonds.	1. Financing of the day-to-day operations and further growth of the company being unavailable.	• Proactively maintaining good relations with current and potential bondholders and shareholders as well as with current and potential bankers by means of transparent disclosure of information, regular contacts with financiers and shareholders (and potential shareholders) and by increasing the liquidity of the share. (1) • Policy to keep the debt ratio between 45% and 50% (regardless of the legal stipulation for RRECs allowing a debt ratio of 65%). (1)	Report of the management committee » Financial structure
Financial reporting risk Risk that the financial reporting of the company contains material inaccuracies that would lead to stakeholders being informed incorrectly regarding the operational and financial results of the company. Risk that the timing of financial reporting stipulated by regulations is not respected.	1. Reputation damage. 2. Stakeholders making investment decisions that are not based on the right information, which in turn can result in claims being filed against the company.	• Each quarter, a complete closing and consolidation of the accounts is prepared and published. These quarterly figures are always analysed in detail and checked internally. (1/2) • Discussion of these figures within the management committee and checking their completeness and correctness by analyses of rental incomes, operational costs, vacancy rate, leasing activities, the change of the value of the buildings, outstanding debts, etc. Comparisons with forecasts and budgets are discussed. (1/2) • The management committee presents the financial statements to the audit committee each quarter, along with a comparison of annual figures, budget, and explanations for derogations. (1/2) • Checking of the half-yearly figures and the annual figures by the statutory auditor. (1/2)	Financial report » Statutory auditor's report

4. Regulatory risks

Description of the risks	Potential impact	Limiting factors and control	Note
Status of public RREC (subject to the stipulations of the Act of 12 May 2014 on regulated real estate companies and the Royal Decree of 13 July 2014 on regulated real estate companies). Risk of loss of recognition of status of public RREC. Exposure to the risk of future changes in the legislation governing RRECs.	1. Loss of the beneficial tax system for RRECs. 2. Loss of recognition is viewed as an event that causes credit to become due before their due date.	• Continuous attention of the board of directors and the management committee for regulations surrounding RRECs and retaining the status of public RREC. As such, among other things the distribution requirement and funding limits are calculated or determined periodically and on an ad hoc basis when refinancing, investing and preparing the dividend proposal. (1/2)	General information » RREC — legal framework
Legal and tax risks: tax-related Non-compliance with or changes to the rules required by the transparent tax regime of the RREC.	1. Loss of tax status and mandatory repayment of certain credits in case of non-compliance with the rules. 2. Negative impact on the results and net value in case of any changes to the regime. 3. Reputation damage.	• Constant monitoring of the legal requirements and their compliance, with the support of specialised external consultants. (1/2/3)	General information » RREC — legal framework
Legal and tax risks: regulation and administrative procedures The changes in regulations on urban planning and environmental protection can have an adverse effect on the long-term operation of a building.	1. The strict enforcement and observance of urban planning regulations by municipal governments can negatively influence the attractiveness of an investment property and its fair value. 2. The introduction of new or stricter standards regarding soil pollution or energy consumption can have an influence on the costs which have to be made in order to operate well. 3. Negative impact on the results and the net value. 4. Not obtaining the expected yields of the investments properties.	• Constant monitoring of the legal requirements and their compliance, if required, with the support of specialised external consultants. (1/2/3/4)	/

Description of the risks	Potential impact	Limiting factors and control	Note
Changes to international accounting standards (IFRS) Changes to international reporting standards (IFRS).	1. Possible influence on reporting, capital requirements, use of derived financial products, organisation of the company. 2. This can result in impact on transparency, achieved yields and possibly also valuation.	• Continuous evaluation of the changes regarding legal requirements and their compliance, with the support of specialised external consultants and the sectoral body. (1/2)	Financial report » Principles of financial reporting
Risk of expropriation Expropriation within the framework of public expropriations by competent government authorities.	1. Loss in value of the investments and forced sale at a loss. 2. Loss of income due to lack of reinvestment opportunities.	• Continuous dialogue with the government in order to come to constructive solutions in the interest of all shareholders. (1/2)	/
Changes to several legislations New legislation and regulations could enter into force or possible changes in the existing legislation and regulations or their interpretation and application by agencies (including tax administration) or courts could appear.	1. Negative influence on the activities, the result, the profitability, the financial situation and the outlook.	• Continuous monitoring of existing, potential changing of future new legislation, regulations and requirements and their compliance, with the support of specialised external consultants. (1)	/

1 As with existing practices within tax administration, in particular those mentioned in circular Ci.RH.423/567.729 of 23 December 2004 of the Belgian Ministry of Finances on calculating the exit tax, which, among others, specifies that the actual value of the real estate properties upon which the exit tax is calculated is determined by taking into account the registration fees or VAT that would be applied upon a sale of the real estate properties in question, which can differ from (which includes being lower than) the fair value of these assets as determined for IFRS purposes in the financial statements.


D30
D29

History and milestones

◄ Liège

History and milestones

1996
Foundation

1999
Acquisition of office buildings Atlas Park and Airway Park in the Brussels periphery

2001
Acquisition of office buildings in Antwerp, Mechelen (including Mechelen Business Tower) and the Brussels periphery (including Woluwe Garden)

2002
Acquisition of a logistics portfolio containing 18 properties

Acquisition of office buildings in the Brussels periphery and on Mechelen Campus (phase 1)

Acquisition of logistics sites in Puurs and Merchtem

2007
Acquisition of office buildings at Mechelen Campus (phase 3)

Acquisition of a office building in Brussels periphery, Exiten

Divestment of 6 office buildings (including Atlas Park and Airway Park)

2010
Sale of office buildings in Ghent

2011
Investment in logistics sites in Huizingen, Oevel and Houthalen

Building of development project Herentals Logistics 2

Divestment of a semi-industrial building Eigenlo in Sint-Niklaas

Name change, addition of "& Warehouses"

2013
Building of a new adjoining building that connects existing logistics sites in Oevel

Divestment of a semi-industrial building in Kortenberg

2014
Acquisition of a logistics site in Opglabbeek

Divestment of a semi-industrial building in Meer

2005

Acquisition of office buildings at Mechelen Campus (phase 2)

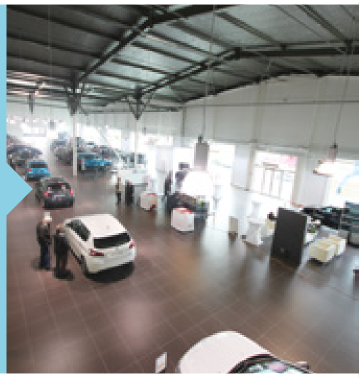
2009

Acquisition of logistics site Herentals Logistics 1

2012

Partial redevelopment of Wilrijk 1 into Peugeot showroom

Acquisition of a second logistics site in Oevel



2015

Acquisition of a logistics site in Liège

Divestment of a semi-industrial building in Duffel

KEY FIGURES

◄ Mechelen Campus
RE:flex

1. Company

About Intervest Offices & Warehouses

Intervest Offices & Warehouses is a public regulated real estate company (RREC) under Belgian law since 27 October 2014.

Since 1999 the company is listed on Euronext Brussels (INTO). Intervest Offices & Warehouses specialises in investments in office buildings (51%) and in high-quality logistics properties (49%), strategically situated on good locations outside municipal centres.

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

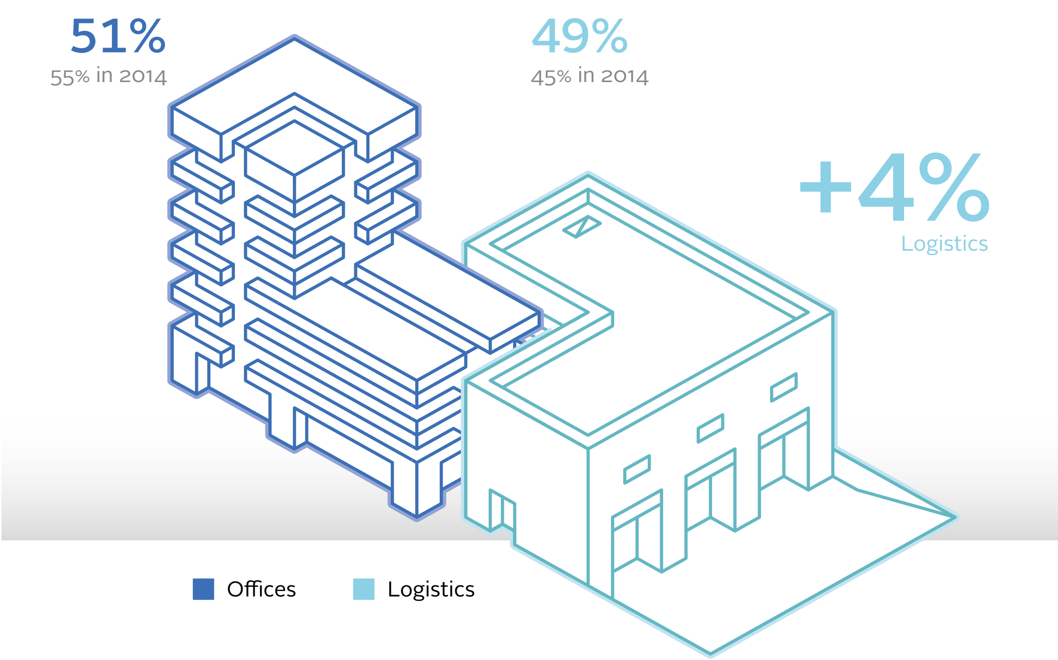
The total leasable space amounts to 717.073 m² and represents a fair value of € 634 million. The portfolio has an occupancy rate of 90%.

The company enjoys a high dividend yield and has a sound financial structure.

2. Real estate portfolio

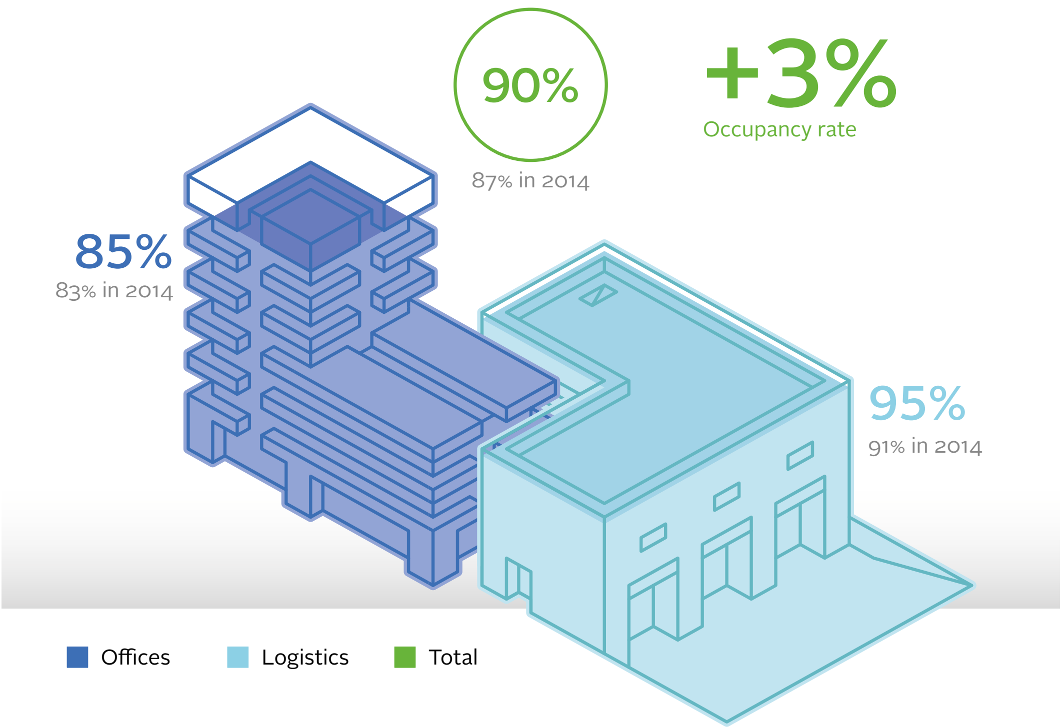
Nature of the real estate portfolio

Strategic shift in the portfolio towards logistics real estate: as at 31 December 2015, 51% of the portfolio consisted of offices and 49% of logistics properties.



Occupancy rate

*Improvement of the occupancy rate by 3% in 2015:
90% as at 31 December 2015 (87% as at 31 December 2014); the occupancy rate of the offices in the portfolio increased by 2% to 85%, the occupancy rate of the logistics portfolio increased by 4% to 95%.*

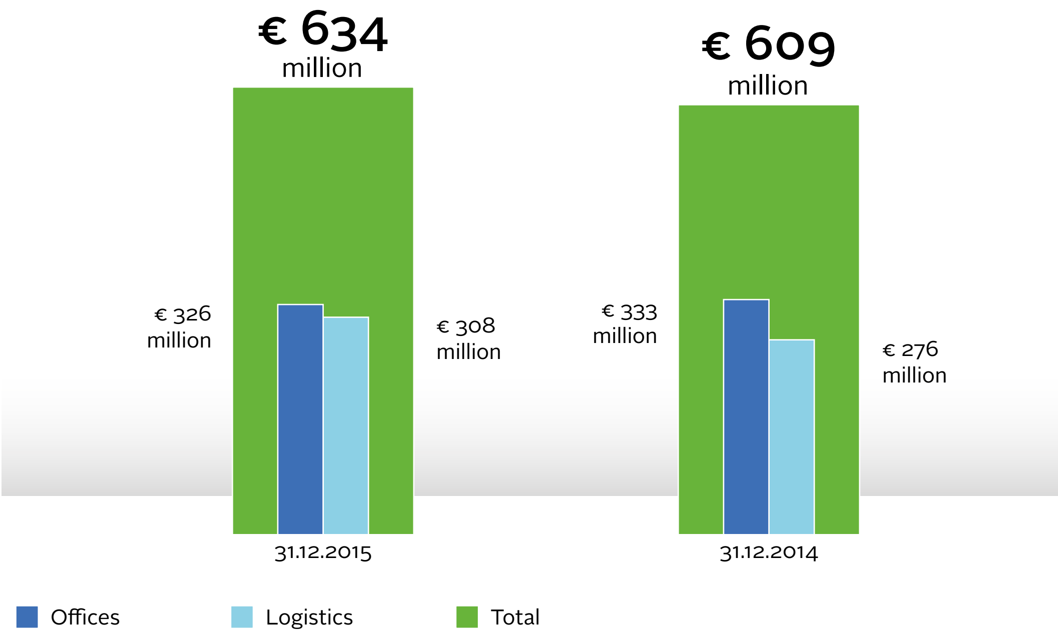


Total leasable space

*The total leasable space increased by 6% to 717.073 m²
as at 31 December 2015 (674.156 m² as at 31 December 2014).*

Evolution of fair value of the investment properties

The fair value of the entire real estate portfolio increased to € 634 million as at 31 December 2015.

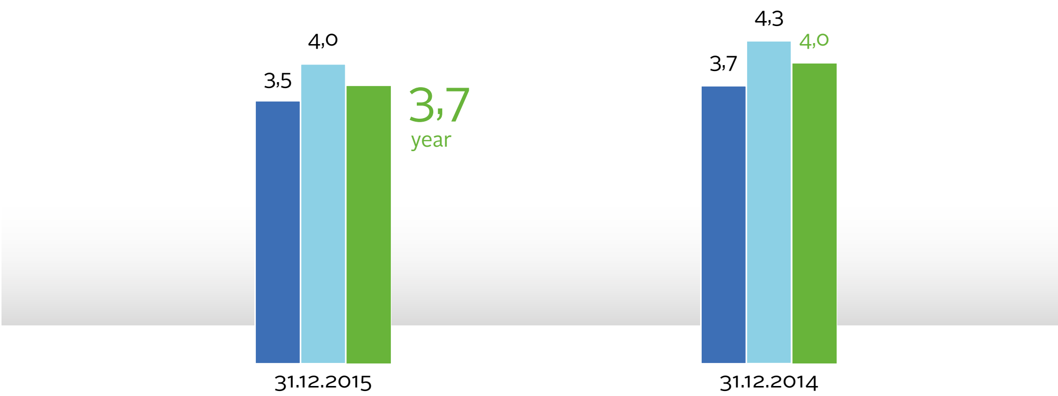


Expansion of the logistics portfolio by 11%[1] in 2015 through the acquisition of a modern logistics site of approximately 52.000 m² at a prime location in Liège for € 29 million, with an initial net yield of 8,2%.

Without taking into account the investments and divestments achieved in 2015, the fair value of the existing real estate portfolio decreased by 1%, with the logistics segment recording an increase in value of 1% and the offices a decrease in value of 3%.

1 With unchanged composition of the logistics portfolio compared with 31 December 2014.

Average remaining duration of lease agreements



Active year in terms of rental activity: prolongation of lease agreements amounting to 15% of the total annual net rental income. In addition, lease agreements were concluded in 2015 with new tenants representing 4% of the total annual net rental income.

Turn-key solutions

Turn-key solutions have been rolled out further, in new rentals as well as upon the prolongation of existing agreements. This change clearly fits within the trend of "unburdening" the customer.

RE:flex

Expansion of the RE:flex concept in Mechelen and planned opening of a new branch in Antwerp, Sky Building in 2016.

▲ FIVE 4 U, Mechelen Campus

▲ RE:flex, Mechelen Campus

3. Balance sheet information

KEY FIGURES	31.12.2015	31.12.2014
Equity (€ 000)	321.736	314.167
Liabilities (€ 000)	326.663	304.423
Debt ratio (%)	48,2%	46,6%
Market capitalisation (€ 000)	395.753	363.238

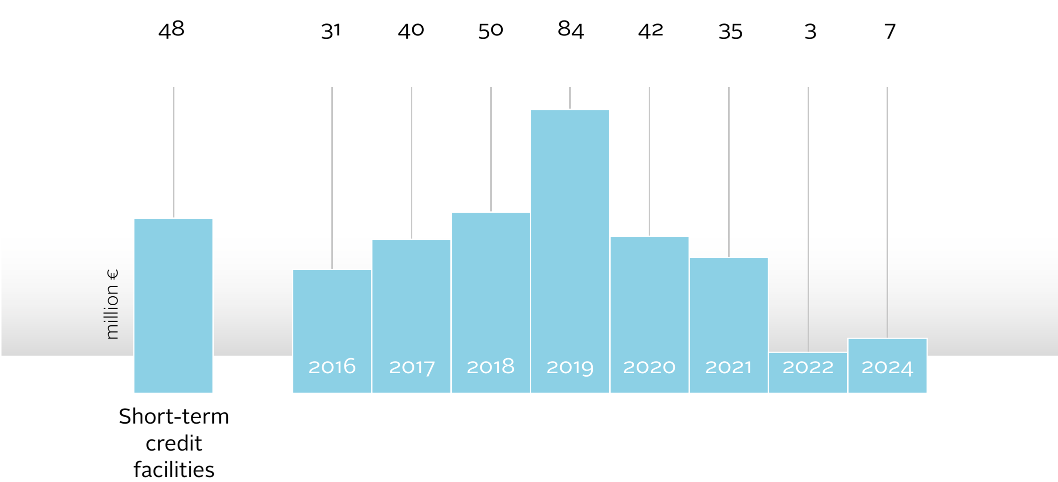
Strengthening of the equity by € 2 million through an optional dividend for financial year 2014 in May 2015, with 15% of the shareholders opting for shares.

Debt ratio of 48,2% as at 31 December 2015.

KEY FIGURES PER SHARE	31.12.2015	31.12.2014
Number of shares at year-end	16.239.350	16.143.906
Number of shares entitled to dividend	16.239.350	14.777.342
Net value (fair value) (€)	19,81	19,46
Net value (investment value) (€)	20,75	20,36
Share price on closing date (€)	24,37	22,50
Premium to net value (fair value) (%)	23%	16%

Further optimisation of credit lines expiry date spreading and a decrease of the average interest rate for financing, from 4,0% in the first semester of 2015 to 3,1% in the second semester of 2015.

Expiry calendar financing



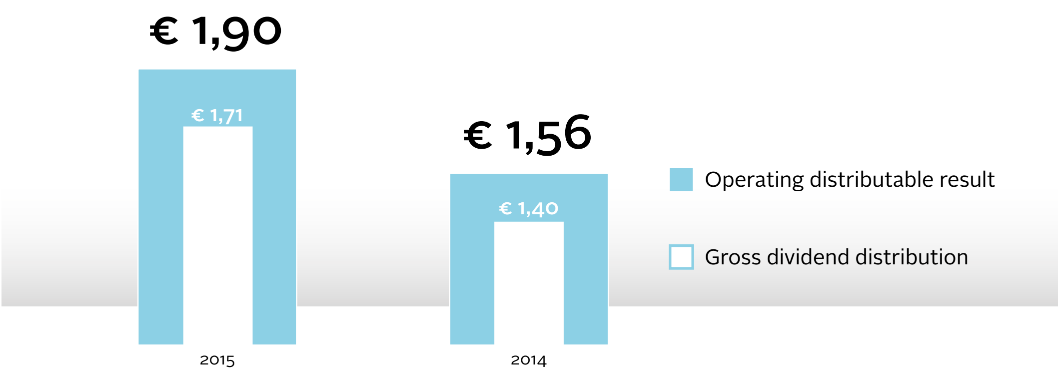
4. Results 2015

RESULTS (€ 000)	2015	2014
Operating distributable result	30.859	23.038
Result on portfolio	-5.465	-6.404
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	558	-344
Net result	**25.952**	**16.290**

RESULTS PER SHARE	2015	2014
Number of shares entitled to dividend	16.239.350	14.777.342
Operating distributable result (€)	1,90	1,56
Pay-out ratio (%)	90%	90%
Gross dividend (€)	1,71	1,40
Net dividend[1] (€)	1,2483	1,0500

The operating distributable result amounted in 2015 to € 1,90 per share (€ 1,56 in 2014).

Dividend distribution: € 1,71 per share



The gross dividend of Intervest Offices & Warehouses amounted to € 1,71 per share for financial year 2015, offering a gross dividend yield of 7,0% based on the share price on closing date as at 31 December 2015.

Dividend pay-out ratio of 90% in 2015.

1 The withholding tax on dividends of public regulated real estate companies was increased from 25% to 27% (except in case of certain exemptions) as of 1 January 2016 as a result of the Act of 26 December 2015 on strengthening job creation and purchasing power, published in the Belgian Official Gazette of 30 December 2015.

5. EPRA

EPRA - KEY FIGURES PER SHARE[1]	31.12.2015	31.12.2014
EPRA Earnings (€)	1,90	1,57
EPRA NAV (€)	20,09	19,77
EPRA NNNAV (€)	19,47	19,02
EPRA Net Initial Yield (NIY) (%)	6,6%	6,4%
EPRA Topped-up NIY (%)	7,0%	6,9%
EPRA Vacancy rate (%)	11,5%	14,8%
EPRA Cost Ratio (including direct vacancy costs) (%)	15,4%	15,2%
EPRA Cost Ratio (excluding direct vacancy costs) (%)	13,7%	13,3%

6. Financial calendar 2016[2]

JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

Fri 5
Announcement of annual results as at 31 December 2015

Wed 27 at 16h30
General meeting of shareholders

Tue 3
Ex dividend date

Wed 4
Record date dividend

as of Thur 26
Dividend payment

Tue 3
Interim statement on the results as at 31 March 2016

Fri 29
Half-yearly financial statement as at 30 June 2016

Fri 28
Interim statement on the results as at 30 September 2016

Broader shareholder base and support from several reference shareholders through sale by majority shareholder NSI nv of 35% of shares in Intervest Offices & Warehouses in June 2015.

1 Financial performance indicator calculated according to EPRA's Best Practices Recommendations (European Public Real Estate Association). These data are not required by regulation regarding regulated real estate companies and are not subject to a control by government authorities. These figures are not audited by the statutory auditor except the EPRA Earnings, the EPRA NAV and the EPRA NNNAV. See also www.epra.com.

2 Potential changes to the financial calendar shall be disclosed through a press release, if occurring, to be consulted on the website of the company, www.intervest.be.

▲ Biocartis, Intercity Business Park

LETTER TO THE SHAREHOLDERS

◄ Liège

Dear Shareholders,

We are delighted to inform you that we have been able to achieve a number of core strategic objectives in 2015. Important steps have been taken with regard to shifting the emphasis of the portfolio towards logistics real estate through acquisition of a logistics site in Liège. The occupancy rate has improved by 3%, 19% of annual net rental income has been extended or renewed, the underlying operating distributable result has been improved by 12% and the RE:flex concept has been expanded further, to name just a few achievements

The strategic shift towards logistics real estate emerges in the altered ratio between the two segments of the real estate portfolio.
Intervest Offices & Warehouses expanded its logistics portfolio in 2015 with a € 29 million investment in Liège, accounting for growth of approximately 11%[1] in the logistics portfolio. This is one of the reasons why 49% of the total real estate portfolio consisted of high quality logistics real estate as at 31 December 2015, with the ratio between both segments of the real estate portfolio being 51% offices and 49% logistics properties at the end of 2015. At the end of 2014, this ratio was 55% offices and 45% logistics real estate. This means a shift of 14% towards the logistics real estate market over the past 5 years.

Strategic shift

51%
Offices

49%
Logistics real estate

The occupancy rate of the real estate portfolio increased by 3% to 90% as at 31 December 2015. The occupancy rate of the logistics portfolio increased by 4% to 95% due to the purchase of the site in Liège and additional leases in logistics sites on the Antwerp-Mechelen and the Antwerp-Liège axes. Despite the difficult climate in the offices market, the occupancy rate of offices improved from 83% to 85% due to leases in the three office regions in the portfolio (Antwerp, Mechelen and Brussels periphery).

+3%
Occupancy rate
from 87% to 90%

Intervest Offices & Warehouses had another very active year when it comes to leases: 19% of annual net rental income were extended or renewed. A total of 62 rental transactions were concluded with new or existing tenants for 117.612 m².
In 2015, the rental activity continued to focus primarily on extending existing lease agreements, both for the office market and logistics real estate. A total of 15% of the annual net rental income was extended in 2015. Leases to new tenants were limited to 4% of total net rental income in both real estate segments.

15%
Annual rental income extended

4%
New lease agreements

The operating distributable result for financial year 2015 amounted to € 30,9 million, representing an increase of € 7,9 million or 34% compared to 2014. This increase is due to the 15% increase in rental income, amounting to € 6,1 million, mainly because of the acquisition of two logistics sites, one in Opglabbeek in December 2014 and the other in Liège in February 2015. The refurbishment fees from leaving tenants increased by € 2,2 million in 2015 due to the one-time refurbishment fee allocated to tenant Deloitte, which will leave Diegem Campus as at 31 December 2016.

+34%
Operating distributable result

Taking into account 16.239.350 dividend-entitled shares, this means that there is an operating distributable result per share of € 1,90 for financial year 2015, compared to € 1,56 last year, amounting to an increase of 22%.
The operating margin of Intervest Offices & Warehouses was 91% for financial year 2015.

Underlying operating distributable result

+12%
without one-time revenue

1 With unchanged composition of the logistics portfolio compared with 31 December 2014.

Without taking into account the one-time € 2,5 million allocated refurbishment fee from departing tenant Deloitte, the operating distributable result for 2015 would increase with € 5,4 million and amount to € 28,4 million. This would amount to € 1,74 per share and equal an increase of € 0,18 or 12% compared to the financial year of 2014.

€ 1,71
Gross dividend distribution

Based on a pay-out ratio of 90%, we can offer you a gross dividend of € 1,71 per share for the financial year 2015, compared to € 1,40 for 2014. This gross dividend offers shareholders of the company a gross dividend yield of 7,0% based on the closing share price of € 24,37 as at 31 December 2015.

€ 634 million
Fair value real estate portfolio

The fair value of the existing real estate portfolio (excluding new acquisitions and divestments) decreased in 2015 by approximately € 5 million or 1%. The logistics segment saw a € 4 million increase in value, approximately 1%, due to new leases and extensions of existing lease agreements, while offices decreased in value by € 9 million, approximately 3%, mainly due to adjustment of the yields of certain office buildings in the Brussels region and new lease agreements at lower rents.
The fair value of the total real estate portfolio of Intervest Offices & Warehouses increased to € 634 million as at 31 December 2015.

Registered office moved to renovated
Sky Building

Since mid-August 2015, the registered office of Intervest Offices & Warehouses are located at the renovated office building Sky Building, at Uitbreidingstraat 66, Berchem (Antwerp) and the offices of the company have moved to the fifth and the sixth floor of that building. For this renovation, Intervest Offices & Warehouses worked according to its own tried and tested turn-key solutions approach. In this approach, a specialised and complementary team offers a fully bespoke solution, ranging from fitting-out plans and supervision of the works to coordination of the occupancy process, and closely monitors the pre-set timeframe and appointed budget.

Other recent examples of the turn-key solutions approach in which tenants receive support in the decoration and delivery of their modified offices are Cochlear at Mechelen Campus, Bloc in Brussels 7, Five 4 U at Mechelen Campus and also a.o. SKS and Mercuri Urval in the renovated Sky Building. The many positive responses from the clients serve as an encouragement to Intervest Offices & Warehouses in further expanding this approach in the office portfolio.

The office market is marked by an ever shrinking demand for floor space, while the needs of customers with regard to what is called the “new way of working” continue to evolve. The need to remain competitive in such a market environment calls for an innovative and service-oriented approach.
The expansion of the flexible business hub RE:flex in Mechelen bears out the need for flexible and high-tech office, conference and event space. In addition, decoration works have started in the Sky Building in Berchem in order to create a second RE:flex with co-working spaces, meeting rooms and catering facilities. It is expected that this RE:flex will be able to open in the second quarter of 2016.

2nd RE:flex
Expansion to Berchem

In the area of environmental protection, care for the well-being of customers and staff, and long-term economic profitability with attention to social commitment and corporate governance, the company continued its efforts throughout 2015. Certification has been rolled out further during the past year. This certification takes place on the basis of the BREEAM-In-Use (Building Research Establishment Environmental Assessment Methodology-In-Use, or in short “BIU”) methodology. BIU assesses the sustainability of existing buildings with respect to building physics, operational management and control, as well as the use of the building. This process will be continued in 2016.

Intervest Offices & Warehouses also continued to work on the energy performance of the buildings in the real estate portfolio.
Energy efficiency has been achieved by converting to LED lighting, as for example at Q8 (Kuwait Petroleum) in Gateway House and installing an energy monitoring system in all buildings at Mechelen Campus. In 2015, a number of roofs of Intercity Business Park and Berchem Technology Center have been renovated. By opting for extra roof insulation, the energy consumption has also been reduced here.

In the area of financing Intervest Offices & Warehouses worked on further optimisation of the spreading of the due dates of its credit lines in 2015. In this context, four credit facility agreements were concluded or extended in line with market conditions in 2015, and the existing bond loan of € 75 million was repaid on 29 June 2015 in accordance with its due date. This caused a decrease in the average interest rate applying to financing of Intervest Offices & Warehouses from 4,0% in the first quarter of 2015 to 3,1% in the second quarter of 2015.

3,1%
Average interest rate as at 31 December 2015

The debt ratio of Intervest Offices & Warehouses amounted to 48,2% as at 31 December 2015.

48,2%
Debt ratio

As at 17 June 2015, NSI nv, at that time majority shareholder of Intervest Offices & Warehouses shares and owning 50,2% of the shares, sold 35% of the capital of the company, by way of a successful private placement through an accelerated book build. The shares were placed among a broad basis of Belgian and international investors. The expanded shareholder base of Intervest Offices & Warehouses, supported by multiple reference shareholders, ensures better access to capital markets and increases liquidity of the share. This enables the company to grow further and the logistics real estate share in the portfolio to be expanded even further.

You can count on us for enabling the company to continue growing along the lines of the intended strategy. In this context, the trust that you and the clients continue to put in us is exceptionally important, as is the continuous effort of our staff. We take this opportunity to express our sincere gratitude and thank everyone for this.

The board of directors

Johan Buijs

Director

Paul Christiaens

Chairman of the board of directors

▲ Liège

REPORT OF THE BOARD OF DIRECTORS

◄ Mechelen Campus

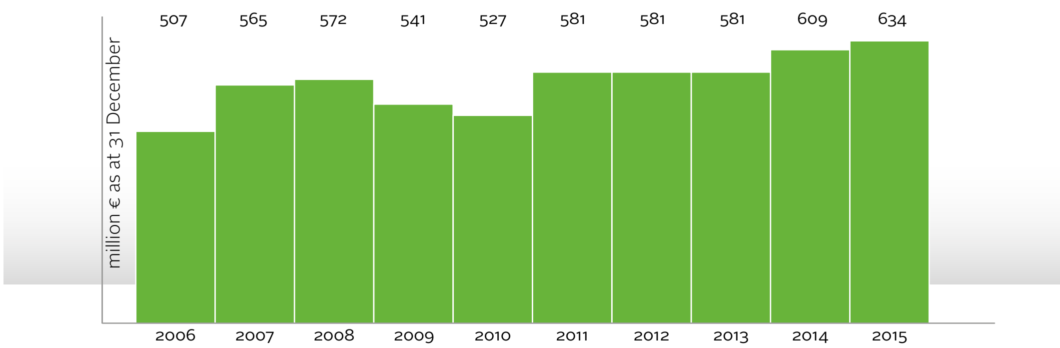
1. Profile

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

Intervest Offices & Warehouses invests in high-quality Belgian office buildings and logistics properties that are leased to first-class tenants. The real estate properties, in which the company invests, consist primarily of up-to-date buildings that are strategically located outside municipal centres. The offices of the real estate portfolio are situated on the Antwerp-Mechelen-Brussels axis; the logistics properties on the Antwerp-Brussels and Antwerp-Liège axis.

As at 31 December 2015, the portfolio comprised 51% office buildings and 49% logistic properties. The total fair value of the investment properties as at 31 December 2015 increased and amounted to € 634 million.

1.1. Evolution of fair value of the real estate portfolio

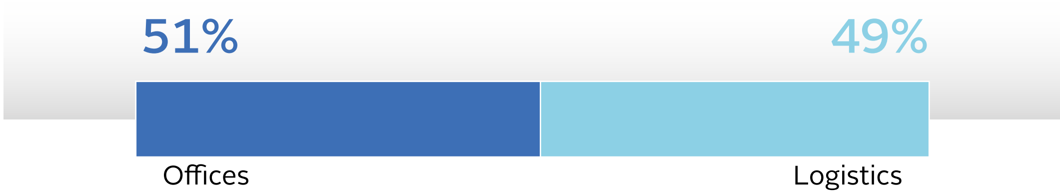


1.2. Risk spread

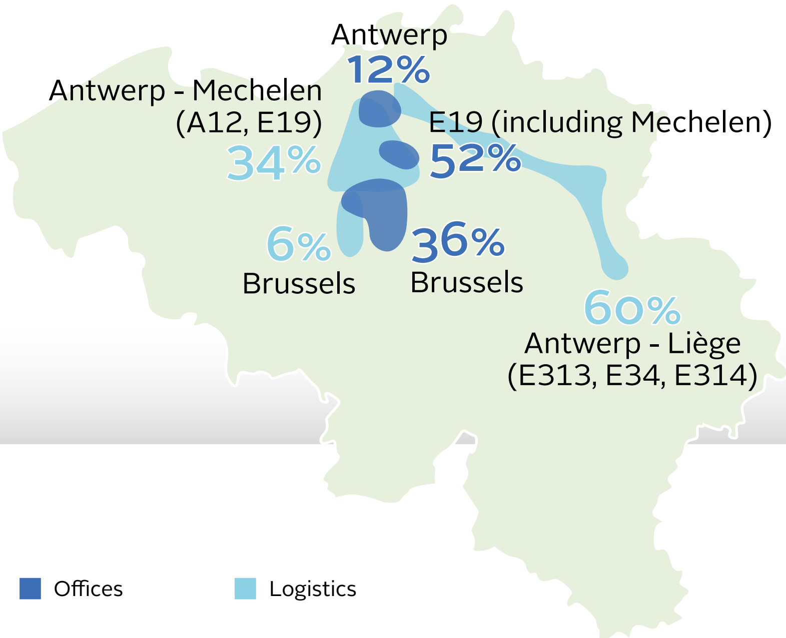
Intervest Offices & Warehouses' investment strategy respects the criteria of risk diversification in the real estate portfolio based on building type, geographic spread and nature of the tenants.

As at 31 December 2015 this risk spread was as follows:

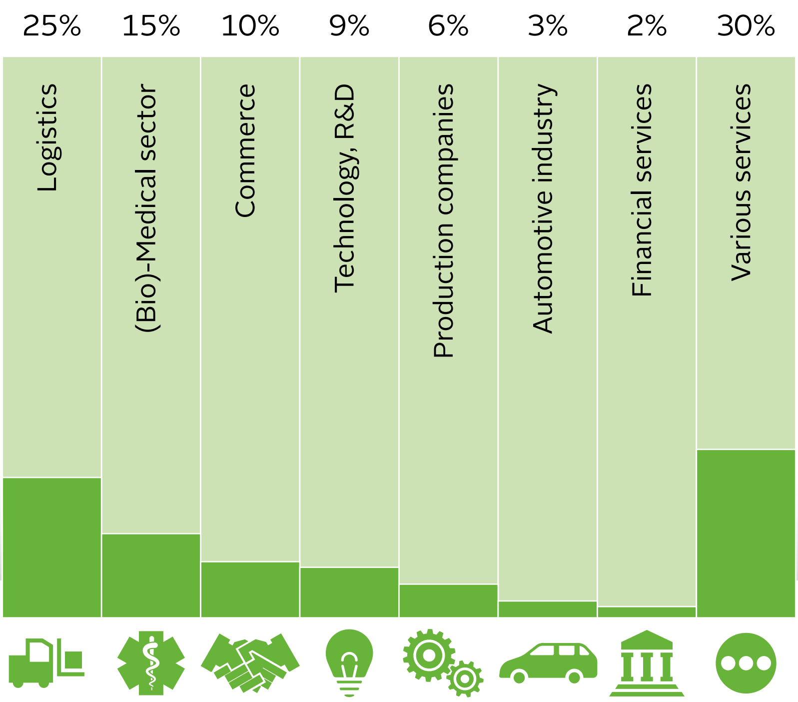
Nature of the portfolio



Geographical spread of offices and logistics properties



Sectoral spread of tenants



2. Investment strategy

The investment strategy is aimed at achieving a combination of direct return based on rental income and indirect return based on the increase in the value of the real estate portfolio.

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

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

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

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

For a number of years the office market in Brussels, both centrally and on the periphery where Intervest Offices & Warehouses operates, has been struggling with an oversupply, and this has created a difficult rental market. In recent years only a very limited number of projects have been added to the market, and the reconversion of offices to suit other functions continues apace. For the market as a whole this has a positive effect on vacancy rates, despite large regional differences. However, oversupply, mainly in obsolete and empty office buildings, has a negative impact on average rents, while the number of renegotiated leases is on the rise. In addition, developments in the so-called 'new way of working' are leading to a reduction in the total surface area occupied for the same number of employees when businesses move. Although a slight improvement has been noticeable in the last 2 years, it is unlikely that the office market will again reach pre-2008 levels.

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

The cyclical effect is felt differently in the two segments of the market. The logistics market is more early-cyclical and will therefore grow more rapidly after a period of economic crisis, while the office market reacts more late-cyclically and the effects of a downward trend will be felt later.

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

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

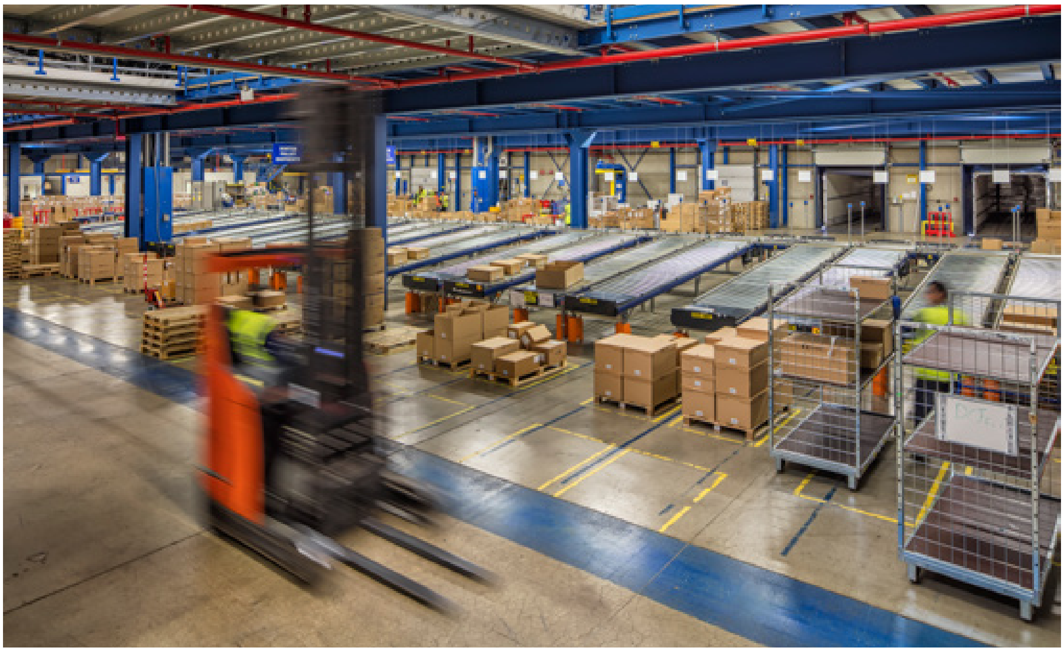
In the highly competitive environment of the office market, the real estate company distinguishes itself by focusing on the constantly evolving needs of customers. An in-house innovation team is responsible for providing total tailored solutions (so-called turn-key solutions), ranging from planning,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

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

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

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

▼ Opglabbeek



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

Liquidity of the share

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

High liquidity makes it easier to issue new shares (for increasing capital, contributions of property or mergers), which is also very important for growth. To improve its liquidity, Intervest Offices & Warehouses has concluded a liquidity agreement with ING Bank. The liquidity of most Belgian RREC is fairly low. One major reason for this is that these companies are often too small - in terms of both market capitalisation and free float – to gain the attention of professional investors.

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

As at 31 December 2015, the free float of the share of Intervest Offices & Warehouses increased from 50% to 75%.

Size of the real estate portfolio

A large portfolio clearly offers a number of benefits.

- It helps to **spread the risk** for the shareholders. Potential regional fluctuations in the market can be absorbed by investing in real estate throughout Belgium. This also means that the company is not dependent on one or a small number of major tenant(s) or project(s).
- The achieved **economies of scale** make it possible to manage the portfolio more efficiently, with the result that a greater amount of operating profit can be paid out. This relates, for instance, to costs of maintenance and repair, (long-term) renovation costs, consultancy fees, publicity costs, etc.
- With a larger total portfolio, management's **negotiating position** is improved when discussing new lease terms and offering new services, alternative locations, etc.
- It makes it possible for a specialised management team to use its knowledge of the market to pursue an innovative and creative policy, resulting in an **increase in shareholder value**. This makes it possible to achieve growth, not only in terms of the number of properties let, but also in the value of the portfolio. This kind of active management can lead to the renovation and optimisation of the portfolio, negotiations on new terms of lease, an improvement in the quality of the tenants, being able to offer new services, etc.

Each acquisition must be checked against real estate and financial criteria.

Property-related criteria:

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

Financial criteria:

- enduring contribution to the result per share
- exchange ratio based on investment value
- prevention of dilution of the dividend yield.

Improvement of risk spread

Intervest Offices & Warehouses tries to spread its risk in a variety of ways. For example, tenants often operate in widely divergent sectors of the economy, such as logistics, health, trade, technology, research and development. In addition, the company takes great care to ensure that the expiry dates and first interim expiry dates of the lease agreements are well spread.

3. Corporate governance statement

3.1. General

The corporate governance statement is in line with the provisions of the Belgian Corporate Governance Code 2009 ("2009 Code") and the Act of 6 April 2010 amending the Belgian Companies Code. The Royal Decree of 6 June 2010 provided that the 2009 Code is the only code applicable. This Code can be found on the Belgian Official Gazette website and on www.corporategovernancecommittee.be.

Intervest Offices & Warehouses treats the Belgian Corporate Governance Code 2009 as a reference code. The Intervest Offices & Warehouses' board of directors has laid down corporate governance principles in a number of guidelines:

- the Corporate Governance Charter
- the code of conduct
- the whistle-blowing rules
- the market abuse-prevention directive.

The complete Corporate Governance Charter, reviewed for the last time in March 2016, sets out the important internal procedures for the management entities of Intervest Offices & Warehouses. The Corporate Governance Charter well as the other directives, are available on www.intervest.be.

The terms of the Belgian Corporate Governance Code 2009 may only be deviated from when specific circumstances require it. If such an event occurs, the deviation is explained, in accordance with the 'comply or explain' principle, in the annual report. The board of directors of the company has judged that it is sometimes justified for the company not to follow certain terms of the Corporate Governance Code 2009. According to the 'comply or explain' principle it is indeed permitted to take into account the relatively small size and own characteristics of the company, particularly regarding the already rigid legislation relating to RREC.

In 2015, the company deviated from the following stipulations of the Belgian Corporate Governance Code 2009 (explain):

Clauses 5.3 and 5.4 on the operation of committees (incl. appendix D & E)

The board of directors decided not to set up an appointment committee or a remuneration committee as the company fulfils two (average number of employees < 250 persons and annual net turnover < € 50 million) of the three criteria determined by article 526quater of the Belgian Companies Code. It is the opinion of the board that tasks of these committees are tasks of the full board of directors and this in deviation of clause 5.4/1 as recorded in Annex E of the Code 2009 which stipulates that remuneration committee consists exclusively of non-executive directors. Consequently, the remuneration committee of the board of directors consists of all members of the board of directors (including the executive director Johan Buijs). The limited size of the board makes an efficient debate on these subjects possible.

Clause 2.9 Company secretary

The board of directors has not designated a company secretary, who advises the board of directors regarding all administrative matters and takes care of the communication within and between the management entities of the company, as provided for by clause 2.9. The limited size of the company and the board of directors make such a position superfluous.

Determination of the age limit

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

3.2. Management entities

Board of directors

	Address	Mandate	Begin	End	Attendance
Paul Christiaens Chairman, independent director	Vijverstraat 53 3040 Huldenberg Belgium	Second mandate	April 2013	April 2016	10/10
Nick van Ommen Independent director	Beethovenweg 50 2202 AH Noordwijk aan Zee The Netherlands	Third mandate	April 2013	April 2016	9/10
EMSO bvba, **permanently represented by Chris Peeters**[1] Independent director	Berchemstadion-straat 76 bus 6 2600 Berchem Belgium	Second mandate	April 2013	April 2016	10/10
Johan Buijs Director and effective leader (pursuant to article 14, §3 of the RREC Act)	p.a. NSI nv Antareslaan 69-75 Postbus 3044 2130 KA Hoofddorp The Netherlands	Second mandate	April 2015	April 2018	10/10
Daniel van Dongen Director	p.a. NSI nv Antareslaan 69-75 Postbus 3044 2130 KA Hoofddorp The Netherlands	Second mandate	April 2015	April 2018	10/10
Thomas Dijksman Director	Wagnerlaan 23 3723 JT Bilthoven The Netherlands	Second mandate	April 2015	April 2018	10/10
Nico Tates Director	p.a. NSI nv Antareslaan 69-75 2130 KA Hoofddorp The Netherlands	First mandate	April 2015	April 2018	4/5

As at 31 December 2015, the board of directors comprised seven members, three of whom are independent directors, all three fulfilling the conditions of article 526ter of the Belgian Companies Code.

The directors are appointed for a period of three years, but their appointment can be revoked at any time by the general meeting.

Johan Buijs is executive director and effective leader. The other directors are non-executive directors.

1 At the general meeting of 27 April 2016, it will be proposed to continue the mandate of director of Chris Peeters as natural person.

▲ Nico Tates, Nick van Ommen, Thomas Dijksman, Johan Buijs, Chris Peeters, Daniel van Dongen, Paul Christiaens

Hereafter the mandates and a short description of the employment history can be found of the directors or, in case of companies acting as director, from their permanent representatives.

Paul Christiaens

Paul Christiaens was appointed independent director of the company as per the decision by the general annual meeting of 7 April 2010. Paul Christiaens' mandate commenced as at 7 April 2010, ending immediately after the annual general meeting that was held in the year 2013. By decision of the board of directors of the company of 7 May 2010, Paul Christiaens was appointed chairman of the board of directors. Finally, Paul Christiaens was reappointed independent director of the company by decision of the annual general meeting of 24 April 2013, with this mandate ending immediately after the annual general meeting that will be held in the year 2016.

Employment history:
Paul Christiaens, born in 1944, graduated in Commercial and Financial Sciences at the EHSAL (1983) after completing Law Studies K.U. Leuven, 1983). He achieved the title of foreign trade expert (ITI 1983-1984) and subsequently did postgraduate studies in business administration (K.U. Leuven, 1985-1987) as well as various long seminars (financial and legal) in London and Paris. Paul Christiaens started his career at KBC at the trust department (investment funds, stock-exchange listings, OBAs, tax system, securities) and the legal department (credit facilities). Subsequently, he continued his career at ASLK/FORTIS (1977-2000): legal department, corporate and international, special finance and real estate banking. His professional experience is mainly focused around credit facilities, investment funds, stock-exchange listings, real estate certificates, investment companies, structured finance and investment banking. He was a manager at Fortis departmental real estate structured finance.

Current mandates:
Paul Christiaens currently only has a mandate as the chairman of the board of directors of Intervest Offices & Warehouses. He is honorary judge in commercial affairs.

Previous mandates during the past 5 years:
Chairman of the board of directors at Vastned Retail Belgium (until 7 April 2010).

Nick van Ommen was appointed independent director by decision of the annual general meeting of 4 April 2007, with his mandate starting as at 4 April 2007, ending immediately after the general annual meeting that was held in the year 2010, and in which the annual accounts of 31 December 2009 were approved. Nick van Ommen was reappointed independent director of the company by decision of the annual general meeting of 7 April 2010, with this mandate ending immediately after the annual general meeting that was held in the year 2013. Finally, Nick van Ommen was reappointed independent director of the company by decision of the annual general meeting of 24 April 2013, with this mandate ending immediately after the annual general meeting that will be held in the year 2016.

Employment history:
Nick van Ommen, born in 1946, obtained a Master's in business administration at Newport University after his secondary school education HBS-B, and is a fellow of the Royal Institute of Chartered Surveyors (FRICS). In addition, he has followed many international courses in banking, finance and marketing. He started his professional career in 1970 at Rank Xerox, where he occupied functions in sales, marketing and general management. In 1978 he was asked to become District Manager in Amsterdam for what then was AMRO Bank. After 1987, Nick van Ommen occupied senior functions in banking, venture capital and asset management. In 2000, Nick van Ommen was asked to start up the EPRA (European Public Real Estate Association) as the founder-CEO. Meanwhile, EPRA has grown into the leading branch organisation in Europe for listed real estate companies, institutional investors, pension funds, asset managers and financial service providers and consultants for this sector. As at 1 October 2007, Nick van Ommen retired.

Current mandates:
- member of the board of directors of Intervest Offices & Warehouses
- member of the board of directors at Vastned Retail Belgium
- member of the supervisory board of Babis Vovos: listed real estate company in Greece
- member of the supervisory board of Immofinanz: listed real estate company in Austria
- member of the supervisory board of WP Carey International INC.: a listed company in the United States that specialises in sale & lease back constructions
- member of the advisory board of BNP Paribas Real Estate Advisory Netherlands bv: real estate consultancy, brokers and asset management company in The Netherlands
- member of the advisory board of ZIA (Zentraler Immobilien Ausschuss) Germany.

Nick van Ommen does not exercise more than 5 mandates in listed companies.

Previous mandates during the past 5 years:
- member of the supervisory board of 4IP Management AG: global real estate investment fund in Switzerland
- member of the supervisory board of Buwog/ESG: 100% subsidiary of the listed real estate company Immofinanz in Austria
- member of the advisory board of IVG Immobilien: listed real estate company in Germany
- member of the supervisory board of City Box Holding bv: 100% subsidiary of the listed real estate company Immofinanz in Austria
- member of the supervisory board of Prelios Netherlands bv (formerly Pirelli RE Netherlands): 100% subsidiary of the listed real estate company Prelios RE (previously Pirelli RE) in Italy
- member of the supervisory board of WP Carey bv: 100% subsidiary of WP Carey International LLC from New York.

EMSO bvba, permanently represented by Chris Peeters

EMSO bvba, permanently represented by Chris Peeters, was co-opted as a director as per the decision of the board of directors of 21 December 2007. As per decision of the general annual meeting of 2 April 2008, the co-opting decision of the board of directors of 21 December 2007 was enforced and EMSO bvba, permanently represented by Chris Peeters, was appointed independent director starting from 1 January 2008, ending immediately after the general annual meeting that was held in the year 2011 and at which the annual accounts of 31 December 2010 were approved. Finally, EMSO bvba, permanently represented by Chris Peeters, was appointed independent director by decision of the annual general meeting of 24 April 2013, with this mandate ending immediately after the annual general meeting that will be held in the year 2016.

Employment history:
Prof. dr. Chris Peeters was born in 1960. In 1982, he graduated in applied economic science (TEW, Toegepaste Economische Wetenschappen) and obtained a Master's degree in TEW in 1990. He is connected to the University of Antwerp, where he teaches the courses Public Policy and Transport Economy, and functions as an adviser for companies and government bodies both within and outside Europe. Prof. dr. Chris Peeters is an author and co-author of more than 30 books and many articles about strategy and policy. He is an internationally recognised expert concerning strategic decision-making and policy consultancy. He is the chairman/delegated director and senior partner of Policy Research Corporation.

Current mandates:
- member of the board of directors of Intervest Offices & Warehouses
- member of the board of directors at Vastned Retail Belgium
- chairman/delegated director of J.P. Willebroek nv
- member of the advisory board of Limburgs Energie Fonds (NL).

Previous mandates during the past 5 years:
Chris Peeters has not performed any other mandates apart from those listed above during the past 5 years.

Additional information about bankruptcies in which a director was involved during the past five years:
Chris Peeters is involved in the bankruptcy of Asopus Corporation nv as a delegated director (date of bankruptcy: 26 September 2014) and Asopos Institute nv (date of bankruptcy: 26 September 2014). The trade activities of both of those companies concerned consultancy in the field of business management and operational management. Both companies already had a track record of almost 20 years, which in principle implied a successful business model. However, decreasing turnover and an increasingly heavy burden of expenses led to the two companies being declared bankrupt. The bankruptcy of Asopus Corporation nv and Asopus Institute nv did not lead to any liability of the boards of directors of the two companies at the date of publishing this annual report. By way of a statement towards the company, Chris Peeters has confirmed to the company, under oath, that no error can be ascribed to the respective boards of directors in general and to him personally as a member of the respective boards of directors with regard to the bankruptcy of Asopus Corporation nv and Asopos Institute nv, and that he has not committed any grave errors that have contributed to the bankruptcies of the two companies mentioned.

Chris Peeters is as permanent representative of the delegated director of nv EM, Achelos Enterprises bv also involved in the bankruptcy of nv EM. The bankruptcy was declared as at 19 November 2015. Due to the economic crisis the purchase/sale of luxury motor boats strongly declined, leading finally to the bankruptcy of the company. Also in this context, the bankruptcy did not lead to any liability of Chris Peeters and/of the boards of directors of this company at the date of publishing this current report. Chris Peeters has confirmed to the company, under oath, that no error can be ascribed to him personally or as a member of board of director with regard to the bankruptcy of nv EM.

Johan Buijs

Johan Buijs was appointed non-independent director of the company as per decision of the extraordinary general annual meeting of 27 October 2011, for a term that ended immediately after the general annual meeting that was held on 29 April 2015. Subsequently, Johan Buijs was reappointed non-independent director of the company by decision of the annual general meeting of 29 April 2015, with this mandate ending immediately after the annual general meeting that will be held in the year 2018 and at which the annual report of 31 December 2017 will be approved.

Employment history:

Johan Buijs, born in 1965, studied civil technology at the Technical University of Delft. He started his career in 1989 as a constructor at the consultancy D3BN Civil Engineers. Afterwards, he worked as a constructor/project manager at Royal Haskoning and as a project manager and director of D3BN Rotterdam and manager of D3BN infrastructure. He continued his career as the head of the building department and, as of January 2005, as statutory director of Wereldhave Management Holding bv. In 2006, Johan Buijs was appointed statutory director of Wereldhave nv. Since 2008, he is the general manager leading NSI nv.

Current mandates:

- member of the management committee and member of the board of directors of Intervest Offices & Warehouses
- chief executive officer NSI
- management mandates at subsidiaries within NSI group
- director at IVBN, the Association of Institutional Real Estate Investors (Vereniging van Institutionele Beleggers in Vastgoed), The Netherlands.

Previous mandates:

Johan Buijs has not performed any other mandates apart from those listed above during the past 5 years.

Daniel van Dongen

Daniël van Dongen was appointed non-independent director of the company as per decision of the extraordinary annual meeting of 27 October 2011, for a term that ended immediately after the general annual meeting that was held as at 29 April 2015. Subsequently, Daniël van Dongen was reappointed non-independent director of the company by decision of the annual general meeting of 29 April 2015, with this mandate ending immediately after the annual general meeting that will be held in the year 2018 and at which the annual report of 31 December 2017 will be approved.

Employment history:

Daniël van Dongen, born in 1971, studied Business economics, the direction corporate finance, at Rijksuniversiteit Groningen and the Universidad de Salamanca (Spain). After that, he followed a post-doctoral programme for Register Controller at the University of Amsterdam. In 1995 he started his professional career as corporate finance advisor at KPN. He then transitioned to TNT Post Group, where he worked as manager corporate finance. He continued his career at TNT Logistics as a financial controller and financial manager, and afterwards was appointed senior and group controller at Wereldhave nv. Since 2009, Daniël van Dongen has been chief financial officer at NSI nv.

Current mandates:

- member of the board of directors of Intervest Offices & Warehouses
- chief financial officer NSI nv
- management mandates at subsidiaries within NSI group
- director at the association of listed tax investment companies.

Previous mandates:

Daniël van Dongen has not performed any other mandates apart from those listed above during the past 5 years.

Thomas Dijksman

Thomas Dijksman was appointed non-independent director of Intervest Offices & Warehouses as per decision of the general annual meeting of 25 April 2012, for a term that ended immediately after the general annual meeting that was held as at 29 April 2015. Subsequently, Thomas Dijksman was reappointed non-independent director of the company by decision of the annual general meeting of 29 April 2015, with this mandate ending immediately after the annual general meeting that will be held in the year 2018 and at which the annual report of 31 December 2017 will be approved.

Employment history:
Thomas Dijksman, born in 1952, has a background as a civil engineer and has obtained a bachelor in business administration at the University of Nyenrode. In addition, he has followed various real estate programmes, including Register Valuer Corporate Real Estate. In 1993 he was appointed Fellow at the Royal Institute of Charted Surveyors (FRIC5). In 1977, he started his professional career as commercial broker for real estate. From 1982 to 1994, Thomas Dijksman worked at Jones Lang Wootton (Jones Lang LaSalle), where he was board member and partner. He worked at CBRE from 1997 to 2001, where he held the position of general manager and was in the board of EMEA and Global Operation Management board. In addition, he has held the position of general manager and partner at various enterprises.

Current mandates:
- member of the board of directors of Intervest Offices & Warehouses
- manager of EPAC Property Counselors
- director of Stichting Adiministratiekantoor Bouw State Beheer.

Previous mandates during the past 5 years:
- consultant supervisory board DIM real estate nv, Rotterdam
- chairman of investment committee NSI nv.

Nico Tates

Nico Tates was appointed non-independent director of Intervest Offices & Warehouses by decision of the annual general meeting of 29 April 2015, with this mandate ending immediately after the annual general meeting that will be held in the year 2018 and at which the annual report of 31 December 2017 will be approved.

Employment history:
Nico Tates, born in 1956, obtained a BA in Social Geography at the University of Amsterdam, and an M.Sc. Economic Geography and Regional Economy. From 1980 to 1983 he was candidate-assistant at the Economic Geographical Institute of the University of Amsterdam. From 1984 to 1987, Nico Tates was research manager, EMPEO (Real Estate division Bredero) Utrecht, and later he worked as a Real Estate developer. Subsequently, he worked as a marketing manager at ABN, Department of Investment and Real Estate Management in Amsterdam from 1987 to 1990. From 1990 to 1994, Nico Tates became deputy director at AEGON Real Estate in the Hague. He then served as a chief investment officer at SPP Real Estate (Continental Europe) in Amsterdam from 1994 to 1997. In 1998, Nico Tates became the managing director at Celexa Real Estate Investment Management in Amsterdam where he founded a Pan-European logistics property fund and he remained in this position until 2001. In 2001, Nico Tates started working at Aberdeen Property Investors, where he held several positions.

Current mandates:
- member of the board of directors of Intervest Offices & Warehouses
- vice-chairman of the supervisory board of NSI nv
- managing director, Prelios Deutschland GmbH.

Previous mandates during the past 5 years:
- European strategy advisor, Aberdeen Asset Management (AAM), with a focus on business development through corporate acquisitions, collaboration and new property development
- head of direct property - Continental Europe, AAM, member of property executive board AAM, final responsibility for property fund management, transaction management and asset management activities for the Dutch, German, French and Italian real estate office
- chairman of the supervisory board, Aberdeen Immobiliën KAG, Frankfurt
- chairman of Aberdeen Real management, managing director of Aberdeen Paris
- member of the board of directors of Aberdeen European Balanced Property Fund (SICAV, Luxembourg)
- member of the board of directors of Aberdeen European Shopping Property Fund (SICAV, Luxembourg)
- founder and chief executive officer of Aberdeen Property Investors Europe bv, Amsterdam. In this capacity fund & investment director of two pan-European funds, i.e. Aberdeen European Balanced Property Fund and Aberdeen European Shopping Property Fund.

Operation of the board of directors

Insofar as necessary, it is specified that, during the past five years, none of the directors was:

- convicted in relation to fraud-related offences
- was involved in a bankruptcy, suspension of payment or liquidations, in their capacity as member of a board, management or supervisory body, with the exception of Chris Peeters
- has been the object of official and publicly voiced accusations and/or sanctions imposed by legal or supervisory authorities, or has been declared unfit by a legal institution to act as the member of a board, management or supervisory body of a issuing institution or unfit to act in the context of the management or performance of activities of an issuing institution.

There are no family relations up to the second degree among the members of the board of directors.

The board of directors held ten meetings during the year 2015. The most important agenda items that the board of directors deliberated and decided upon in 2015 were:

- approval of the quarterly, half-yearly and annual figures
- approval of the annual accounts and statutory reports
- approval of the budgets for 2015 and the business plan for 2016
- discussion of the real estate portfolio (including investments and divestments, tenant matters, valuations and the like)
- treatment of conflicts of interests
- issuing an optional dividend within the framework of the authorised capital.

The Corporate Governance Charter of the company stipulates that directors resign on the date of the general meeting of shareholders held in the year in which they turn 70 years old. Derogating from this in the interest of the company is only allowed for specific reasons. This is the case with Paul Christiaens, chairman of the board of directors and independent director, who has reached the maximum age in 2014. The board of directors believes however that, based on his vision, competence, knowledge and years of experience in real estate, it is in the interest of the company that Paul Christiaens not terminate his current mandate prematurely, which expires in April 2016.

Since the Act of 28 July 2011, quotas have been imposed in Belgium in order to ensure that women have a seat on the board of directors of listed companies. As a result, Intervest Offices & Warehouses must ensure that, in the future, at least one third of the members of the board of directors are female. For companies with a free float exceeding 50%, this legislation applies from the first day of the sixth financial year that starts after announcement of this Act in the Belgian Official Gazette, being 1 January 2017. In 2015, Intervest Offices & Warehouses thoroughly analysed the composition of the board of directors as a result of the modified shareholders' structure at the end of June 2015. On this basis the needed and desired profiles and the competences were determined and the selection of qualified candidates started. Especially for the female directors, Intervest Offices & Warehouses selected and interviewed several candidates through its own network and through the organisation Women On Board. During 2016 this process will be continued in order to have at the end of 2016 one third of female directors in the board of directors. At the general meeting of 27 April 2016 the appointment of at least one female director will be proposed.

Audit committee

Three independent directors had a seat in the audit committee in 2015:

- Nick van Ommen (chairman) (start of mandate 2007) (presence 4/5)
- Paul Christiaens (start of mandate 2010) (presence 4/5)
- EMSO bvba, permanently represented by Chris Peeters (mandate 2008-2011 and 2013-2016) (presence 5/5).

These independent directors fulfil all the nine independence requirements of article 526ter of the Belgian Companies Code in 2015. The duration of their appointment to the audit committee has not been specified.

The audit committee is charged with following assignments:

- monitoring of financial reporting
- supervision of the intern control
- monitoring of the legal control of the annual accounts and the consolidated annual accounts, including the monitoring of questions and recommendations formulated by the statutory auditor
- assessment and monitoring of the independence of the statutory auditor, paying particularly attention to the extension of additional assignments within the company.

The members of the audit committee are qualified. At least one member of the committee is qualified in the area of accountancy and/or auditing. Besides, the audit committee as a whole is qualified. This on two levels: in the area of the activities of Intervest Offices & Warehouses and in the area of accountancy and auditing.

The audit committee met five times in the year 2015. The most important agenda items of the auditing committee in 2015 were:

- discussing the quarterly, half-yearly and annual figures
- analysis of the annual accounts and statutory reports
- discussion of the budgets
- monitoring legal checking of the (consolidated) annual accounts and the analysis of the supervising statutory auditor's recommendations
- analysis of the efficiency of the internal control mechanisms and the company's risk management.

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

Management committee

In 2015, the management committee comprised:

- bvba Jean-Paul Sols, permanently represented by Jean-Paul Sols, chief executive officer, chairman of the management committee (begin mandate 2006)
- Inge Tas, chief financial officer (begin mandate 2006)
- bvba Luc Feyaerts, permanently represented by Luc Feyaerts, chief operating officer (begin mandate 2012)
- Johan Buijs, director (begin mandate 2011).

Jean-paul sols bvba, permanently represented by Jean-paul Sols, and Inge Tas, also hold a management committee's mandate at Vastned Retail Belgium nv, public RREC governed by Belgian law.

Pursuant to article 524bis of the Belgian companies code and article 15 of the company's articles of association, the board of directors has delegated specific management authority. The rules pertaining to the composition and operation of the management committee are described in more detail in the company's Corporate Governance Charter that is available on www. intervest.be.

Chapter 6 of the Corporate Governance Charter explains the composition of the management committee, as well as the task allocation, the chairmanship, the manner of meeting, deliberating and voting, the competences, the reporting obligation and the valuation method.

The members of the management committee are also the effective leaders of the company pursuant to article 14, §3 of the RREC act.

▲ Jean-Paul Sols, Johan Buijs, Inge Tas, Luc Feyaerts

Evaluation of management entities

Under the direction of the chairman, the board of directors periodically reviews its size, composition, working and efficiency. It carries out the same review with respect to the audit committee and the interaction with the management committee. For the purposes of such reviews, the board of directors can be assisted by external experts.

During this evaluation process:

- an assessment is made of the functioning and leadership of the board of directors
- the question of whether major subjects are prepared and discussed thoroughly
- an assessment is made of the actual contribution and involvement of each director in the discussions and decisions
- the composition of the board of directors is assessed with respect to the desired composition of the board
- the functioning and composition of the audit committee is discussed
- the collaboration and communication with the management committee is evaluated.

If the above mentioned evaluation procedures show some weaknesses, the board of directors will have to offer appropriate solutions. This can lead to changes in the composition or the functioning of the board of directors or the audit committee.

Conflicts of interest

As far as the prevention of conflicts of interest is concerned, the company is subject on the one hand to legal rules (articles 523 and 524 of the Belgian Companies Code and articles 36 till 38 of the RREC Act) and on the other hand to the rules defined in its articles of association and its Corporate Governance Charter.

In this regard, article 17 of the articles of association of the company states the following: "*Directors, persons charged with the day-to-day management and authorised agents of the company shall respect the rules relating to conflicts of interest provided for in articles 36, 37 and 38 of the RREC Act and in the Belgian Companies Code, as these may be amended, where appropriate.*"

Conflicting interests of a proprietary nature of directors and members of the management committee

The board of directors, management committee and every member strictly undertake to exclude any possible conflict of interest, whether of a proprietary, professional or of any other nature, and intend to carefully comply with the legal rule defined in article 523 of the Belgian Companies Code regarding conflicts of interest between the company and a director.

If, for example, a director of the company, due to other director mandates held by him or for any other reason, has a proprietary interest that is in conflict with a decision or transaction falling under the authority of the board of directors, article 523 of the Belgian Companies Code shall be applicable and the concerned director shall be requested not to participate in the deliberations on decisions or transactions or in the voting (article 523, §1 in fine).

If a director or member of the management committee, directly or indirectly, has a proprietary interest that is in conflict with a transaction or decision falling under the authority of the board of directors or the management committee, the concerned member must inform the chairman and the members of this in advance. In this case, the concerned member may not participate in the deliberations and voting on the transaction in question.

The explanation, as well as the justifications regarding the conflict of interest, are recorded in the minutes. In view of its publication in the annual report, the nature of the decision or operation are justified in the minutes. Besides, the minutes mention the proprietary consequences for the company, resulting from this decision. The report of the statutory auditor that is prepared pursuant to article 143 of the Belgian Companies Code, comprises a separate description of the financial consequences for the company.

Conflict of interest of a major shareholder

In case of a potential conflict of interest with a major shareholder of the company, the procedure defined in article 524 of the Belgian Companies Code shall be applicable. Article 524 of the Belgian Companies Code requires that operations with related companies – with certain exceptions - must be submitted for advice to a committee of independent directors, assisted by an independent expert.

Conflict of interest of certain persons mentioned in article 37 of the RREC Act

Similarly, article 37 of the RREC Act states that the Financial Services and Markets Authority (FSMA) must inform in advance of any planned transactions to be carried out by the RREC or by one of its subsidiaries if one or more of the following persons serve, directly or indirectly, as counterparty in these transactions or derive any pecuniary advantage from it: persons who exercise control over the RREC or own a share of it; the promoter of the public RREC; other shareholders of all subsidiaries of the public RREC; and the directors, business managers, members of the management committee, persons responsible for the day-to-day management, actual managers or authorised agents; and persons associated with all these parties.

These planned transactions must hold an interest for the public RREC, be in line with its strategy and must be executed under normal market conditions. These transactions must be promptly disclosed.

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

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

- transactions involving a sum that is less than the lowest amount of either 1% of the consolidated assets of the public regulated real Estate company or € 2.500.000
- the acquisition of securities by the public RREC or one of its subsidiaries in the context of a public issue by a third-party issuer, for which a promoter or one of the persons referred to in article 37, §1 acts as intermediary within the meaning of Article 2, 10° of the Act of 2 August 2002
- the acquisition of or subscription to the shares in the public RREC issued as a result of a decision by the general meeting by the persons referred to in article 37, §1, and
- transactions involving the liquid assets of the public RREC or one of its subsidiaries, provided the person acting as counterparty has the capacity of intermediary within the meaning of article 2, 10° of the Act of 2 August 2002 and these transactions are executed under normal market conditions.

Application in 2015

In this context, the board of directors wishes to note that the procedure to prevent conflicts of interests was applied in April 2015 with regard to the request by major shareholder NSI nv (via its subsidiary VastNed Offices Benelux Holding bv) to cooperate in the preparation of a possible sales transaction of its shares in Intervest Offices & Warehouses by means of accelerated bookbuilding to institutional investors.

A detailed description of the followed procedures can be found in Note 25 of the Financial report.

3.3. Remuneration report

Appointment and remuneration committee

Intervest Offices & Warehouses does not have an appointment and remuneration committee. The board of directors of company is of the opinion that the relevant tasks of the appointment committee and remuneration committee should be regarded as tasks of the entire board of directors. Herewith, Intervest Offices & Warehouses derogates from the recommendations of the Belgian Corporate Governance Code 2009 (also see paragraph on 'Comply or Explain' principle). The limited size of the board makes it possible to deliberate efficiently on these topics. On the other hand, the issue of appointments or remuneration in the company requires too little additional attention to justify a separate committee and its related additional expenses.

Remuneration policy of the board of directors

The board of directors is responsible for the remuneration policy for its members and for the members of the management committee. The remuneration of the directors has to be proposed for approval to the general meeting.

This policy is based on the following principles:

- the remuneration policy for directors and members of the management committee is in accordance with all the applicable regulations and in particular with those contained in the RREC Act. The total remuneration level and structure should be such that qualified and competent persons can be recruited and retained
- the remuneration structure, in terms of fixed income and variable income, if any, is such that the interests of the company are promoted in the medium and long term
- the remuneration policy takes into account the responsibilities and time spent by directors and members of the management committee.

Other things being equal, the remuneration policy shall remain applicable for the next two financial years.

Basic remuneration 2015

Directors

In 2015, the annual fixed fee of independent directors amounted to € 20.000 per year for a member of the board of directors (€ 25.000 per year for the chairman of the board of directors, VAT excluded).

Thomas Dijksman and Nico Tates who were appointed as independent, receives an annual fixed remuneration of € 20.000 (VAT excluded) in their quality of independent director, and this in contrast with the other directors representing the majority shareholders (Johan Buijs and Daniel van Dongen) who perform their duties without remuneration.

No additional fees are paid for serving as a member or as a chairman of a committee.

No employment contract has been concluded with any of the directors and no termination compensation is applicable. Pursuant to article 35 §1 of the RREC Act, the directors' fees are not related, either directly or indirectly, to the transactions carried out by the company. The directors do not own shares of the company nor have any options been granted to the directors on shares of the company.

Members of the management committee

The amount of the fixed fee granted as remuneration in 2015 to the members of the management committee, except the director, amounted to € 471.249, of which € 147.212 is for the chairman of the management committee and € 324.037 for the other two remunerated members of the management committee (including reimbursement of expenses and pension plan for the cfo). The director, representing the majority shareholder, performs his tasks without remuneration. No options have been granted to the management committee on shares of the company.

No VAT is due on these remunerations.

Bonus for 2014, paid in 2015

The three members of the management committee, except the director Johan Buijs, could be eligible for an annual combined bonus of maximum € 83.000. In 2014, these criteria were in the area of operating property result (30%), occupancy rate of the real estate portfolio (30%), diversification of the sources of financing (30%), sustainability and corporate social responsibility (10%).

Based on targets achieved in 2014, a total bonus of € 83.000 was awarded in 2015. No reclamation rights are foreseen for the variable remuneration Besides this regular bonus, a member of the management committee could be eligible for an additional annual bonus, which may be granted for exceptional performance. No additional bonus was paid for 2014.

Overview paid remuneration members of the management committee

	2015	2014
Jean-Paul Sols, ceo (60%)	**171**	**208**
Fixed remuneration	147	184
Variable remuneration (over previous financial year)	24	24
Inge Tas, cfo (60%)	**161**	**160**
Fixed remuneration	120	119
Variable remuneration (over previous financial year)	24	24
Retirement obligations	17	17
Luc Feyaerts, coo (100%)	**222**	**205**
Fixed remuneration	186	185
Variable remuneration (over previous financial year)	35	20
Johan Buijs, Director	**0**	**0**
TOTAL	**554**	**573**

Jean-Paul Sols bvba, permanently represented by Jean-Paul Sols, and Inge tas, also hold a management committee's mandate at Vastned Retail Belgium nv, public RREC governed by Belgian law.

Basic remuneration 2016 and bonus for 2015

The annual fixed remuneration of the independent directors remained unchanged compared to the above mentioned remunerations for 2015.

As at 1 January each year, the annual fixed fee of the members of the management committee, except the director, is (i) indexed according to the normal index of consumer prices, where the basic index is that of the month preceding the month in which the agreement came into effect, and the new index of the month preceding the month in which the indexation takes place (ii) increased by 1 percent. This represents an increase of 1,43% as at 1 January 2016.

The three members of the management committee, except the director Johan Buijs, may be eligible for an annual combined bonus of maximum € 83.000. In 2015, these criteria were in the area of operating property result (20%), occupancy rate of the real estate portfolio (20%), strategic shift towards logistics real estate through growth of the portfolio (20%), decrease of financing costs (10%), expansion of turn-key solutions and RE:flex (10%), sustainability and corporate social responsibility (10%). Based on targets achieved in 2015, a total bonus of € 60.000 was awarded. No reclamation rights are foreseen for the variable remuneration.

Duration and termination conditions

Members of the board of directors are appointed for a period of three years, but their appointment may be revoked at any time by the general shareholders' meeting. No termination compensation is applicable.

The members of the management committee are appointed for an indefinite period and the termination compensation is equivalent to twelve (for the cfo and coo) to eighteen (for the ceo) months' fixed fee (except for gross negligence or deliberate error, in which case no compensation will be payable).

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

3.4. Other parties involved

Statutory auditor

The statutory auditor, appointed by the general meeting of shareholders, is the cooperative partnership Deloitte Réviseurs d'Entreprises SC , which is represented by Kathleen De Brabander, statutory auditor.

Property experts

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

Independent control functions

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

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

Independent internal audit function

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

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

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

Intervest Offices & Warehouses has appointed the external consultant BDO (represented by its permanent representative, Lieven Van Brussel - Partner (BDO Risk & Assurance Services)) as the party responsible for the internal audit, with Johan Buijs, director and member of the management committee of Intervest Offices & Warehouses nv, being appointed as the non-operational senior manager who controls the internal audit function as exercised by BDO from within the company and is thus regarded as having ultimate responsibility for internal audit. The mandate of BDO as external consultant is for 4 years and ends in 2017.

Independent risk management function

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

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

From the change of the status of the company to public RREC, the independent risk management function has been carried out by Inge Tas, member of the management committee and cfo. The mandate has an indefinite duration.

Independent compliance function

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

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

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

Inge Tas, member of the management committee and cfo, has been appointed head of the independent compliance function. The mandate has an indefinite duration.

4. Sustainable business and corporate social responsibility

Within the current social context, Intervest Offices & Warehouses seeks a cohesive and sustainable social policy, in line with the expectations of all interested parties: customers, employees, shareholders, suppliers and other stakeholders. Intervest Offices & Warehouses has implemented various measures in this regard relating to protection of the environment, concern for the welfare of customers and staff, and long-term economic viability with an eye for social engagement and sound corporate governance.

4.1. Concern for the environment

Sustainability performance of the buildings

Since 2009, Intervest Offices & Warehouses is gradually and systematically certifying the buildings in its portfolio based on their environmental performance. This certification takes place on the basis of the BREEAM In-Use (Building Research Establishment Environmental Assessment Methodology-In-Use, or in short "BIU") methodology. BREEAM-In-Use assesses the sustainability of existing buildings with respect to building physics, operational management and control, as well as the use of the building.
Due to a number of important modifications to the BIU audit methodology specific to real estate in continental Europe, various sites needed to be re-audited. In addition, the BIU assessment has been rolled out further in 2015 and additional buildings have been submitted to BREEAM for certification. In the past year Intervest Offices & Warehouses continued to roll out certification based on the BIU method (rating 2015). In 2016 this certification process is being continued, and a number of buildings/sites will again be evaluated on the basis of this methodology such that eventually most of the buildings in the portfolio will have been certified. Comparison of the BIU-certified buildings in the portfolio of Intervest Offices & Warehouses shows that especially large scale buildings with single tenants score well. This is because the sustainability performance of a building is largely determined for this by the user's focus on this. An example of this is the very good score of the building in Boom, which is used by CEVA Logistics.
The internal quality manager processes these analyses and converts them into meaningful, concrete measures and changes that contribute to the welfare of the tenant and the quality of the building. After all, for customers this focus on energy efficiency also has a demonstrable impact on their energy bills.

Project R22

R22 is a cooling agent that is being phased out; its use is restricted by law since the beginning of 2015. In order to ensure the continuity of installations, in 2012 Intervest Offices & Warehouses began converting R22 cooling and heating installations. Conversion of the existing R22 HVAC installations has been completed in 2015. In Sky Building and Aartselaar (ProTime & Schneider Electric) an entirely new installation has been installed. This approach not only increases continuity but also reduces consumption by 30%.

Energy efficiency

Within the context of a turn-key solutions project, the existing TL8 luminaires in the meeting rooms at client Q8 (Kuweit Petroleum have been replaced by new LED luminaires with presence sensors. In addition, the existing lighting in the elevator shafts has been replaced by LED spot lights. This investment saves energy by 40%, and in addition cuts back on maintenance costs, since the lifespan is extended significantly.

An energy monitoring system has been installed in all buildings of Mechelen Campus. This system allows continuous registering of the use of high voltage, cooling/heating, the ventilation system and water by means of online measuring points. The data is processed by the software platform Pulse in real time. This tool allows for energy efficient management and timely discovery of anomalies. Monthly reporting is planned so that necessary adjustments can be made. In 2016, this is being further expanded to the rest of the portfolio.

Energy policy

Intervest Offices & Warehouses has an active purchasing policy as regards energy (electricity & gas). This allows it to respond adequately to the energy markets, which have seen prices fall in recent years. The purchased electricity is 100% green, the origin of which is demonstrated by the necessary guarantees from the supplier. Besides reducing the cost of energy, Intervest Offices & Warehouses is also focusing on constantly pushing down energy consumption. In the first half of 2015 electricity was purchased for 2016, taking advantage of the historically low prices compared to those of 2014 and 2015. A tender was issued for 2017 till 2019, which meanwhile has been awarded in February 2016. Through its proactive energy policy, the company succeeds in obtaining favourable rates for its clients.

Several rooftops of the logistics buildings of Intervest Offices & Warehouses have been equipped with solar electricity generating systems. In most cases the company has given specialised parties long-term building rights, without the company owning the PV installation. In addition, the company is running an installation itself since the most recent acquisition of a logistics site in Liège (Herstal). Photovoltaic equipment having a total installed capacity of 12,0 megawatts peak (MWp) has been installed on a total roof surface area of 205.000 m^2 spread over 8 different sites. This delivers a total CO_2 reduction of around 3.100 tonnes per year.

Roof renovations

In 2015, the roofs of Mechelen Building A (Intercity Business Park) and Berchem Technology Center were renovated. Extra roof insulation was chosen every time in order to reduce energy consumption.

Waste removal

Intervest Offices & Warehouses is also implementing its sustainability efforts through its far-reaching approach to waste removal. For example, it is possible to separate other waste and PMD (plastic bottles, metal packaging and drink cartons) as well as residual waste and paper and cardboard waste. Options have also been provided for less standard waste types such as batteries, ink cartridges, confidential documents, wood, glass and fluorescent tubes.

4.2. Attention to dialogue

Consultation with all stakeholders at regular intervals is planned. In this way, Intervest Offices & Warehouses aims for a good relationship with its stakeholders based on trust and continual optimisation.

Each quarter a comprehensive press release on the financial position of the company is issued. The board of directors meets at least six times a year. Moreover, consultative sessions with employees are held on a frequent basis.

Several times a year Intervest Offices & Warehouses also assessed the satisfaction of customers, both directly through front office staff and via an online survey. This survey included questions relating, among other things, to appearance of the buildings, the services offered, accessibility, the maintenance carried out, the handling and follow-up of interventions and the customer-friendliness of employees. Overall, customers' reactions are very positive. The points obtaining a high score are personal contact, as well online as offline. Concern for social welfare is also given concrete form through the facilities in and around buildings for customers and their staff.

4.3. Attention to customers

Portal

Since the beginning of December 2015, the company's services have been grouped conveniently on the client portal. With a personal login and password, clients gain access to all services that Intervest Offices & Warehouses provides to its clients. The who-is-who section also clearly indicates the correct contact person.

Evacuation

In 2015, Intervest Offices also organised evacuation exercises in the 'multi-tenant' office buildings and in the logistics buildings with the aim of being able to evacuate quickly and efficiently if required. These announced exercises are directed by Intervest Offices & Warehouses in consultation with the manager of the company responsible for facilities services. Afterwards, Intervest Offices & Warehouses analyses the evacuation and provides its customers with a report containing any recommendations or action points.

Facility management

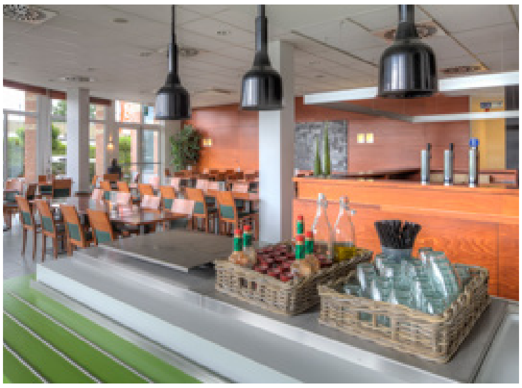
The 27/4 service for the day-to-day management of the buildings is highly valued. Intervest Offices & Warehouses has a modular offer including cleaning services, surveillance, energy, reception services, odd jobs, technical work, etc.
Supported by Planon, a software package purchased in 2012, Intervest Offices & Warehouses ensures that the various requests for a wide range of work are processed efficiently. With 'Planon self-service', the customer has the option of directly entering a notification in the system. The customer can then track the status of the work request in the web tool. Suppliers and partners can be monitored more efficiently and adjustments can be made where necessary.

Community approach

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

Mechelen Campus is conceived as an interactive community in which Intervest Offices & Warehouses and Quares, the on-site manager, provide a wide range of facilities to make the daily lives of the office users as pleasant and comfortable as possible. There is a sandwich bar/restaurant, an ironing service, a handy man service, a crèche, a fitness center, seminar space with meeting rooms, etc.

▼ Mechelen Campus



4.4. Attention to employees

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

Besides the regular performance interviews each employee has an annual assessment, and this provides the perfect opportunity to align mutual expectations.

The company aims for a healthy balance between work and personal life and offers sufficient flexibility at work, taking individual circumstances into consideration. Since one cannot burn the candle at both ends, the necessary attention is also paid to social aspects of working together such as team building, incentives, etc., which also finds expression in the company's social commitment.

4.5. Attention to corporate governance

Intervest Offices & Warehouses attaches considerable importance to honesty, integrity and openness in its business dealings, both in the internal environment and externally in relations with the various stakeholders.

The chapter on corporate governance describes in detail what is arranged in this area.

4.6. Attention to social welfare

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

To Walk Again, a foundation that collects funds for people with a physical disability to offer them post-rehabilitation and sports facilities, can also count in 2015 on the support of Intervest Offices & Warehouses. The Jasper on Wheels team is sponsored for the third time for its participation in the Run To Walk Again, a relay tour over a distance of 8 marathons (337 km) for teams of 8 to 15 runners with at least 1 hand biker. Jasper on Wheels is the team formed around a basketball player who due to an unfortunate fall during a game suffered a spinal cord injury in the neck and is paralysed from the chest down. The funds collected are inter alia for purchase of a step robot that is used in the post-rehabilitation process of people with a physical disability.

When moving to the new registered offices, Intervest Offices & Warehouses has renovated the IT infrastructure and used equipment has been replaced. Together with its IT partner Cheops Technology, the company donates various used computers and monitors to the not for profit, Ritmica vzw. It concerns high quality used computer material that has been upgraded by Cheops Technology and will serve to make the classes in twenty primary school classrooms in Ritmica more interactive. Ritmica is an organisation in Antwerp that supports over 300 children, young people and adults with a disability on the autism spectrum, a learning disorder or mental of physical disability.

Thanks to about thirty upgraded computers, the non-profit can make the classes for 180 pupils more interactive and support learning projects with IT. For example, the children use the computers to record and/or play audio and video fragments, view photographs and work on subjects that are taught, to look up difficult words or to make assignments such as book reports or presentations. The computers can also be used to read texts out loud for children who have difficulties reading. The computer can also help some children with impaired motor skills who are sometimes unable to write.

▲ Mechelen Business Tower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REPORT OF THE MANAGEMENT COMMITTEE

◄ Opglabbeek

1. The market for offices and logistics real estate

1.1. Offices

The rental market

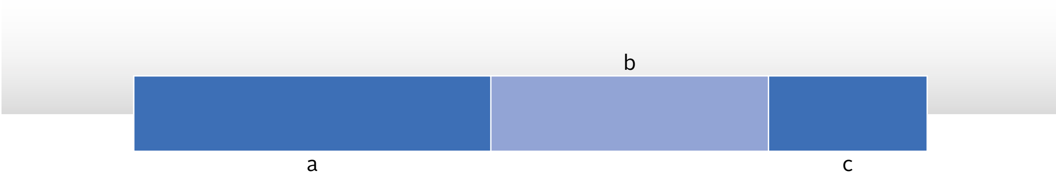
The take-up of office space in Brussels and in the Brussels periphery was exceptionally low (about 304.000 m²). This was mainly due to limited take-up by public authorities. A catching up process is expected at the beginning of the 2016. 35% of the take-up of office space occurred in the periphery.

The prime rent for offices is generally expected to remain stable during the coming years, as it has been during the past year, and CBD (Central Business District) is expected to see a limited level of growth of leases. For the market segments outside the CBD, there is higher availability of offices (currently from about 16% to 19% depending from the area) , and no growth is expected in leases. Even if the labour market and the rental market improve, the supply in this segment remains at such a high level that rental growth is practically ruled out during the coming years. The exception are the grade A buildings where the offer is relatively limited. Grade A buildings are new buildings or comparable after renovation.

An important lease in this segment was the letting to KPMG in 'PassPort' located on the airport grounds in Zaventem. Also other important companies such as Hologic, DS Smith, Aon and Unisys took some space in the vicinity of the airport.

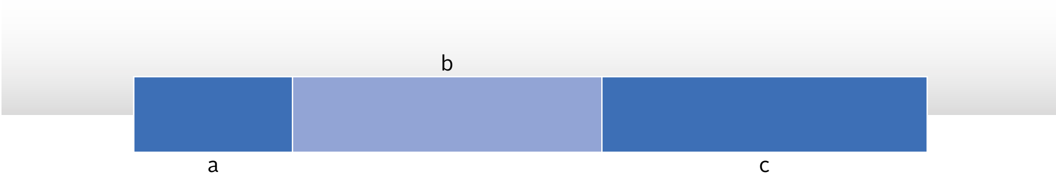
Brussels - Take-up per office district, 2015

a	45%	Central
b	35%	Periphery
c	20%	Decentralised



Brussels - Take-up per building type, 2015

a	20%	Grade A
b	39%	Grade B
c	41%	Grade C



The office buildings of Intervest Offices & Warehouses belong to the category grade B buildings. Grade B buildings are sound buildings responding to the current criteria and mainly approximately ten years old. The regional markets where Intervest Offices & Warehouses is active, being the Flemish part of the Brussels periphery, the Antwerp periphery and the periphery of Mechelen, remain competitive as professional lessors will spare no efforts to maintain the buildings in good condition and offer them at very competitive terms. The average net rental price of such buildings in the Brussels periphery amounts to about € 100/m²/year for recent lettings, with opportunistic prices to € 80/m²/year or even lower for less performing buildings. In the Antwerp periphery as well as in the periphery of Mechelen, there is also a significant difference between prime rents (rental prices for the best buildings) and the average rental prices.

The investment market

In 2015, there was a strong boom on the investment market. Prime yields for offices therefore declined to approximately 5,5% (prime yield CBD) for classic lease agreements during the past year and are expected to continue declining in the near future. For new office buildings let in the long run in the centre of Brussels, yields amounted to approximately to 4,5%. Yields for prime buildings are by now at a historically low point and the investment volumes at the international level are comparable with those of the boom around 2007.

Also for non-prime office buildings, interest has grown in 2015, even though the conditions against which these files are traded remain opportunistic. The general demand for offices on the investment market is certainly expected to continue growing in 2016, leading to conditions normalising and strengthening further.

	Rental market				Investment market	
Location	Prime rent		Average rent	Vacancy	Prime yield	
	Q4/2014	Q4/2015			Q4/2014	Q4/2015
Brussels – EU Leopold	275 €/m²	275 €/m²	180 €/m²	6 – 7%	6,20%	5,70%
Brussels – Pentagon	215 €/m²	235 €/m²		6 – 7%	6,25%	6,00%
Brussels – Decentralised	170 €/m²	195 €/m²	144 €/m²	15,00%	8,25%	7,50%
Brussels – Periphery	155 €/m²	175 €/m²	120 €/m²	16,00%	8,50%	7,75%
Antwerp	140 €/m²	140 €/m²	110 €/m²	11,00%	7,00%	7,00%
Mechelen	135 €/m²	130 €/m²	98 €/m²	9,90%	7,00%	7,00%
Leuven	145 €/m²	135 €/m²	115-120 €/m²	13,90%		
Ghent	155 €/m²	155 €/m²	122 €/m²	4,50%		

Sources: a.o. Cushman & Wakefield, Property Times, Offices, 2015;
Cushman & Wakefield, Office Market Snapshot, Q4 2015; JLL, Office Market Report, Winter 2015.

Tenants' expectations

The offices market is right in the middle of a transition from traditionally offering office space by the square metre to offering more service-focused solutions for office users. Within these solutions, leasing office space by the square metre is just one of the elements, apart from offering an accessible and pleasant living and working quality and any supporting service needed within the business as well as the private context.

This transition is being driven by the changing functions of the office environment. After all, technology makes it possible to work from any place anywhere, causing offices to increasingly evolve towards networking environments. This change is mainly visible among smaller and innovative growing companies and of which co-working spaces and managed offices are exponents. Especially smaller tenants that are looking for growth turn out to be interested in possible synergy effects.

However, this by no means implies that office space will no longer be traditionally leased by the square metre in the future, because leasing and gaining profit from office space by the square metre remains the main activity of the most owner-landlords. It does however mean that in the future office tenants will be offered a complete array of services, from which all clients can choose the elements interesting to them. This will have to occur in a vibrant environment (on the micro as well as the meso level, often in city centres), which clients will enjoy visiting.

Due to this, the offices market will evolve from an asset industry to a service industry in the future. The role of the office owner thus changes from a financial role to a management role concerning provision of service, networking, tailored solutions and additional services.

1.2. Logistics

The rental market

The logistics real estate market is a structurally healthy market that is expected to continue growing in the future along with the growth of the European economy (due to increased transport flows) and the growth of electronic commerce facilities. Antwerp and the Brussels-Antwerp axis remain the hotspots, while Limburg-Liège is seeing an increasing interest in large-scale distribution centres. An important transaction was the development of 55.000 m² for Hyundai Mobis in Beringen.

The fact that the take-up in 2015 of about 640.000 m² was one of the lowest of the last five years is due mainly to the competition from The Netherlands. In general, the prime rents remain stable with a light nominal growth due to increasing cost of land and construction costs. However, the increase in rents lagged significantly behind the evolution of the index during the past 10 years. Wage costs are an important reason for the apparent stagnation in growth of rents and lower rents in Belgium compared to the neighbouring countries, especially Germany and the Netherlands. If logistics services providers wish to remain competitive and profitable in Belgium, compensation is needed in their costs of leasing buildings.

The demand is expected to rise by European economic growth on the one hand (leading to increasing transport demand as well) and the increasing demand for e-commerce activities on the other hand. This has an impact no large-scale construction projects, since third party logistics organisations (3PL companies) wish to bring together various clients in a limited number of larger campuses or clusters, and because retailers increasingly wish to combine their traditional logistics activities at large-scale sites with e-commerce activities.

Even though the economy and mainly e-commerce activities are growing, this hardly affects the take-up in Belgium, in contrast to the rest of Europe. Due to a big difference in labour costs compared to the neighbouring countries, Belgium hardly succeeds in attracting new logistics activities. However, due to changes in regulations, an increase of the take-up is expected in the coming years.

When comparing the amount of logistics space per inhabitant, Europe lags strongly behind the USA. Assuming that the European logistics real estate market will develop in the same direction as the USA, it is to be expected that this market will continue growing in the future.

The investment market

The interest of international investors in the logistics real estate segment increased strongly in 2015 and will continue increasing in the coming years. Yields for qualitative logistics buildings are at a historically low level in all European countries due to the strong interest from big investors. This strong interest is largely supported by the availability of large quantities of (cheap) money and the fact that the demand of users for modern logistics space increases along with the European economic growth picking up speed.

Prime yields in The Netherlands and Germany for qualitative buildings and agreements with a duration of 10 years are around 6% or less. The Belgian investment market is also expected to head in the same direction. Especially for top qualitative buildings, the yields may possibly even decline further, due to the increasing competition from investors.

The supply of modern logistics plots remains scarce due to a very limited speculative develop ment in the middle-term. The strong interest of investors could, however, also possibly boost speculative development, because the exit yields for new developments decrease further.

	Rental market			Investment market	
Location	Prime rent		Vacancy	Prime yield	
	Q4/2014	Q4/2015	Q4/2015	Q4/2014	Q4/2015
Brussels (axis Brussels-Antwerp)	47 €/m²	55 –58 €/m²	4,82%	7,00%	6,50%
Antwerp	45 €/m²	48 €/m²		7,20%	6,90%
Ghent (axis Antwerp-Ghent)	39 €/m²	43 €/m²	7,16%	7,65%	7,50%
Hasselt-Genk (axis Antwerp-Limburg-Liège)	38 €/m²	43 €/m²	6,61%	7,75%	6,75%
Liège	38 €/m²	43 €/m²	10,78%	7,75%	7,80%

Source: a.o. Cushman & Wakefield, Property Times, Belgian Industrial, 2015; Cushman & Wakefield, Industrial Market Snapshot, Q4 2015; JLL, Logistics Property in Belgium, Autumn 2015; CBRE, The Belgian Property Market, seminar January 2016.

Tenants' expectations

The expectations of the tenants are closely related to tenant typology and also depends strongly on their specific activities.

The international third party logistics organisations are strongly focused on efficiency and cost reduction in order to be as commercially strong as possible compared to their competitors. This results in downward pressure on the rental prices for existing buildings, because their activities in construction can often be achieved more cheaply due to their modern layout and energy efficiency. They are usually very risk-averse and try to always fully cover financial risks within the minimum contract term with their clients (usually 3 years or less). By clustering multiple clients at one location, they try to improve efficiency levels and cost reduction.

Retailers and retail producers (such as Michael Kors, VF Europe, Nike, Estée Lauder, Skechers, etc.) are namely focused on ensuring continuity within their logistics chain within a uniform logistical environment. They often choose new development solutions for their specific size and have a more long-term focus.

The demand for space of industrial producers that take care of their own logistics is often more specific than that of retailers due to the technical nature of their product. Focus on ensuring long-term continuity of their operations is also paramount.

Shippers and distributors generally have limited demand for surface space, but need a large number of gates on their buildings. They typically serve a very large number of clients from one single location, leading them to approach operations from the middle to long term.

Atypical showroom users (such as for example Peugeot, Facq, Van Marcke and Metro) look for locations with excellent visibility.

Generally it can be said that there is a strong trend towards higher efficiency levels, scaling-up, and electronic commerce logistics for the European market.

For the sake of efficiency levels, distribution centres will be increasingly located at multi-modally accessible locations close to container terminals (barge) and large canals (Albert canal, Rhine). Thus, incoming goods can be grouped; they can be supplied in large flows from the main ports and can then be distributed (without congestion) in a more finely mazed system towards the European regions with the most purchasing power (Ruhr, Paris, Benelux). Taking the congestion issue into account, national distribution centres in the Benelux will be located on the Amsterdam-Brussels axis, and European distributions will be located in the east of the Benelux region (Dutch and Belgian Limburg and Liège).

For the sake of scaling up, there will be an ever-increasing number of logistical clusters for multiple clients. This will allow the changing demands of individual customers to be dealt with at one location.

Due to growing e-commerce logistics, facilities for cross docking and city distribution centres will increasingly be located at the edges of the urban centres. If the delivery speed of e-commerce activities increases further, more smaller-scale warehouses will also be created inside city centres.

▼ Opglabbeek

2. Important developments in 2015

2.1. Occupancy rate and leases in 2015

As at 31 December 2015, the total **occupancy rate** of the real estate portfolio of Intervest Offices & Warehouses amounted to 90%, an increase of 3% compared to 87% as at 31 December 2014:

- the occupancy rate of the office portfolio increased by 2% to 85% compared to 31 December 2014 (83% as at 31 December 2014) as a result of leases in the three office regions in the portfolio (Antwerp, Mechelen, Brussels periphery)
- for the logistics portfolio the occupancy rate increased by 4% to 95% compared to 31 December 2014, mainly as a result of the acquisition of the site in Liege and additional leases on logistics sites on the Antwerp-Mechelen and Antwerp-Liège axes.

In 2015, Intervest Offices & Warehouses had another very active year in the area of **leases**: 19% of annual net rental income was extended or renewed. A total of 62 rental transactions were concluded with new or existing tenants for a total surface area of 117.612 m². In 2014, this was 22% of the annual net rental income with 47 transactions for a surface area of 164.894 m².

In 2015, the rental activity continued to focus primarily on extending existing lease agreements. A total of approximately 15% of the annual net rental income of the real estate company was extended in 2015 compared to 20% in 2014.

Leases to new tenants were limited to 4% of total net rental income of the company in the office portfolio as well as for logistics real estate compared to 2% in 2014.

As at 31 December 2015, the occupancy rate of the entire real estate portfolio of Intervest Offices & Warehouses amounted to 90%.

▲ Kontichsesteenweg, Aartselaar

"Due to our growth, we decided to expand and reorganise our office space within the branch of Intervest Offices & Warehouses. We wanted the new situation to reflect our unique organisation. An organisation based on cooperating, meeting, concentrating, working and learning individually. Intervest Offices & Warehouses has in turn made a significant investment in the building: the HVAC installation and the sanitary facilities were renewed and the façade of the building got a thorough renovation. Operations were followed up on a weekly basis during a coordination meeting with Intervest Offices & Warehouses staff, allowing the cooperation to run smoothly and efficiently."

Peter s'Jongers - CEO - Protime - Aartselaar

Rental activity in the office portfolio

New tenants

In 2015, new lease agreements were concluded in the offices portfolio of Intervest Offices & Warehouses for a total surface area of 4.693 m² (compared to a total offices portfolio of approximately 230.000 m²), with 12 new tenants attracted, mainly in Mechelen. This is an increase compared to the new leases in 2014, when 11 new tenants were added for a total area of 3.932 m².

The most important transactions in 2015 were leases to:

- Protime at Aartselaar Kontichsesteenweg for 1.963 m²
- AVT at Mechelen Intercity Business Park for 469 m²
- Bloc at Brussels 7 for 403 m²
- Cnext at Mechelen Campus for 279 m²
- Professionals at Zellik Exiten for 266 m²
- Five 4 U at Mechelen Campus for 263 m²

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

In the office portfolio in 2015, ongoing lease agreements for an area of 33.475 m² were renegotiated, or extended in 36 transactions (out of a total office portfolio of approximately 230.000 m²). An area of 29.465 m² was renegotiated in 25 transactions during the same period in 2014.

The most important transactions in 2015 were:

- temporary extension of Deloitte for 8.117 m² at Diegem Campus 2 (until 31 December 2016)
- extension of Kuwait Petroleum for 3.677 m² in Gateway House
- extension of Technicolor for 3.578 m² at De Arend
- extension and expansion of ON Semiconductor for 3.307 m² at Mechelen Campus
- extension of Whirlpool for 2.885 m² at Brussels 7
- extension (partial) of Schneider Electric for 1.553 m² at Aartselaar Kontichsesteenweg
- extension of Imperial Tobacco for 1.506 m² at Mechelen Campus
- extension of Electro Rent Europe for 1.439 m² at Mechelen Intercity Business Park
- extension of Fleet Logistics for 984 m² at 3T Estate
- extension of Keyrus for 772 m² at Brussels 7
- extension and prolongation of Biocartis for 708 m² at Mechelen Intercity Business Park
- extension of Quares for 592 m² at Mechelen Campus
- extension and expansion of Planon for 544 m² at Mechelen Campus

▼ Intercity Business Park, Mechelen

"Biocartis has experienced rapid growth since its start at the Intercity Business Park in Mechelen in 2011. From the start we found Intervest Offices & Warehouses to be a reliable and flexible partner, which has always helped us efficiently throughout the years in our request for expansion. We plan to continue using the services of Intervest Offices & Warehouses in the future for high-quality and high-performance accommodation."

Rolf Wildeman -
Director Supply Chain & Site Services -
Biocartis - Mechelen Intercity Business Park

Rental activity in the logistics portfolio

New tenants

Lease agreements were concluded in 2015 in the logistics portfolio of the company for a surface area of 24.966 m² in 5 transactions (with the total logistics portfolio at approximately 495.000 m²). This represents an increase compared to 2014, when rental agreements were entered into for a surface area of 13.014 m² in 3 transactions.

These transactions in 2015 are leases to:

- Scania in Opglabbeek for 8.931 m²
- Belcar in Schelle for 6.737 m²
- Toyota Material Handling in Wilrijk 2 for 5.034 m²
- Agentschap Facilitair Bedrijf in Wilrijk 2 for 3.653 m²
- Cofely in Herentals Logistics 1 for 611 m²

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

In 2015, in the logistics portfolio, lease agreements for a surface area of 54.478 m² were prolonged or extended in 9 transactions. This is lower than in 2014, when rental agreements were extended for 118.483 m², including the one with Nike Europe in Herentals Logistics 2 for 50.912 m² (which represented almost half of the total figure for 2014).

The most important transactions in 2015 were:

- prolongation of Neovia Logistics in Houthalen for 26.995 m²
- prolongation and extension of CooperVision for 13.737 m² in Liège
- prolongation of DHL Freight for 4.273 m² at Oude Baan in Mechelen
- extension of Medtronic (previously Covidien) for 4.020 m² in Opglabbeek

"Since the end of 2011, we have been cooperating with Intervest Offices & Warehouses under a long-term lease agreement for our warehouses in Opglabbeek. This cooperation has already resulted in a good partnership, in which Intervest Offices & Warehouses was also able to fulfil the additional needs of Medtronic in the form of an additional flexible lease agreement needed to facilitate the growth of our organisation."

Robert Smulders - Logistics Director - Medtronic - Opglabbeek

"Intervest Offices & Warehouses has dealt with our demand for extra space during our busiest period very meticulously and thus made a significant contribution to the success of our activities during the busiest period of the year."

John de Bruin - Operations Manager België - PostNL/Pakketten - Wilrijk 2

▼ Opglabbeek

▼ Wilrijk 2

2.2. Operational and commercial optimisations: from tenant to customer

For certain companies, accommodation is less and less a matter of square metres, and they are no longer just looking for space. What they want is an all-in-one solution where the emphasis is on the kind of service that takes account of changing ways of working and technological developments. For these companies, turn-key solutions provide a valued solution. Many employers are trading in the concept of full-time working from home for mixed solutions where the social contact in the workplace is reconciled with the requirements of mobility and flexibility. With RE:flex, Intervest Offices & Warehouses is meeting these needs of mobile and flexible workers.

From m^2 to service provision: turn-key solutions

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

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

For new leases as well as extensions, clients are making every more use of these turn-key solutions for optimisation and use of their office space. This change clearly fits within the trend of “unburdening” the customer.

Cochlear, for example, continued using the turn-key solutions team of Intervest Offices & Warehouses and in 2015, quite a number of other clients, such as Bloc in Brussels 7, Five 4 U at Mechelen Campus and a.o. Mercuri Urval and SKS in Sky Building, requested support with the fitting out and delivery of their adapted offices.

In October 2015, Mercuri Urval moved its offices to Sky Building. As a new customer they got inspired by the integration of the ‘new way of working’ at the offices Of Intervest Offices & Warehouses: standing and sitting desks, informal meeting places, telephone booths, cosy coffee-corners etc. For the turn-key solutions team the challenge existed in staying in line with the previous offices design with recuperation of existing materials and at the same time create a modern, warm and stylish environment. The team also had to take into account the specific needs regarding privacy of Mercuri Urval as a recruitment agency.

“It’s not always easy to know immediately how to decorate an office. Often, by already working in it, one needs additional adjustments. The team of Intervest Offices & Warehouses is always ready to accommodate this. It is pleasant working together.”

NATHALIE MAZY - COUNTRY MANAGER - MERCURI URVAL - SKY BUILDING

▼ Five 4 U

▼ Five 4 U

"Cooperation for our project with Intervest Offices & Warehouses has been pleasant and good. Negotiations and handling of the lease agreement as well as the plan and implementation of decoration works were done to our complete satisfaction. We now work in a beautiful and professional office that looks different from other offices in decoration and design, which was what we wanted. This is all thanks in large part to the Intervest Offices & Warehouses people. Thank you."

Rien Slagter - General Manager - Five 4 U - Mechelen Campus

▼ Bloc, Brussels 7

▼ Bloc, Brussels 7

"We decided to move to a new location at relatively short notice.
From the beginning we were surrounded by a dynamic team that guaranteed smooth cooperation and follow-up of operations.
Compliments to the entire team for the cooperation and interaction that ensured the success of this project.
We are very enthusiastic and happy about our new offices."

Ivan Poels – Quality & Administration Manager – Bloc – Brussels 7

Flexible m^2 and service: RE:flex

'RE:flex, flexible business hub' is entirely in keeping with the strategy of Intervest Offices & Warehouses to respond proactively to new trends in mobile and flexible working. This co-working lounge with seminar centre on the ground floor of Mechelen Campus Tower and represents a high-tech innovative concept of working, meeting and event organisation. It is also a fine example of the turn-key solutions approach of Intervest Offices & Warehouses. RE:flex was entirely elaborated and designed internally. A partnership with Steelcase was set up to provide the furniture. Steelcase is one of the largest manufacturers of office furniture.

To start with, RE:flex is a response to the growing need for flexibility and collaboration in a professional setting. A membership card (several plans are available) provides access to a flexible "(third) workstation" as well as a range of facilities and services that are charged on a per-use basis. The centralised location of Mechelen is a great benefit (accessibility, parking facilities, fewer traffic issues, etc.). Furthermore, RE:flex is also equipped with state-of-the-art conference and meeting facilities that nicely complement the existing supply of services available to customers at the sites in Mechelen. The rooms are also suitable for seminars, receptions, product presentations, team meetings, etc. In order to prevent RE:flex from becoming too small, an extra floor was fitted out in mid-2015, with extra work spaces and meeting facilities, in order to be able to meet the growing demand.

RE:flex — a whole range of facilities and services

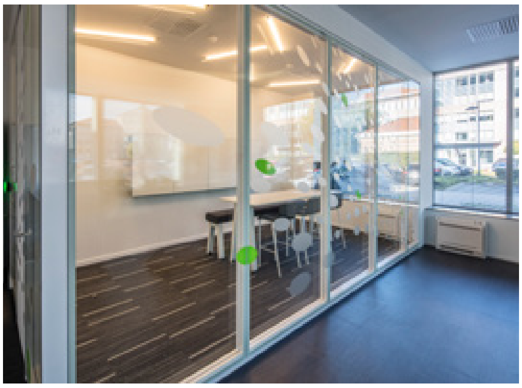
"As a start-up, we need a dynamic working environment that offers the flexibility we need and helps support our growth. We receive our clients in a very professional context here and this immediately creates the right impression. The availability of larger meeting rooms and a hall are perfectly suited for events with prospects and clients. RE:flex provides the ideal mix of adapted rooms for us as a start-up."

Lennart Benoot - Business Manager - MINCKO, Google for Work Partner

"I find it, as marketing consultant important to make a professional impression. In the business hub it is easy to use the modern infrastructure and the large range of services. Besides, you have contacts with companies from different sectors. It is an inspiring working space that strongly stimulates your productivity. It is ideal for people wanting to break with full-time working from home."

Margot Huyghe - Business Manager - Attasjee

▼ RE:flex, Mechelen Campus



On average, multiple seminars or workshops were held per week in 2015. For larger groups, appropriate facilities are provided on the tenth floor.

Mechelen Campus Tower also houses a business centre on the eleventh, twelfth and fourteenth floors, where MC Square sublets small, fully-serviced office spaces to start-ups or smaller businesses.

In the renovated Sky Building the fitting out of a second RE:flex has started which is expected to open in the second quarter of 2016.

"Mechelen-North has become a well-known zone for businesses, and so the choice to cooperate and continue to cooperate with Intervest Offices & Warehouses was an easy one! The buildings next to the E19 with the campus are easy to reach by car and located between Antwerp and Brussels, which is convenient for clients and staff. This year, Intervest Offices & Warehouses has redone the reception area and the stairwell of our offices. It looks refreshing and pleasant and gives you a nice start to the day! Intervest Offices & Warehouses is highly recommended"

Christel Peeters - Office Manager - Info Support - Mechelen Intercity Business Park

Renovation office building Sky Building

Since mid-August 2015, the registered office of Intervest Offices & Warehouses is located at the renovated office building Sky Building, at number 66 Uitbreidingstraat, Berchem (Antwerp) and the offices of the company have moved to the fifth and sixth floor of this building.

After a thorough renovation of the technical installations and the interior design, most existing tenants have moved to new spaces in the building on the second, third and fourth floor. Extra leasing and the provision of ironing services mean that the second floor through to the sixth floor are all fully in use now.

For this renovation, Intervest Offices & Warehouses worked according to its own tried and tested turn-key solutions approach.

▼ Intervest Offices & Warehouses, Sky Building

In addition to the renovation of the technical systems and the interior, works has started to dress up the exterior of the building in order to give it a complete new and unique look . A 'Green Wall' or vertical garden will be attached to the entire façade, the first in Antwerp.

Through these operations Intervest Offices & Warehouses has transformed an existing office building into an attractive, modern working space.

The total investment, spread over financial year 2015 and 2016, amounts to approximately € 3 million. The financing for this renovation will be realised with available credit lines.

▲ Greenwall, Sky Building

"The move went very satisfactorily, with clear agreements, effective follow-up, plain communication and a great end result. Working at the new department is a delight."

ROEL VAN DIJK - SALES MANAGER - SKS - SKY BUILDING

▼ Intercity Business Park, Mechelen

"The combination of the broad range of service of Intervest Offices & Warehouses with the good infrastructure and accessibility of the offices at Mechelen was the decisive factor for our choice. Thanks to the fast and flexible cooperation with Intervest Offices & Warehouses, VIRTEO was operational in the new offices just two weeks after the decision was made."

Karel Vanderheyden – CEO – VIRTEO- Mechelen Intercity Business Park

▼ De Arend, Edegem

"In addition to delivering flawless and personalised services, Intervest Offices & Warehouses is proactively contemplating the needs of Cheops as a fast-growing IT company. As a consequence, the competitive and creative proposal of Intervest Offices & Warehouses persuaded us to extend and expand our contract in complete confidence. We look forward to further long-term cooperation ."

Marc Geerts-Claes – Finance & Administration Director – Cheops Technology – De Arend Edegem

▼ Inter Acces Park, Dilbeek

"At the moment, Randstad Group (Randstad and Tempo Team) leases two buildings via Intervest Offices & Warehouses. From our experience we know that cooperation is always punctual and correct. We are satisfied tenants."

Jeroen De Cleen – Facility Center Coordinator – Randstad Group – Inter Access Park – Dilbeek

Inspiring renovation of office buildings at Diegem Campus

Tenant Deloitte will occupy the office buildings of Diegem Campus at Berkenlaan 6, 8a and 8b until the end of 2016. Deloitte will start using a new office building at Brussels Airport at the end of 2016.

The building at Berkenlaan 6 is a relatively small-scale office building in an attractive green part of the city. Due to its clearly visible location along the Brussels ring road as well as the lay-out of the building, it is not only suitable to serve as a traditional office building, but can also be used for redevelopment into a hotel or business flats with hotel function. This building may be divested.

Given the location of this site near Diegem station and the quality of the buildings (BREEAM-Very Good), the office buildings at Berkenlaan 8a and 8b offer an excellent opportunity for meeting a possible demand for a larger office space.

In 2015, Intervest Offices & Warehouses has given much attention to the repositioning and future commercialisation of this site and has drafted an inspiring renovation of Diegem Campus.

Concept

In cooperation with PSK Architects, Intervest Offices & Warehouses has drafted a concept in which Diegem Campus will distinguish itself clearly from the traditional supply of offices.

This concept is aimed at stimulating meeting and interaction. It will have a professional aura, stimulate cross-fertilisation, allow for a high level of flexibility, bring rest, focus on service above all, be energy-efficient and aim at accessibility.

A patio, that is yet to be built, will function as a lively meeting place with possibilities for organising events.

The “new way of working” is being integrated into the building by combining a co-working lounge with inspiration places. The layout will also be aimed at stimulating mutual interaction between visitors and users.

A Grand Café, a restaurant, larger meeting rooms and an auditorium are among the things that have been planned. Users can also make use of a service desk that will guarantee a personal approach according to the needs of the client.

Commercialisation and completion

With this redevelopment of Diegem Campus, Intervest Offices & Warehouses is aiming for a multi-tenant approach. This innovative, inspiring and service-focused concept has been tested against market demand and has been welcomed by prospective tenants.

The project is still in concept phase. An estimation of the required budget will be made concrete in 2016. Financing this redevelopment will be done from currently available credit lines.

▼ Diegem Campus

2.3. Investments in 2015

Also in 2015, the strategy of Intervest Offices & Warehouses consisted of increasing on term its logistics real estate portfolio to approximately 60% of the entire real estate portfolio.

With Belgium being a logistics hub in Europe, Intervest Offices & Warehouses wishes to shift the emphasis in the portfolio to logistics real estate as well as reduce the share in the office market. In the context of this shift, investments in up-to-date buildings of excellent quality on the most important logistics axis are the priorities.

Taking into account this strategic aim, Intervest Offices & Warehouses did not acquire office buildings in 2015. In the future, the company will remain an important investor in the office market. In 2015, Intervest Offices & Warehouses started the implementation for the inspiring renovation of the office buildings at Diegem Campus as described above.

▼ Liège

In 2015, the logistics real estate portfolio increased by 11%[1].

1 With unchanged composition of the logistics portfolio compared with 31 December 2014.

Investment logistics site in Liège

Within the scope of its strategy to invest in logistics real estate, Intervest Offices & Warehouses concluded as at 4 February 2015 an agreement, regarding the acquisition of a logistics site of approximately 52.000 m² in Liège (Herstal) for € 28,6 million.

Like the transaction with Machiels Real Estate in December 2014, this transaction represented a further step within the company's strategy of continuing to increase the percentage of logistics real estate within the total real estate portfolio to approximately 60%. This transaction contributed to the increase in size of the logistics real estate portfolio of Intervest Offices & Warehouses to € 308 million as at 31 December 2015, an increase of approximately 11% compared to the end of 2014. As at 31 December 2015, the logistics portfolio represented 49% of the entire real estate portfolio.

The investment concerns a modern logistics complex of warehouses with accompanying limited office facilities and vast grounds in the logistics hotspot of Liège, which lies at the intersection of the Antwerp-Limbourg-Liège logistics corridor and the Walloon Mons-Charleroi-Liège axis. The site lies immediately at the exit of the motorway and is perfectly accessible from the E313, E40, E42 and the E25. The cargo airport of Bierset is located at 15 kilometres of the site, the container terminal Trilogiport at 10 kilometres.

The logistics site was developed in different stages. The first buildings were constructed in 2001 and the most recent buildings were finished in 2008.

The total size of the site includes 47.579 m² of storage space, 4.389 m² of offices, technical and social space, 17.651 m² outside storage space and a large car park. The photovoltaic system which has been fitted on the roof of one of the buildings with a capacity of 250 megawatts peak also forms part of the transaction.

The site is entirely let: 83% on the long term to Vincent Logistics and Cooper Vision and 17% on the short term to Parker Legris. In the second quarter of 2015, the agreement with CooperVision was extended to 2024, with a notice option in 2021. For Vincent Logistics, the most important tenant, this site is the central location from which it directs its operations.

Intervest Offices & Warehouses acquired shares of the company Stockage Industriel nv, owner of the logistics site. This company is linked with the logistics enterprise Vincent Logistics. The acquisition value of this logistics site amounted to € 28,6 million. This acquisition value is in line with the valuation of the independent property expert of the company.

This transaction generates a rental income flow of roughly € 2,6 million annually for Intervest Offices & Warehouses and provides an initial net yield of roughly 8,2%.

The transaction was funded from existing and new credit lines of Intervest Offices & Warehouses at financial institutions and through the take-over of the credit facilities of the company Stockage Industriel sa of approximately € 3 million.

2.4. Divestments

Intervest Offices & Warehouses sold a non-strategic semi-industrial building in Duffel, Notmeir, for a sum of € 3,7 million in the first semester of 2015. The property is a small semi-industrial building comprising warehouses (8.986 m²) and limited office space (228 m²).

The sales price, approximately equal to the carrying amount as at 31 December 2014 was achieved and amounted to € 3,7 million (fair value as determined by the independent property expert of the company). The building represented only 0,6% of the total fair value of the real estate portfolio of the company. The transaction was subject to registration rights.

3. Financial results 2015[1]

3.1. Consolidated income statement

in thousands €	2015	2014
Rental income	46.147	40.037
Rental-related expenses	30	-22
Property management costs and income	2.848	897
Property result	**49.025**	**40.912**
Property charges	-5.319	-4.432
General costs and other operating income and costs	-1.624	-1.592
Operating result before result on portfolio	**42.082**	**34.888**
Result on disposals of investment properties	125	-589
Changes in fair value of investment properties	-5.347	-5.198
Other result on portfolio	-243	-616
Operating result	**36.617**	**28.485**
Financial result (excl. changes in fair value - IAS 39)	-10.913	-11.815
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	558	-344
Taxes	-310	-36
NET RESULT	**25.952**	**16.290**
Note:		
Operating distributable result[2]	30.859	23.038
Result on portfolio	-5.465	-6.404
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	558	-344

1 Between brackets the comparable figures of financial year 2014.
2 For the calculation of the operating distributable result: see 8.6 Annexes to the statutory annual accounts of the Financial report.

Analysis of the results

For financial year 2015, **rental income** of Intervest Offices & Warehouses amounted to € 46,1 million and increased herewith by 15% compared to financial year 2014 (€ 40,0 million). This increase is primarily attributable to the increase in rental income from the acquisition of the logistics sites in Opglabbeek in December 2014 and in Liège in February 2015. The two sites generated a combined annual rental income of approximately € 5,3 million in 2015. The rental income of the existing offices portfolio as well as the logistics portfolio increased slightly in 2015 compared to 2014, due to indexation and leases.

Property management costs and income showed a revenue of € 2,8 million (€ 0,9 million) in 2015, and included for € 2,6 million the profit taken from refurbishment fees received from departing tenants in the offices portfolio (€ 0,4 million). At the beginning of 2015 Intervest Offices & Warehouses reached an agreement with tenant Deloitte to have the departure dates for the 3 buildings in question (Diegem Campuses 1 and 2 and Hermes Hills, a total of approximately 20.000 m²), which originally ran until 2016 and 2017, coincide and set as at 31 December 2016. Another agreement has also been concluded within this context to fix the refurbishment fee at € 2,5 million, which tenant Deloitte will pay in the course of 2016.

In 2015, **property charges** of the company increased during financial year 2015 by approximately 20% or € 0,9 million to € 5,3 million (€ 4,4 million). The increase is mainly the result of the acquisition of the two logistics sites, the renovation of a number of roofs with sustainable roofing, the rebranding of the entrances at the Intercity Business Park in Mechelen and a larger workforce for property management.

General costs and other operating income and costs amounted to € 1,6 million and thus stayed at the level of previous year (€ 1,6 million).

The increase in rental income and the allocated refurbishment fees from departing tenants, partly compensated for by the increase in property charges, caused the **operating result before result on portfolio** to increase by € 7,2 million or about 21% to € 42,1 million (€ 34,9 million).

The operational margin of Intervest Offices & Warehouses was 91% for financial year 2015 (87%).

The **changes in fair value of investment properties** are negative and amounted to € -5,3 million compared to the negative changes of € -5,2 million in 2014. This decrease in fair value of the existing real estate portfolio (without taking into account new acquisitions and divestments) is mainly the result of :

- € -9,3 million due to the decrease in fair value of the existing offices portfolio by 2,8%, mainly due to adjustment of the yields of certain office buildings in the Brussels periphery and due to new lease agreements at lower rents
- € 4,0 million or 1,5% due to an increase in fair value of the existing logistics real estate portfolio due to new leases and extensions of existing lease agreements.

The **financial result (excl. changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39))** amounted in 2015 to € -10,9 million (€ -11,8 million). The decrease of financing costs is mainly the result of refinancing according to a lower interest rate of the bond loan of € 75 million, which was due in June 2015 and was repaid. This decrease in financing costs is partially compensated by the acquisition of the two logistics sites (in Opglabbeek at the end of 2014 and in Liège in February 2015), leading to the total of credit borrowed at financial institutions in 2015 amounting to an average of € 29 million more than in 2014.

During the financial year of 2015, the average interest rate of the financing of Intervest Offices & Warehouses decreased from 4,0% in the first semester of 2015 to 3,1% in the second semester of 2015 due mainly to repayment of the bond loan of € 75 million on 29 June 2015.

The average interest rate of outstanding credit of the company was 3,5% including bank margins for the financial year of 2015 (4,1%).

The **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** 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 € 0,6 million (€ -0,3 million).

The **net result** of Intervest Offices & Warehouses for financial year 2015 amounted to € 26,0 million (€ 16,3 million) and may be divided into:

- the **operating distributable result** of € 30,9 million (€ 23,0 million), or an increase of € 7,8 million or 34%, primarily as a result of the increase in the rental income by € 6,1 million and the increase of 2,2 million in allocated refurbishment fees from departing tenants
- the **result on portfolio** by € -5,5 million (€ -6,4 million) mainly as a result of the decrease in fair value of the real estate portfolio
- the **changes in the fair value of financial assets and liabilities (ineffective hedges - IAS 39)** in the amount of € 0,6 million (€ -0,3 million).

For financial year 2015, the operating distributable result of Intervest Offices & Warehouses amounted to € 30,9 million (€ 23,0 million). Given the 16.239.350 shares this represents an **operating distributable per share** of € 1,90 per share compared to € 1,56 previous year or an increase by 22%.

Without taking into account the one-time € 2,5 million allocated refurbishment fee from departing tenant Deloitte, the operating distributable result for 2015 would amount to € 28,4 million. This would amount to € 1,74 per share and equal an increase of € 0,18 or 12% compared to the financial year of 2014.

RESULT PER SHARE	2015	2014
Number of shares at year-end	16.239.350	16.143.906
Number of shares entitled to dividend	16.239.350	14.777.342
Weighted average per shares	16.200.911	14.672.873
Net result (€)	1,60	1,11
Operating distributable result (€)	1,90	1,56
Pay-out ratio (%)	**90%**	**90%**
Gross dividend (€)	**1,71**	**1,40**
Net dividend (€)	**1,2483**	**1,0500**

In the current competitive environment, it is essential that Intervest Offices & Warehouses be able to continue to pursue the implementation of its strategy. Investments in the quality, and thereby the leasability, of its buildings are crucial for exploiting the long-term value potential of the company. Intervest Offices & Warehouses has therefore concluded, such as for financial year 2014, that it is necessary to apply a **pay-out ratio of 90%** in order to maintain enough liquid assets from operational activities to keep investing in the portfolio.

On the basis of a pay-out ratio of 90% a **gross dividend** of € 1,71 per share compared to € 1,40 for 2014 will be proposed to the shareholders for financial year 2015. This gross dividend offers the shareholders a **gross dividend yield** of 7,0% based on the closing price of the share as at 31 December 2015.

3.2. Consolidated balance sheet

in thousands €	31.12.2015	31.12.2014
ASSETS		
Non-current assets	635.218	609.722
Current assets	13.181	8.868
Total assets	**648.399**	**618.590**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	**321.736**	**314.167**
Share capital	147.980	147.110
Share premium	84.220	82.785
Reserves	63.549	67.945
Net result of financial year	25.954	16.292
Minority interest	33	35
Liabilities	**326.663**	**304.423**
Non-current liabilities	231.467	177.162
Current liabilities	95.196	127.261
Total shareholders' equity and liabilities	**648.399**	**618.590**

BALANCE SHEET DATA PER SHARE	31.12.2015	31.12.2014
Number of shares at year-end	16.239.350	16.143.906
Number of shares entitled to dividend	16.239.350	14.777.342
Net value (fair value) (€)	19,81	19,46
Net value (investment value) (€)	20,75	20,36
Net asset value EPRA[1] (€)	20,09	19,77
Share price on closing date (€)	24,37	22,50
Premium to net value (fair value) (%)	23%	16%
Debt ratio (max. 65 %) (%)	48,2%	46,6%

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

Assets

The **non-current assets** consisted mainly of the investment properties of Intervest Offices & Warehouses. The **fair value of the real estate portfolio** of the company increased by € 25 million in 2015, and as at 31 December 2015 it amounted to € 634 million (€ 609 million). The underlying fair value of the real estate portfolio underwent the following changes in 2015.

- The increase of the fair value of the **logistics portfolio** by € 31 million or 11% compared to the fair value as at 31 December 2014, mainly because of:
    - € 30 million due to the acquisition and additional investment in the logistics site in Liège
    - € 4 million or 1,5% due to an increase of the fair value of the existing logistics real estate portfolio due to new leases and extensions of existing lease agreements
    - € 1 million due to investments in the existing logistics portfolio
    - € -4 million due to the sale of the non-strategical semi-industrial building located in Duffel.
- The decrease of the fair value of the **office portfolio** by € 6 million or 2% compared to the fair value as at 31 December 2014, mainly because of:
    - € -9 million or 2,8% due to the decrease in fair value of the existing offices portfolio, mainly due to adjustment of the yields of certain office buildings in the Brussels periphery and due to new lease agreements at lower rents
    - € 3 million investments in the existing offices portfolio.

Current assets amounted to € 13 million and consisted mainly of € 7 million in trade receivables (of which € 3 million for advance billing of rents for financial year 2016 for the logistics portfolio), € 4 million in tax receivables and other current assets and of € 2 million in deferred charges and accrued income.

Thanks to a strict credit control, the number of days of outstanding customers credit was only 7 days.

Liabilities

In 2015, **shareholders' equity** of the company increased by € 8 million and amounted as at 31 December 2015 to € 322 million (€ 314 million). This increase in shareholders' equity comes mainly from the net result of financial year 2015 and the optional dividend for financial year 2014.

The Intervest Offices & Warehouses shareholders opted for the **dividend** distribution of financial year 2014 for 15% of their shares for a contribution of their dividend rights in return for new shares instead of payment of the dividend in cash. This led as at 27 May 2015 to a strengthening of shareholders' equity by € 2 million (share capital and share issuance premium) by means of the creation of 95.444 new shares, as a result of which the total number of shares as from 27 May 2015 amounted to 16.239.350. The newly created shares are entitled to dividend to the results of the company as from 1 January 2015. The total number of shares entitled to dividend amounted to 16.239.350 units as at 31 December 2015 (14.777.342 units).

The **share capital** of the company increased in 2015 through this capital increase by € 1 million to € 148 million (€ 147 million) and the **share premium** by € 1 million to € 84 million (€ 83 million).

The **reserves** of the company amounted to € 64 million (€ 68 million):

- the reserve for the balance of changes in fair value of investment properties for € 59 million (€ 65 million) composed of the reserve for the balance of changes in the investment value of investment properties for € 74 million (€ 80 million), and the reserve for the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties. Indeed, in accordance with the Beama interpretation of IAS 40 (publication of the Belgian Association of Asset Managers of 8 February 2006), the real estate portfolio is valued at fair value. The difference with the investment value is shown separately in shareholders' equity. As at 31 December 2015, this difference amounted to € -15 million (€ -15 million)
- a reserve for the balance of changes in fair value of authorised hedging instruments that were subject to hedge accounting for an amount of € -5 million (€ -5 million)
- results carried forward from previous financial years for € 9 million (€ 7 million) subject to distribution.

As at 31 December 2015, the net value (fair value) of the share was € 19,81 (€ 19,46). As the share price as at 31 December 2015 of the Intervest Offices & Warehouses' share (INTO) was € 24,37, the share was quoted on closing date with a premium of 23% compared to the net value (fair value).

Non-current liabilities amounted to € 231 million (€ 177 million) and comprised on the one hand non-current financial debts for an amount of € 226 million (€ 171 million), consisting of € 167 million long-term bank financings of which the expiry date falls after 31 December 2016 and of the bond loans issued in March 2014 with a net proceeds of € 59 million. On the other hand, non-current liabilities also comprised the other non-current financial liabilities representing the negative market value of € 5 million of the cash flow hedges which the company concluded to hedge the variable interest rates of the financial debts.

Current liabilities amounted to € 95 million (€ 127 million) and consisted mainly of € 79 million current financial debts (bank loans expiring before 31 December 2016), € 6 million trade debts and of € 10 million accrued charges and deferred income.

4. Financial structure

Intervest Offices & Warehouses had a sound financial structure as at 31 December 2015 that enables it to perform its operations and fulfil its obligations in 2016, thanks to the repayment of the bond loan as at 29 June 2015 and the four long-term financing agreements which were concluded.

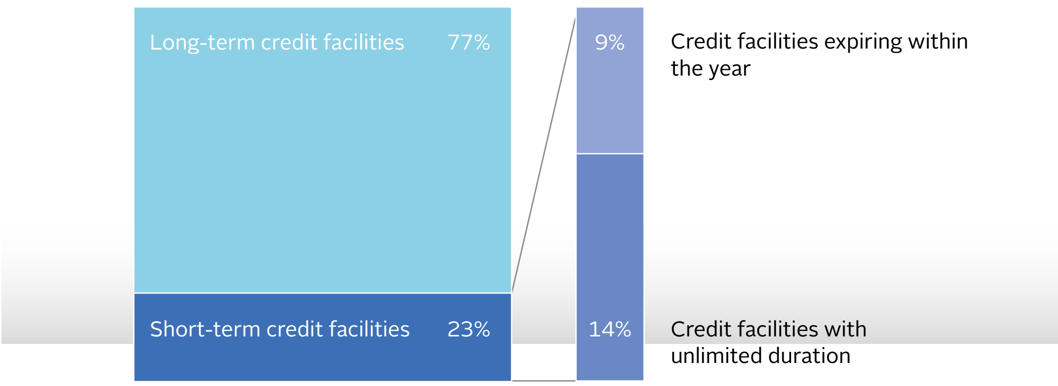
4.1. Characteristics of the financial structure

The most important characteristics of the financial structure at the end of 2015 are:

- amount of financial debts: € 305 million without market value financial derivatives)
- 77% long-term financing with an average remaining period of 3,4 years
- 23% short-term financing agreements, consisting of 14% of financing with an unlimited duration (€ 48 million), for 9% consisting of credit facilities expiring at the beginning of 2016 (€ 31 million)
- spread of expiry dates of credit facilities between 2016 and 2024
- spread of credit facilities over 8 European financial institutions and bondholders
- € 35 million available non-withdrawn credit lines
- 67% of the credit lines have a fixed interest rate, or are fixed through interest rate swaps, 33% have a variable interest rate; 74% of the withdrawn credit facilities have a fixed interest rate or is fixed through interest rate swaps and 26% a variable interest rate
- interest rates are fixed for a remaining average period of 3,5 years
- market value of financial derivatives: € 5 million negative
- average interest rate for 2015: 3,5% including bank margins (4,1% in 2014)
- debt ratio of 48,2% (legal maximum: 65%) (46,6% as at 31 December 2014)
- as a result of the change in the shareholder structure as at 17 June 2015, there was one change in the existing contracted covenants regarding the maximum debt ratio of the RREC in 2015
- the RREC fulfilled its covenants as at 31 December 2015.

4.2. Balance between long-term and short-term financing

As at 31 December 2015, 77% of the available credit lines of Intervest Offices & Warehouses were long-term financings and 23% were short-term financings, with 14% consisting of financings with an unlimited duration (€ 48 million) and 9% of credit facilities expiring in 2016 and must be extended or refinanced (€ 31 million).



4.3. Duration and spreading of the expiry dates of long term financing

The weighted average remaining period of the long-term credit facilities was 3,4 years as at 31 December 2015.

The strategy of Intervest Offices & Warehouses is to keep the average duration of long term financing between 3,5 and 5 years, but this can be derogated from temporarily if specific market conditions require.

In 2015, Intervest Offices & Warehouses continued the process of optimising the spread of the due dates of its credit lines. Within this framework, four credit facility agreements were concluded or extended in line with market conditions in 2015:

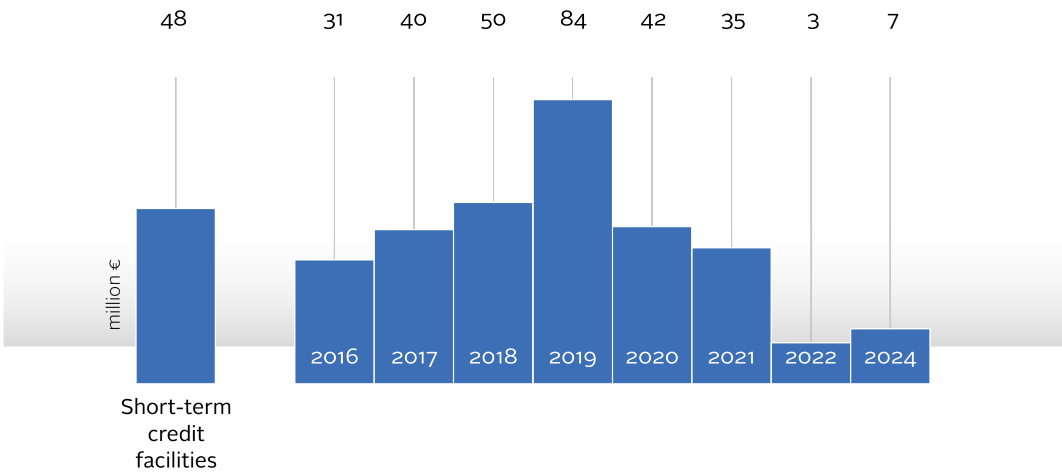
- a credit facility of € 40 million was refinanced with the same financial institution, with durations until 2017 and 2018
- a credit facility of € 22,5 million was refinanced with the same financial institution, with a duration until 2020
- a credit facility agreement for an amount of € 10 million was concluded with a new financial institution, which expires in 2019
- an increase of a credit line by € 30 million with an existing financial institution for the acquisition of the logistics site in Liège, expiring in 2019.

The existing bond loan of € 75 million was repaid as at 29 June 2015 in accordance with its expiry date.

The weighted average remaining duration of the long-term credit facilities was 3,4 years as at 31 December 2015.

Expiry calendar financing

The expiry dates calendar of financing as at 31 December 2015 is represented in the chart.



In 2015, Intervest Offices & Warehouses continued the process of diversifying its sources of funding and spreading the due dates of its credit lines.

4.4. Available credit lines

As at 31 December 2015, the company still had € 35 million of non-withdrawn credit lines at its financial institutions to meet fluctuations of liquidity needs, for financing future investments and for payment of the dividend of financial year 2015.

Intervest Offices & Warehouses maintains a strict cash position so that the cash position at financial institutions is rather limited and the cash balance can be applied for the reduction of the financial debts. As at 31 December 2015, this cash position only amounted to € 1 million.

4.5. Percentage credit facilities with fixed and variable interest rate

74% of the withdrawn credit facilities had a fixed interest rate or were hedged by financial derivatives.

When composing the loan portfolio, the strategy of Intervest Offices & Warehouses consists of achieving a ratio of one-third borrowed capital with a variable interest rate and two-thirds borrowed capital with a fixed interest rate.

As at 31 December 2015 the bond loans for a total amount of € 60 million had a fixed interest rate and the company concluded interest rate swaps for a total notional amount of € 160 million. Besides, the company has a credit facility agreement with a fixed interest rate for an amount of € 7 million with an initial duration of 10 years.

Consequently, as at 31 December 2015, 67% of the credit lines of the company consisted of financing with a fixed interest rate or are fixed by interest rate swaps, 33% had a variable interest rate. 74% of the withdrawn financing had a fixed interest rate or were fixed by interest rate swaps and 26% had a variable interest rate.

4.6. Duration of fixed interest rates

The interest rate policy of Intervest Offices & Warehouses consists in concluding always one-third of credit facilities with a variable interest rate.

In 2015, the company concluded for € 60 million new hedging instruments (interest rate swaps) with durations between 4 and 7 years (see Note 19 of the Financial report for the overview and the fair value of financial derivatives as at 31 December 2015).

The interest rates on credit facilities of company were herewith fixed for an average remaining duration of 3,5 years.

4.7. Average interest rates

During the financial year of 2015, the average interest rate of the financing of Intervest Offices & Warehouses decreased from 4,0% in the first semester of 2015 to 3,1% in the second semester of 2015 due to repayment of the bond loan of € 75 million on 29 June 2015.

The total average interest rate of the financial debts of the company amounted to 3,5% in 2015, including bank margins (4,1% in 2014).

For 2015, the average interest rate for the non-current financial debts amounted to 3,8% (4,1% in 2014). For 2015, the average interest rate for the current financial debts amounted to 3,0% (4,2% in 2014).

Average interest rate of financing from 4% in the first semester of 2015 to 3,1% in the second semester of 2015.

4.8. Interest coverage ratio

The interest coverage ratio is the ratio between the operating result before result on portfolio and the financial result (excluding the change in fair value of financial derivatives in accordance with IAS 39). For Intervest Offices & Warehouses, this ratio amounted to 3,86 for financial year 2015 (2,95 for the financial year 2014), which is significantly better than the required 2 to 2,5, which is agreed as a covenant in the financing agreements of the company.

The interest coverage ratio was 3,86 for financial year 2015.

4.9. Interest rate sensitivity

For financial year 2015, the effect on the operating distributable result of a (hypothetical) increase in interest rate by 1% gives a negative result of approximately € 0,4 million (€ -0,4 million in 2014).

4.10. Banking counterparties

The credit facility portfolio of Intervest Offices & Warehouses is spread over 8 European financial institutions and bondholders.

Intervest Offices & Warehouses maintains business relations with:

- banks providing financing:
  KBC Bank nv, ING België nv, Belfius Bank nv, BNP-Paribas Fortis nv, Bayerische Landesbank, NIBC Bank nv, Bank Degroof Petercam and CBC
- banks which are counterparties for the interest rate hedges are: ING België nv, KBC Bank nv, Belfius Bank nv en BNP-Paribas Fortis nv.

4.11. Debt ratio

As at 31 December 2015, the debt ratio of the real estate company amounted to 48,2% (46,6% as at 31 December 2014).

Note to the debt ratio evolution

In order to guarantee a proactive policy of the debt ratio, a public company having a debt ratio higher than 50%, should prepare a financial plan, pursuant to article 24 of the RREC Royal Decree. This plan contains an implementation scheme describing the measures to be taken to avoid that the debt ratio would exceed 65% of the consolidated assets.

The policy of Intervest Offices & Warehouses consists in maintaining the debt ratio between 45% and 55%.

As at 31 December 2015 the consolidated debt ratio of Intervest Offices & Warehouses amounted to 48,2% so that the threshold of 50% was no longer exceeded. Such exceeding occurred the first time as at 30 September 2011 with a debt ratio of 50,5%. Afterwards the debt ratio fluctuated between 46% and 52%. As at 30 June 2015 the debt ratio amounted to 50,2%. During its history the debt ratio of Intervest Offices & Warehouses has never transcended the threshold of 65%.

The increase of the debt ratio of 1,6% from 46,6% as at 31 December 2014 to 48,2% as at 31 December 2015 came mainly from the financing for the acquisition of the logistics site in Liège.

On the basis of the current debt ratio of 48,2% as at 31 December 2015, Intervest Offices & Warehouses still has an additional investment capacity of approximately € 310 million[1], without exceeding herewith the maximum debt ratio of 65%. The capacity for further investments amounts to approximately € 190 million before exceeding the debt ratio of 60% and € 25 million before exceeding 50%.

Valuations of the real estate portfolio also have an impact on the debt ratio. Taking into account the current capital structure, the maximum debt ratio of 65% would only be transcended in case of a possible decrease in value of the investment properties by approximately € 167 million or 26% compared to the real estate portfolio of € 634 million as at 31 December 2015. In case of unchanged current rents, it means an increase of the yield, used for the valuation of the properties, of 3% on average (from 7,9% on average to 10,7% on average). In case of unchanged yield used for the determination of the fair value of investment properties, it means a decrease of current rents of € 13,1 million or 26%.

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

On the basis of the current financial plan it is supposed that the debt ratio of Intervest Offices & Warehouses will fluctuate in the course of 2016 between 47% and 51%, compared to 48,2% as at 31 December 2015.

This assessment takes into account the following elements:

- no investments and divestments in 2016
- profit allocation which takes into account the expected profit for financial year 2015 and the dividend payment for financial year 2015
- an optional dividend in May 2016 whereby the investment capacity herewith liberated is used for the strengthening of the balance sheet
- a stable value of the real estate portfolio of the company.

This forecast can be influenced by unforeseen circumstances. In this respect reference is made specifically to the chapter Risk factors.

1 For this calculation is taken into account in the denominator of the fraction (debt for the calculation debt ratio/ total assets) the potential made investments.

5. Profit distribution 2015

The board of directors proposes to distribute the result for financial year 2015 of Intervest Offices & Warehouses as follows:

in thousands €

Net result for financial year 2015[1]	**25.954**
ALLOCATION TO/TRANSFER FROM RESERVES	
Allocation to/Transfer from the reserves for the balance of changes in fair value[2] of real estate properties:	
• Financial year	5.906
• Realisation real estate properties	-34
Allocation to the reserve of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-138
Allocation to the reserve for the balance of changes in fair value of authorised hedging instruments that are not subject to hedge accounting	-558
Allocation to results carried forward from previous years	-3.361
Remuneration of capital	**27.769**

At the general meeting of shareholders as at 27 April 2016, it shall be proposed that a gross dividend of € 1,71 per share be distributed.

On the basis of a pay-out ratio of 90% of the operating distributable result a gross dividend of € 1,71 per share will be proposed to the shareholders for financial year 2015. This offers a net dividend of € 1,2483 after deduction of 27% withholding tax[3]. Taking into account the 16.239.350 shares that will participate in the full result of financial year 2015, this means that a dividend of € 27.769.289 is available for distribution.

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

The dividend is payable as from 26 May 2016.

1 As legally speaking only the operating distributable result of the statutory annual accounts can be distributed and not of the consolidated annual accounts, the present profit distribution is based on the statutory figures (see 8.6 Annexes of the statutory annual accounts of the Financial report).
2 Based on the changes in the investment value of investment properties.
3 The withholding tax on dividends of public regulated real estate companies was increased from 25% to 27% (except in case of certain exemptions) as of 1 January 2016 as a result of the law of 26 December 2015, on strengthening job creation and purchasing power, published in the Belgian Official Gazette of 30 December 2015.

6. EPRA Best Practices[1]

In December 2014 the EPRA 's Reporting and Accounting Committee published an update of the report entitled "Best Practices Recommendations ('BPR'). This BPR contains the recommendations for defining the main financial performance indicators applicable to the real estate portfolio. Intervest Offices & Warehouses supports the reporting standardisation approach designed to improve the comparability and the quality of information and supplies her investors and other users of the annual report with most of the EPRA recommendations. For this reason, Intervest Offices & Warehouses has decided to include the most important performance indicators in a separate chapter of the annual report.

6.1. EPRA from silver to gold

Intervest Offices & Warehouses received a 'Gold award' from EPRA for its 2014 annual report. EPRA is the European Public Real Estate Association, and it issues recommendations to increase the transparency and consistency of financial reporting, the so-called BPR (Best Practices Recommendations). For the past year, EPRA scrutinised about a hundred annual reports from listed real estate funds everywhere in Europe, and it granted an award to just over half (57%). Hardly 33 companies managed to obtain a Gold award. Besides, Intervest Offices & Warehouses was one of the few companies which have gone up a category in comparison to last year, i.e. from silver to gold. Just 7 such Gold awards were awarded. It is an acknowledgement of the continuous effort that Intervest Offices & Warehouses makes to ensure consistent and transparent financial reporting.

1 These data are not required by regulation regarding regulated real estate companies and are not subject to a control by government authorities. These figures are not audited by the statutory auditor except the EPRA Earnings, the EPRA NAV and the EPRA NNNAV.

2 The report can be consulted on the website of EPRA: www.epra.com.

6.2. EPRA Key performance indicators

The statutory auditor has checked whether the "EPRA Earnings", "EPRA NAV " and "EPRA NNNAV "ratios have been calculated in accordance with the definitions given in the "EPRA Best Practices Recommendations" of December 2014 and whether the financial data used to calculate those ratios agree to the accounting data included in the consolidated financial statements.

Table	EPRA-indicators	EPRA definitions[1]		31.12.2015	31.12.2014
1	EPRA Earnings	Earnings from core operational activities.	in thousands €	30.861	23.039
			€/share	1,90	1,57
2	EPRA NAV	Net Asset Value (NAV)adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long term investment property business model.	in thousands €	326.210	319.198
			€/share	20,09	19,77
3	EPRA NNNAV	EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.	in thousands €	316.191	307.099
			€/share	19,47	19,02
4	(i) EPRA Net Initial Yield (NIY)	Annualised rental income based on the cash rents passing at the balance sheet date, less non recoverable property operating expenses, divided by the market value of the portfolio, increased with estimated purchasers' costs.		6,6%	6,4%
	(ii) EPRA Topped-up (NIY)	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).		7,0%	6,9%
5	EPRA Vacancy Rate	Estimated market rental value (ERV) of vacant space divided by ERV of the whole portfolio.		11,5%	14,8%
6	EPRA Cost Ratio including direct vacancy costs)	EPRA costs (including direct vacancy costs) divided by gross rental income less compensations for building rights and long-lease rights.		15,4%	15,2%
	EPRA Cost Ratio (excluding direct vacancy costs)	EPRA costs (excluding direct vacancy costs) divided by gross rental income less compensations for building rights and long-lease rights.		13,7%	13,3%

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

Table 1: EPRA Earnings

in thousands €	31.12.2015	31.12.2014
Net result IFRS (group share)	**25.954**	**16.292**
Adjustments to calculate EPRA Earnings		
To exclude:		
I. Changes in fair value of investment properties	5.347	5.198
II. Result on disposal of investment properties	-125	589
VI. Changes in fair value of financial assets and liabilities	-558	344
Other result on portfolio	243	616
EPRA Earnings (group share)	**30.861**	**23.039**
Weighted average number of shares	16.200.911	14.672.873
EPRA Earnings (€/share) (group share)	**1,90**	**1,57**

The EPRA Earnings amounted to € 30,9 million for financial year 2015 compared to € 23,0 million for financial year 2014 or a increase of € 7,9 million or 34%. This rise was due mainly to the increase in rental income of € 6,1 million and the increase of the allocated refurbishment fees from leaving tenants of € 2,2 million. The EPRA Earnings per share amounted herewith to € 1,90 for financial year 2015 compared to € 1,57 for financial year 2014.

Tables 2 and 3: EPRA NAV and EPRA NNNAV

in thousands €	31.12.2015	31.12.2014
Net asset value (group share)	**321.703**	**314.132**
Net asset value (€/share) (group share)	19,81	19,46
Diluted net asset value, after the exercise of options, convertible debts and other equity interests	**321.703**	**314.132**
To exclude:		
IV. Fair value of financial instruments	4.507	5.066
EPRA NAV (group share)	**326.210**	**319.198**
Number of shares at the end of the year	16.239.350	16.143.906
EPRA NAV (€/share) (group share)	**20,09**	**19,77**
To include:		
I. Fair value of financial instruments	-4.507	-5.066
II. Revaluations at fair value of financings with fixed interest rate	-5.512	-7.033
EPRA NNNAV (group share)	**316.191**	**307.099**
Number of shares at the end of the year	16.239.350	16.143.906
EPRA NNNAV (€/share) (group share)	**19,47**	**19,02**

The EPRA NAV per share amounted as at 31 December 2015 to € 20,09 compared to € 19,77 as at 31 December 2014. The increase of € 0,32 per share resulted mainly from the higher operating distributable result during financial year 2015.

The EPRA NNNAV per share amounted as at 31 December 2015 to € 19,47 compared to € 19,02 as at 31 December 2014. The increase of € 0,45 per share mainly resulted from the higher operating distributable result during financial year 2015 and decrease of the negative market value of financing with fixed interest rate as a result of the bond loan of € 75 million repaid in June 2015.

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

in thousands €	31.12.2015	31.12.2014
Investment properties and properties held for sale	634.416	609.476
To exclude:		
Spare land in order to be let[1]	-5.556	-5.455
Properties available for lease	**628.860**	**604.021**
To include:		
Estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	15.721	15.100
Investment value of properties available for lease (B)	**644.581**	**619.121**
Annualised gross rental income	47.502	43.725
To exclude:		
Property charges[2]	-4.679	-4.138
Annualised net rental income (A)	**42.823**	**39.587**
Adjustments:		
Rent expiration of rent free periods or other lease incentives	2.347	2.831
Annualised 'topped-up' net rental income (C)	**45.170**	**42.418**
(in %)		
EPRA NET INITIAL YIELD (A/B)	**6,6%**	**6,4%**
EPRA 'topped-up' NET INITIAL YIELD (C/B)	**7,0%**	**6,9%**

The EPRA Net Initial Yield and the EPRA 'Topped-up' Net Initial Yield slightly increased as at 31 December 2015 compared to 31 December 2014, due mainly to the acquisition of two logistics sites in Opglabbeek in December 2014 and in Liège in February 2015.

1 As at 31 December 2015 the company has in Herentals on its site Herentals Logistics 3 available spare land of 32.100 m² for the future potential construction of a highly qualitative new logistic warehouse with a space of approximately 19.000 m² that can be subdivided. At the end of 2015 the available spare land has been valued as ready for building with building permit.

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

Table 5: EPRA Vacancy Rate

Segment	Leasable space (in m²)	Estimated rental value (ERV)on vacant spaces (in thousands €)	Estimated rental value (ERV) (in thousands €)	EPRA vacancy rate (in %)	EPRA vacancy rate (in %)
				31.12.2015	31.12.2014
Offices	229.669	4.748	29.102	16,3%	18,5%
Logistics properties	487.404	1.092	21.690	5,0%	9,4%
Total real estate properties available for lease	**717.073**	**5.840**	**50.792**	**11,5%**	**14,8%**

The EPRA Vacancy rate as at 31 December 2015 decreased by 3,3% compared to 31 December 2014, mainly due to the acquisition of the logistics site in Liège and additional rentals in the office portfolio as well as in the logistics portfolio.

Table 6: EPRA Cost Ratios

in thousands €	31.12.2015	31.12.2014
General costs		1.664
Write-downs on trade receivables	14	2
Compensations for building rights and long-lease rights	21	21
Property charges	5.319	4.432
To exclude:		
Compensations for building rights and long-lease rights	-21	-21
EPRA costs (including vacancy costs) (A)	**7.101**	**6.098**
Vacancy costs	-783	-771
EPRA costs (excluding vacancy costs) (B)	**6.318**	**5.327**
Rental income less compensations for building rights and long-lease rights (C)	**46.126**	**40.016**
(in %)		
EPRA Cost Ratio (including vacancy costs) (A/C)	**15,4%**	**15,2%**
EPRA Cost Ratio (excluding vacancy costs) (B/C)	**13,7%**	**13,3%**

The EPRA Cost Ratio (including vacancy costs) and the EPRA Cost Ratio (excluding vacancy costs) as at 31 December 2015 slightly increased compared to 31 December 2014, mainly due to the increase of rental income and property charges.

Table 7: EPRA net rental income on unchanged comparison basis

in thousands €	31.12.2015				31.12.2014	
Segment	**Unchanged composition of the portfolio during two years**	Acquisition	Divestments	Total net rental-income	**Unchanged composition of the portfolio during two years**	**Evolution net rental-income (in %)**
Offices	**24.099**	0	0	24.099	**23.921**	1%
Logistics real estate	**15.350**	4.937	50	20.338	**14.850**	3%
Total real estate available for lease	**39.449**	4.937	50	44.437	**38.771**	2%
Reconciliation with the consolidated income statement						
Other adjustments				-731		
Operating property result in the consolidated income statement				**43.706**		

In 2015, the EPRA rental income of the existing logistics portfolio increased by 3%.
In 2015, the EPRA net rental income of the office portfolio increased by 1%.

7. Outlook for 2016

Given the challenging Belgian office market and Belgium's role as a European logistics hub, as far as investments and divestments are concerned emphasis in 2016 will continue to be on shifting the **proportion in the real estate portfolio.** Intervest Offices & Warehouses will continue to pursue its investment strategy unabated, the aim of which is to increase the percentage of logistics buildings in its portfolio in order to move from a more or less equal repartition to arrive in the longer term at a ratio of 60% logistics real estate and 40% offices. Efforts are being made to further increase the percentage of high-quality logistics buildings via acquisitions or developments within the existing portfolio.

Additionally, Intervest Offices & Warehouses still has a **considerable potential of new develop ments** in its existing logistics portfolio. For example, the company has 32.100 m² in Herentals for new buildings and there are several logistics sites where there are still opportunities for expansion, such as in Opglabbeek, Liège and Houthalen. Expansions of existing sites mean extra added value for the current tenants. Such developments, however, will only be implemented if a substantial part of the project has already been let in advance.

Given the debt ratio of 48,2% as at 31 December 2015, Intervest Offices & Warehouses can still **invest** with borrowed capital. To attain a debt ratio of 50%, the company still has an investment capacity of € 25 million.

The company wishes gradually to **divest** office properties in order to arrive in the longer term at a ratio of 60% logistics real estate and 40% offices in the real estate portfolio.

The extension of the **duration of lease agreements** remains a challenge. Given the limited economic growth projected for 2016, Intervest Offices & Warehouses aims to keep the volume of new rentals, renewals and expansions in the office market stable and to let this volume grow for the logistics part of the portfolio. To achieve this, the company will try to proactively renegotiate a number of important lease agreements. By employing its own team of asset managers to maintain good relations with tenants in a systematic way, the renegotiation process can be started up at an appropriate moment. Naturally, Intervest Offices & Warehouses tries in that process to adhere to market conditions.

At the end of 2016, after the departure of tenant Deloitte, the office buildings of **Diegem Campus** at Berkenlaan 6, 8a and 8b, will be vacant.

The building at Berkenlaan 6 along the Brussels ring road can be used for redevelopment into a hotel or possibly business flats and may possibly be divested.

Given the location of this site near Diegem station and the quality of the buildings, the buildings at Berkenlaan 8a and 8b offer an excellent opportunity for repositioning and a multi-tenant approach. A redevelopment into an innovative, inspiring and service-focused concept for Diegem Campus has in the meantime been tested against market demand.

In the strategic evolution from the simple letting of floor space towards the provision of a complete service package, Intervest Offices & Warehouses continues along that path with the concept of **turn-key solutions**. For 2016, the company will keep offering a fully bespoke solution to new tenants, ranging from fitting-out plans and supervision of the works to coordination of the relocation process, within a pre-set timeframe and budget.

With **RE:flex**, Intervest Offices & Warehouses meets the needs of mobile and flexible workers to work and meet in a professional and easily accessible environment. The seminar centre is also a good complement to the services already available to customers at the sites in Mechelen.

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

Intervest Offices & Warehouses expects the **operating distributable result** to decrease in 2016. The operating distributable result of 2015 comprised, among others, a one-time refurbishment fee allocated.

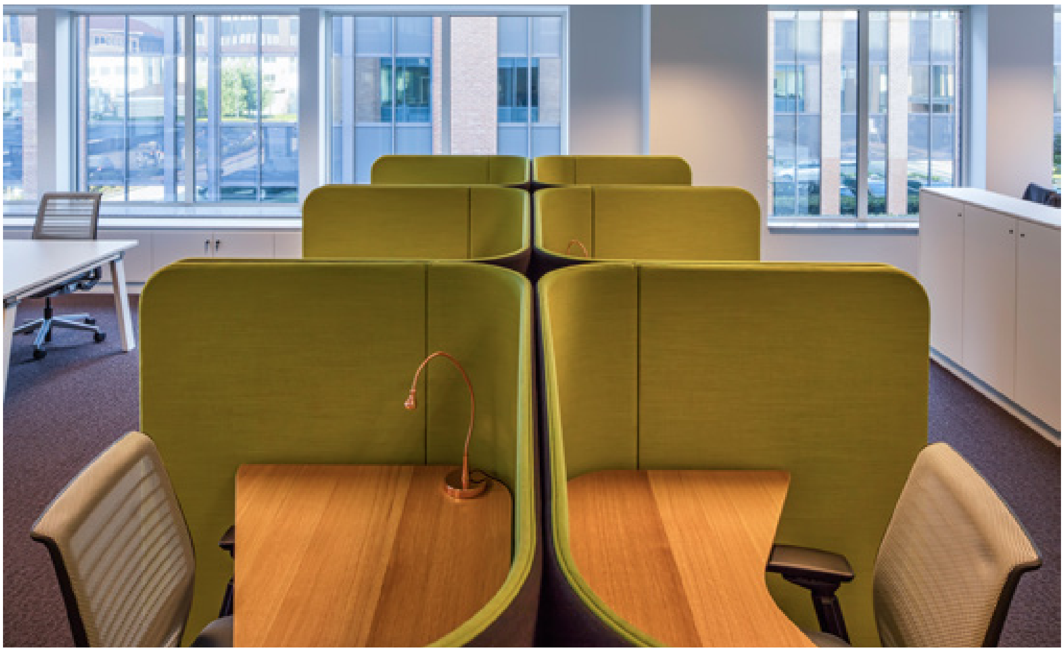
As in previous years, Intervest Offices & Warehouses will keep up its efforts in the area of **sustainability and care for the environment**. The company will further present the buildings in its portfolio to BREEAM for certification. The idea is to have an additional number of site certified in 2016 on the basis of BREEAM-In-Use methodology. This methodology (Building Research Establishment Environmental Assessment Methodology-In-Use, or in short "BIU") assesses the sustainability of existing buildings with respect to building physics, operational management and control, as well as the use of the building.

Energy monitoring will further be unfold in the portfolio. Relighting and other sustainability and environmental aspects will continue to receive close attention. Alterations will be carried out where necessary and possible from a cost-efficiency point of view.

Intervest Offices & Warehouses is also focusing on constantly pushing down energy consumption and energy cost. In the first half of 2015 electricity was purchased for 2016, taking advantage of the currently low prices. In order to obtain interesting prices for the tenants a tender for 2017 until 2019 was organised in 2015 and meanwhile awarded in February 2016.

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

▼ RE:flex, Mechelen Campus



REPORT ON THE SHARE

1 Stock market information

2 Dividend and shares

3 Shareholders

4 Information pursuant to article 34 of the Royal Decree of 14 November 2007

5 Financial calendar 2016

◄ Gateway House, Antwerp

1. Stock market information

Intervest Offices & Warehouses has been listed on the Brussels stock exchange since 1999 (first as a real estate investment fund and since 27 October 2014 as a public RREC).

INTO
LISTED
EURONEXT

The share of Intervest Offices & Warehouses (INTO) is included in the BEL Real Estate stock exchange index, EPRA/NAREIT Developed Europe, EPRA/NAREIT Belgium/Luxembourg REIT's and GPR 250 Europe.

1.1. Evolution of the share price

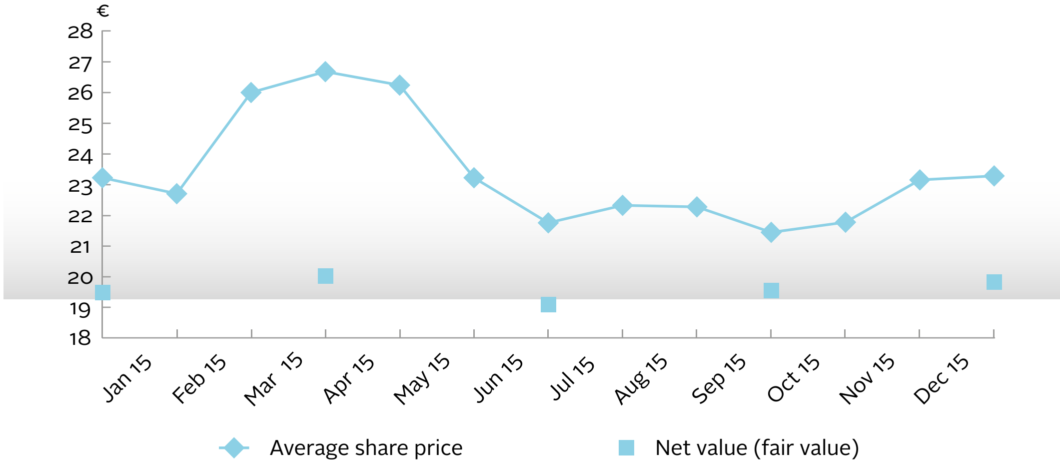
The share of Intervest Offices & Warehouses closed the financial year as at 31 December 2015 at € 24,37 compared to € 22,50 as at 31 December 2014. Consequently, the share price of the company increased by approximately 8% in 2015.

The average share price of financial year 2015 amounted to € 23,36 compared to € 21,91 in financial year 2014. The share's lowest closing share price was € 20,02 (as at 18 June 2015) and its highest closing share price was € 27,48 (as at 5 March 2015).

As at **17 June 2015** NSI nv (at the time reference shareholder owning 50% of shares) sold 5.680.000 Intervest Offices & Warehouses shares, or 35% of the capital of the company, by way of a successful private placement through an accelerated book build. The shares were placed with a large base of Belgian and international investors, at a price of € 19,50 per share.

The broader shareholder base of Intervest Offices & Warehouses, supported by multiple reference shareholders, ensures better access to capital markets and increases liquidity of the share. This enables the company to grow further and the logistics real estate share in the portfolio to be expanded further.

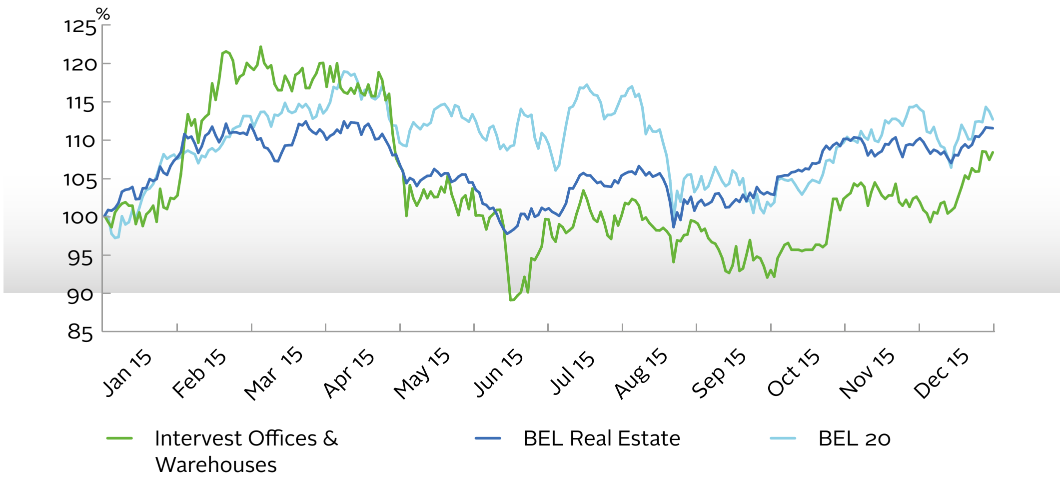
1.2. Premium Intervest Offices & Warehouses share



The share of Intervest Offices & Warehouses recorded an average premium of 19% compared to the net value (fair value) during financial year 2015.

The net value of Intervest Offices & Warehouses includes the dividend for the financial year 2015 up to the payment date of 26 May 2016.

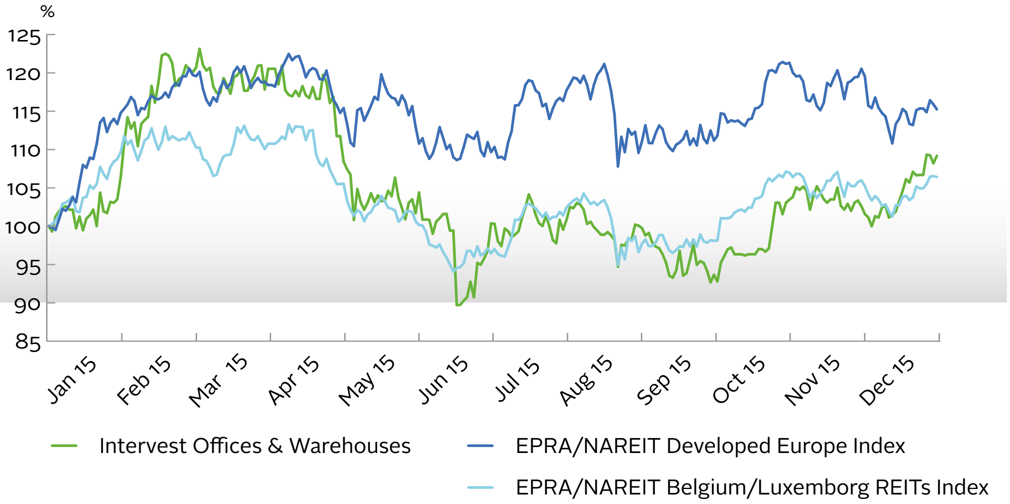
1.3. Comparison of Intervest Offices & Warehouses with BEL Real Estate Index and with BEL 20 Close index



The share of Intervest Offices & Warehouses performed better than the BEL 20 and the BEL Real Estate during the first four months of 2015.

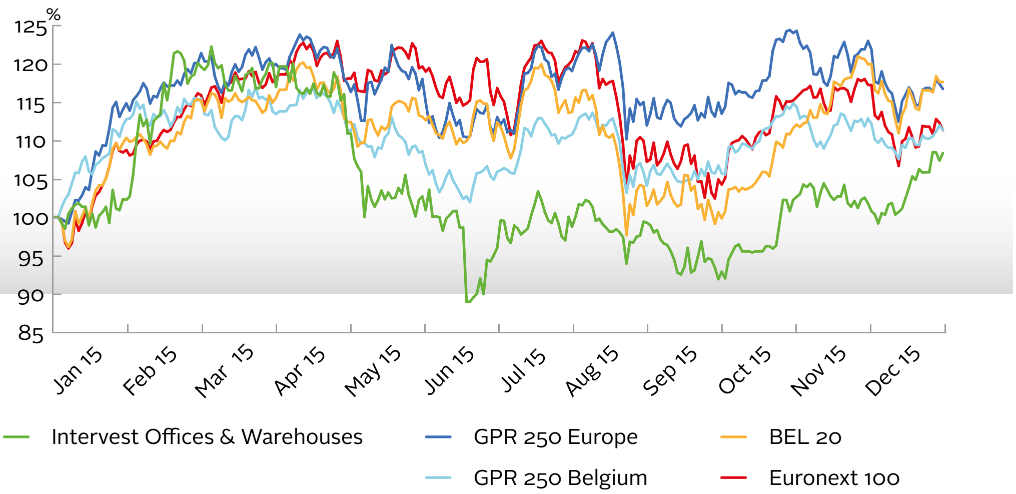
During the second semester of 2015, the Intervest Offices & Warehouses share performed lower than the BEL Real Estate and the BEL 20.

1.4. Comparison of Intervest Offices & Warehouses with EPRA/NAREIT index[1]



During 2015, the performance of the Intervest Offices & Warehouses share was comparable to the EPRA/NAREIT Belgium/Luxembourg REITs index, which performed less than the EPRA/NAREIT Developed Europe index.

1.5. Comparison of Intervest Offices & Warehouses with GPR indexes

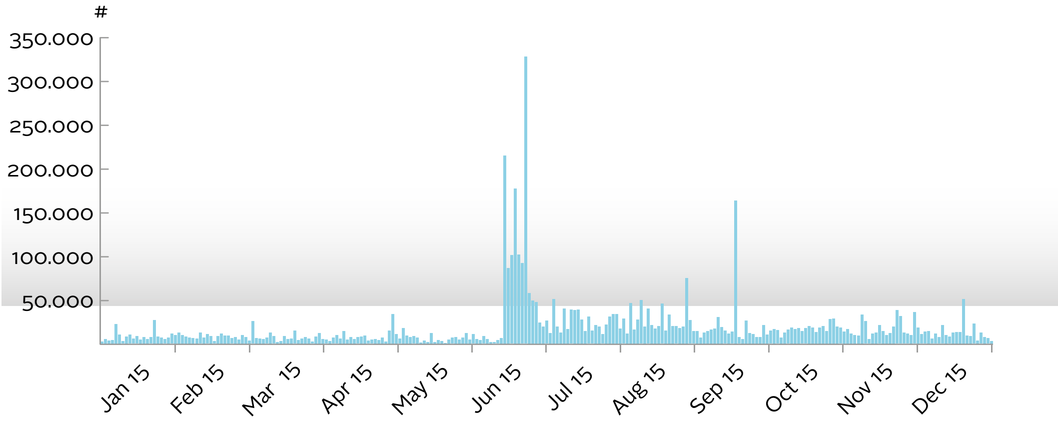


This graph shows that Intervest Offices & Warehouses had on average performed lower than the GPR 250 Europe index as well as the GPR 250 Belgium index and the Euronext 100 index.

Additional information about the indexes can be requested from Euronext Brussels concerning the Euronext 100 and BEL 20, and from Global Property Research concerning the GPR 250 Europe (www.propertyshares.com) and GPR 250 Belgium.

1 Publication of EPRA data is not obligatory according to the applicable rules regarding regulated real estate companies and they are not verified by public authorities.

1.6. Traded volume Intervest Offices & Warehouses



The traded volumes in 2015 were higher than in 2014 with an average of 18.847 shares a day (compared to an average of 5.665 a day in 2014). As at 17 June 2015, at that moment reference shareholder NSI nv sold 35% of the company's capital. The shares have been placed among a broad basis of Belgian and international investors, making for better access to capital markets and increasing the liquidity of the share.

A liquidity agreement has been concluded with ING Bank in order to increase transferability of the shares. In practice this happens by regularly submitting purchase and sale orders within certain margins.

2. Dividend and shares

NUMBER OF SHARES	31.12.2015	31.12.2014	31.12.2013
Number of shares at the end of the period	16.239.350	16.143.906	14.424.982
Number of shares entitled to dividend	16.239.350	14.777.342	14.424.982
Free float[1]	74,4%	49,8%	46,0%

SHARE PRICE	31.12.2015	31.12.2014	31.12.2013
Highest closing share price	27,48	23,59	20,39
Lowest closing share price	20,02	19,12	17,60
Share price on closing date	24,37	22,50	19,48
Premium (+) / discount (-) to net value (fair value) (%)	23%	16%	- 2%
Average share price	23,36	21,91	19,22
Number of shares traded per year	4.806.037	1.444.552	1.367.434
Average number of shares traded per day	18.847	5.665	5.362
Share turnover velocity (%)[2]	29,6%	8,9%	9,5%

DATA PER SHARE (€)	31.12.2015	31.12.2014	31.12.2013
Net value (fair value)	19,81	19,46	19,86
Net value (investment value)	20,75	20,36	20,87
Net asset value EPRA	20,09	19,77	20,20
Market capitalisation (million) (€)	396	363	281
Pay-out ratio (%)	90%	90%	90%
Gross dividend	1,71	1,40	1,53
Net dividend	1,2483	1,0500	1,1475
Gross dividend yield (%)	7,0%	6,2%	7,9%
Net dividend yield (%)	5,1%	4,7%	5,9%

Change in the percentage of withholding tax on dividends

The withholding tax on dividends of public regulated real estate companies was increased from 25% to 27% (except in case of certain exemptions) as of 1 January 2016 as a result of the Act of 26 December 2015 on strengthening job creation and purchasing power, published in the Belgian Official Gazette of 30 December 2015.

As at 31 December 2015, the share price of the Intervest Offices & Warehouses' share was € 24,37, offering its shareholders a gross dividend yield of 7,0%.

1 The calculation of the free float generally used by Euronext includes all shareholders that individually possess less than 5% of the capital.

2 The share of the Intervest Offices & Warehouses share is calculated as the ratio of the number of shares transferred each year divided by the total number of shares at the end of the period.

3. Shareholders

As at 31 December 2015 following shareholders' structure was known to Intervest Offices & Warehouses:

Name	Number of shares	%
NSI Group	**2.476.241**	**15,25%**
NSI nv, Antareslaan 69-75, NL-2130 KA Hoofddorp – (parent company of NSI Beheer II bv which in its turn controls VastNed Offices Benelux Holding bv - VastNed Offices Benelux Holding bv also controls in its turn VastNed Offices Belgium Holdings bv which controls in its turn Belle Etoile nv)	0	0,00%
VastNed Offices Benelux Holding bv	2.451.635	15,10%
Belle Etoile nv	24.606	0,15%
FPIM/SFPI (including Belfius Group)	**1.680.000**	**10,35%**
Federale Participatie- en Investeringsmaatschappij nv/Société Fédérale de Participations et d'Investissement sa (FPIM/SFPI), Avenue Louise 32-46A, B-1050 Brussels (parent company of Belfius Bank sa, which in its turn is the parent company of Belfius Insurances sa, which in its turn is the parent company of Belins Finance sa, which in its turn is the parent company of IWI International Wealth Insurer sa)	0	0,00%
Belfius Insurances sa	1.200.000	7,39%
IWI International Wealth Insurer sa Grand Duchy of Luxembourg	480.000	2,96%
BlackRock	**493.742**	**3,04%**
BlackRock, Inc 55 East 52nd Street, New York, NY 10055, U.S.A. (which has the ultimate control of the companies mentioned below)	0	0,00%
BlackRock Asset Management Canada Limited	7.643	0,05%
BlackRock Asset Management Ireland Limited	239.651	1,48%
BlackRock Asset Management North Asia Limited	321	0,00%
BlackRock Fund Advisors	134.143	0,83%
BlackRock Fund Managers Limited	10.513	0,06%
BlackRock Institutional Trust Company, National Association	96.868	0,60%
BlackRock International Limited	4.603	0,03%
Other shareholders under the statutory threshold of 3%	**11.589.367**	**71,36%**
TOTAL	**16.239.350**	**100,00%**

In 2015 the free float of the Intervest Offices & Warehouses share increased from 50% to 75% as at 31 December 2015.

Intervest Offices & Warehouses received transparency notifications in February and in March 2016 indicating that the reference shareholder NSI nv reduced its shareholding in the company from 15,25% to 2,66% and crossed downwards the participation threshold of 3%. Intervest Offices & Warehouses was informed that 2,11 million shares were placed at institutional investors.

In this context Intervest Offices & Warehouses received a transparency notification dated 19 February 2016 in which Allianz SE indicated that as a result of the acquisition of shares as at 19 February 2016, it now holds 7,75% of the shares of Intervest Offices & Warehouses.
Besides, the company received a transparency notification dated 23 February 2016 in which Degroof Petercam Asset Management sa indicates that as a result of the acquisition of shares as at 17 February 2016, it now holds 3,13% of the shares of Intervest Offices & Warehouses.

After these transactions the free float Intervest Offices & Warehouses amounted to 82%.

The complete notifications as well as the shareholders' structure may be consulted on the website of Intervest Offices & Warehouses through following link:

http://corporate.intervest.be/en/offices/corporate/corporategovernance/shareholderstructure/

In accordance with the applicable legal prescriptions, every natural or legal person that purchases or sells shares or other financial instruments of a company with a right to vote, be it representing capital or not, is obliged to notify the company as well as the Financial Services and Markets Authority (FSMA) of the number of financial instruments that, she or it possesses whenever the right to vote connected to these shares reaches five percent (5%) or a multiple of five percent of the total number of voting rights at that moment or at the moment when circumstances occur that give reason for such notification to become obligatory.

Apart from the legal threshold stated in the previous paragraph, the company also stipulates a statutory threshold of three percent (3%).

Declaration is also obligatory in case of transfer of shares, if the number of voting rights increases above or decreases below the thresholds, stipulated above, as a result of this transfer.

4. Information pursuant to article 34 of the Royal Decree of 14 November 2007 [1]

Capital structure [2]

Shares	Number	Capital (in €)	%
Ordinary shares (INTO)	16.239.350	€ 147.979.792,72	100%

The share capital amounts to € 147.979.792,72 and is distributed among 16.239.350 shares that have been fully paid up, which each represent an equal part of the same. They are 16.239.350 ordinary shares without mention of the nominal value.

There are no legal or statutory restrictions on the transfer of securities, and none for the execution of voting rights either.

There are no securities to which special controlling powers have been coupled.

1 With regard to the obligations of issuers of financial instruments that are approved for transfer on the official market - see also the Act of 1 April 2007 on the public takeover bid.

2 On closing date of this Annual Report.

Share option plan

The company has no share option plan.

Shareholder agreements

Pursuant to article 74 of the Act on Public Takeover Bids of 1 April 2007, NSI nv, through its subsidiary VastNed Offices Benelux Holding bv, and Belle Etoile nv communicated to the FSMA as at 1 September 2014 that they trade in mutual consultation and jointly hold more than 30% of the shares of Intervest Offices & Warehouses. As at 17 June 2015, NSI nv , at the time reference shareholder owning 50% of the shares via its subsidiary VastNed Offices Benelux Holding bv sold 5.680.000 Intervest Offices & Warehouses shares, representing 35% of the capital of the company. As a result of this transaction, which left NSI with ownership of about 15% of shares in Intervest Offices & Warehouses, this acting in mutual consultation has automatically ended

No shareholder agreements are known that can give rise to a restriction of the transfer of securities and/or the execution of the right to vote.

Authorised capital

The board of directors is explicitly authorised to increase the share capital one or multiple times with a maximum amount of € 126.728.870,79 by bringing in, in cash or in kind, if applicable, by incorporation of reserves or issue premiums, in accordance with the rules imposed by the Belgian Companies Code, article 7 of the articles of association and article 26 of the RREC Act.

This authorisation applies for a period of five years, starting from the publication of the minutes of the general shareholders' meeting dated 24 April 2013 in the Appendices to the Belgian Official Gazette, i.e. from 26 June 2013. This authorisation applies until 26 June 2018. This authorisation to use authorised capital as a means of defence in case of a takeover bid only applies for three years, in accordance with the Belgian Companies Code, article 607, second section, and ends as at 26 June 2016. This authorisation is renewable.

For every capital increase, the board of directors shall propose the price, any issue premium and the conditions of issuance for the new shares, unless the general meeting itself should decide. The capital increases can lead to the issuance of shares with or without the voting right.

If the capital increases decided upon by the board of directors as a result of this authorisation contain an issue premium, the amount of this share premium must be placed on a dedicated unavailable account, named "share premium", which along with the capital constitutes the guarantee towards third parties and will not be able to be decreased or cancelled unless a meeting convened in accordance with the conditions of presence and majority decides upon a capital decrease, unless in case of a conversion into capital as provided above.

Until now, the board of directors has made use of the authorisation to use amounts of the authorised capital for the purpose of:

- the capital increase by bringing in, in kind the dividend rights that were decided upon as at 23 May 2013 amounting to € 2.051.424,65, excluding a share premium of € 1.811.703,19
- the capital increase by bringing in, in kind the dividend rights that were decided upon as at 28 May 2014 amounting to € 3.210.852,64, excluding a share premium of € 3.864.536,16
- the capital increase by bringing in, in kind the dividend rights that were decided upon as at 27 May 2015 amounting to € 869.725,90, excluding a share premium of € 1.435.246,70.

Thus, the board of directors can still increase the share capital by € 120.596.867,60 within the framework of the authorised capital.

Capital increase

All capital increases will be implemented pursuant to articles 581 to 607 of the Belgian Companies Code, subject to that stated hereafter with respect to the pre-emptive right.

In addition, the company must comply with the stipulations concerning the public issue of shares stipulated in articles 26 and 27 of the RREC Act.

In case of a capital increase through a contribution in cash and without prejudice to articles 592 to 598 of the Belgian Companies Code, the pre-emptive right may only be limited or withdrawn if a priority allocation right is granted to the existing shareholders at the time of allocating new securities: This priority allocation right must satisfy the following conditions:

1. it is related to all newly issued securities
2. it is granted to the shareholders in proportion to the part of the capital represented by their shares at the time of the transaction
3. a maximum price per share is announced at the latest on the eve of the opening of the public subscription period
4. in such a case, the public subscription period must be at least three trading days.

Capital increases realised through contributions in kind are subject to the provisions of articles 601 and 602 of the Belgian Companies Code. In addition, and in accordance with article 26 §2 of the RREC Act, the following conditions must be fulfilled:

1. the identity of the contributor must be mentioned in the report referred to in article 602 of the Belgian Companies Code as well as in the notice of the general meeting convened with regard to the capital increase
2. the issue price may not be less than the lowest value of (a) a net value dating from not more than four months before the date of the contribution agreement or, at the discretion of the company, before the date of the capital increase deed, and (b) the average closing price during the thirty calendar days prior to this same date
3. for application of the previous sentence, it is permitted to subtract an amount from the amount in the sense of point (b) of the previous section that corresponds with the part of non-paid out gross dividend to which the new shares might not give a right, on condition that the board of directors specifically justifies the amount of the cumulated dividend that is to be subtracted in its special report and adds an explanation of the financial conditions of the transaction in its annual financial report
4. except if the issue price or exchange ratio and the related conditions are determined no later than on the working day following the conclusion of the contribution agreement and communicated to the public mentioning the time within which the capital increase will effectively be implemented, the capital increase deed is executed within a maximum period of four months
5. the report referred to under 1° must also explain the impact of the proposed contribution on the situation of former shareholders, particularly as far as their share of the profits, net value and capital is concerned, as well as the impact on the voting rights.

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

Decision-making bodies

The mandates of the directors are revocable ad nutum. If one or multiple mandates are declared void, the remaining directors, convened in a meeting of the board of directors, can provide temporary replacement thereof until the following meeting of the general meeting of shareholders, which will then proceed to undertake final appointment.

For changes to the articles of association, there is no regulation other than that stipulated by the Belgian Companies Code.

Purchase of shares

Pursuant to article 9 of the articles of association, the board of directors can perform purchase of their own fully paid shares by means of purchase or swap within the legal restrictions, if such a purchase is necessary in order to spare the company a severe and threatening loss.

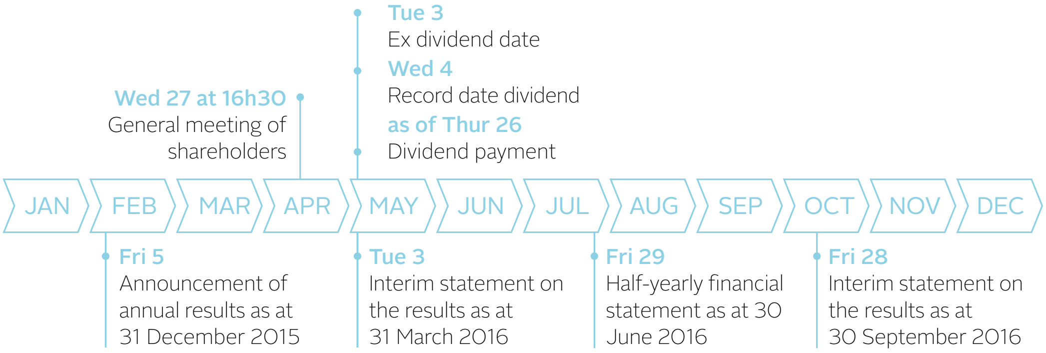
This authorisation applies for three years, starting from the publication of the minutes of the general shareholders' meeting dated 24 April 2013 in the Appendices to the Belgian Official Gazette, i.e. as from 26 June 2013. This authorisation applies until 26 June 2016 and is renewable.

Intervest Offices & Warehouses, nor its subsidiaries, did not own any of its own shares as at 31 December 2015.

Agreements in case of changed control after a public takeover bid

There are no important agreements that Intervest Offices & Warehouses has participated in and that come into operation, undergo amendments or end in case of a change of control over the company after a public takeover bid.

5. Financial calender 2016



Possible changes to the financial calendar will be disclosed in a press release, that if occurring will be available on the website of the company, www.intervest.be.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PROPERTY REPORT

▲ Liège

1. Composition of the portfolio

The activities and results of Intervest Offices & Warehouses depend, in part, on the evolution of the general economic climate. This is measured based on the level of growth or decline in the gross domestic product of Belgium and has an indirect impact on the occupation of commercial buildings by the private sector.

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

The operating and property management of all Intervest Offices & Warehouses' buildings takes completely place on internal basis in order to insure a permanent relation with clients. Thanks to the know-how of the own asset and property management teams, being exclusively at the service of the clients-tenants, the strategy of all investment segments is implemented. The company can rely on internal commercial, accounting, financial, human resources and communication services.

1.1. Real estate portfolio as at 31 December 2015

As at 31 December 2015, the real estate portfolio amounted to 717.073 m² (674.156 m² as at 31 December 2014).

The increase of the total leasable space by 42.917 m² or 6% compared to the end of 2014 resulted from the acquisition of the logistics site in Liège, partly compensated by the sale of the semi-industrial building in Duffel.

1 Except the property management at Mechelen Campus that is carried out by Quares Property and Facility Management.

Buildings	Year of construction (last renovation/ extension)	Leasable space (m²)
Offices		
E 19 (incl Mechelen)		**114.223**
Mechelen - Intercity Business Park Generaal De Wittelaan 9 - 21 2800 Mechelen	1993 - 2000	42.542
Mechelen - Mechelen Business Tower Blarenberglaan 2C 2800 Mechelen	2001	13.574
Mechelen - Mechelen Campus Schaliënhoevedreef 20 A - J and T 2800 Mechelen	2000 - 2007	58.107
Brussels		**87.481**
Diegem - Deloitte Campus 1 and 2 Berkenlaan 8b and 8a 1831 Diegem	2000 - 2002	17.632
Diegem - Hermes Hills Berkenlaan 6 1831 Diegem	1990	3.672
Diegem - Park Station Woluwelaan 148 - 150 1831 Diegem	2000	8.782
Dilbeek - Inter Access Park Pontbeekstraat 2 & 4 1700 Dilbeek (Groot-Bijgaarden)	2000	6.391
Hoeilaart - Park Rozendal Terhulpsesteenweg 6A 1560 Hoeilaart	1994 (2006)	2.830
Strombeek-Bever - Brussels7 I & II Nijverheidslaan 1 - 5 / Ringlaan 39 1853 Strombeek - Bever	1999 - 2002	11.182
Vilvoorde - 3T Estate Luchthavenlaan 25 1800 Vilvoorde	1998	8.904
Woluwe - Woluwe Garden Woluwedal 18-22 1932 Sint-Stevens-Woluwe	2000	24.460
Zellik - Exiten Zuiderlaan 91 1731 Zellik	2002	3.628
Antwerp		**27.965**
Aartselaar Kontichsesteenweg 54 2630 Aartselaar	2000	4.138
Antwerp - Gateway House Brusselstraat 59 / Montignystraat 80 2018 Antwerp	1993 -1994 (2003)	11.171
Berchem - Sky Building Uitbreidingstraat 66 2600 Berchem	1988 (2006-2015-2016)	5.727
Edegem - De Arend Prins Boudewijnlaan 45 - 49 2650 Edegem	1997	6.929
Total offices		**229.669**

Commercial rent (€ 000)	Commercial rent + estimated rental value on vacancy (€ 000)	Occupancy rate [1] (%)	Estimated rental value [2] (ERV) (€ 000)
A	B	C	
13.070	**15.815**	**83%**	**14.580**
4.999	5.323	94%	4.716
2.637	2.637	100%	1.968
5.434	7.855	69%	7.895
11.182	**12.783**	**87%**	**11.024**
3.222	3.222	100%	2.244
502	502	100%	407
356	1.122	32%	1.113
853	891	96%	787
254	378	67%	360
871	1.225	71%	1.111
887	1.030	86%	956
3.668	3.809	96%	3.511
569	603	94%	534
3.059	**3.461**	**88%**	**3.498**
349	373	93%	386
1.048	1.425	74%	1.494
736	736	100%	722
926	926	100%	895
27.311	**32.059**	**85%**	**29.102**

1 The occupancy rate is calculated as follows: the commercial rental income divided by the commercial rental + ERV of the vacant locations for rent.

2 The estimated rental value is the rental value determined by the independent property experts. For the determination of the estimated rental value, the market, the location and some characteristics of real estate properties are taken into account.

Buildings	Year of construction (last renovation/ extension)	Leasable space (m²)
Logistics properties		
Antwerp-Liège (E313)		**294.980**
Herentals - Herentals Logistics 1 and 3[1] Atealaan 34b 2200 Herentals	1977 (2010 - 2012)	17.346
Herentals - Herentals Logistics 2 Atealaan 34c 2200 Herentals	2008 en 2011	50.912
Liège Première Avenue 32 4040 Liège	2000 - 2009	51.971
Houthalen Europark 1026 3530 Houthalen	2001	26.995
Oevel 1, 2 and 3 Nijverheidsstraat 9 - 9a -11 2260 Oevel	2004 - 2007 - 2013	46.134
Opglabbeek Weg naar Zwartberg 231 3660 Opglabbeek	1999 - 2012	77.442
Wommelgem Koralenhoeve 25 2160 Wommelgem	1998	24.180
Antwerp (incl Mechelen) (A12, E19)		**160.838**
Aartselaar Dijkstraat 1A 2630 Aartselaar	1994	9.865
Boom - Krekelenberg Industrieweg 18 2850 Boom	2000	24.881
Duffel Stocletlaan 23 2570 Duffel	1998	23.386
Mechelen - Oude Baan Oude Baan 12 2800 Mechelen	2004	15.341
Mechelen - Park Ragheno Dellingstraat 57 2800 Mechelen	1998 (2010)	5.969
Puurs Koning Leopoldlaan 5 2870 Puurs	2001	43.534
Schelle Molenberglei 8 2627 Schelle	1993	8.323
Wilrijk 1 Boomsesteenweg 801 - 803 2610 Wilrijk	1986 (2013)	5.021
Wilrijk 2 Geleegweg 1 - 7 2610 Wilrijk	1989	24.518
Brussels		**31.586**
Huizingen Gustave Demeurslaan 69 - 71 1654 Huizingen	1987 (1993)	17.478
Merchtem Preenakker 20 1785 Merchtem	1992 (2002)	7.268
Sint-Agatha-Berchem - Berchem Technology Center Technologiestraat 11, 15, 51, 55, 61 and 65 1082 Sint-Agatha-Berchem	1992	6.840
Total logistics		**487.404**
TOTAL INVESTMENT PROPERTIES		**717.073**

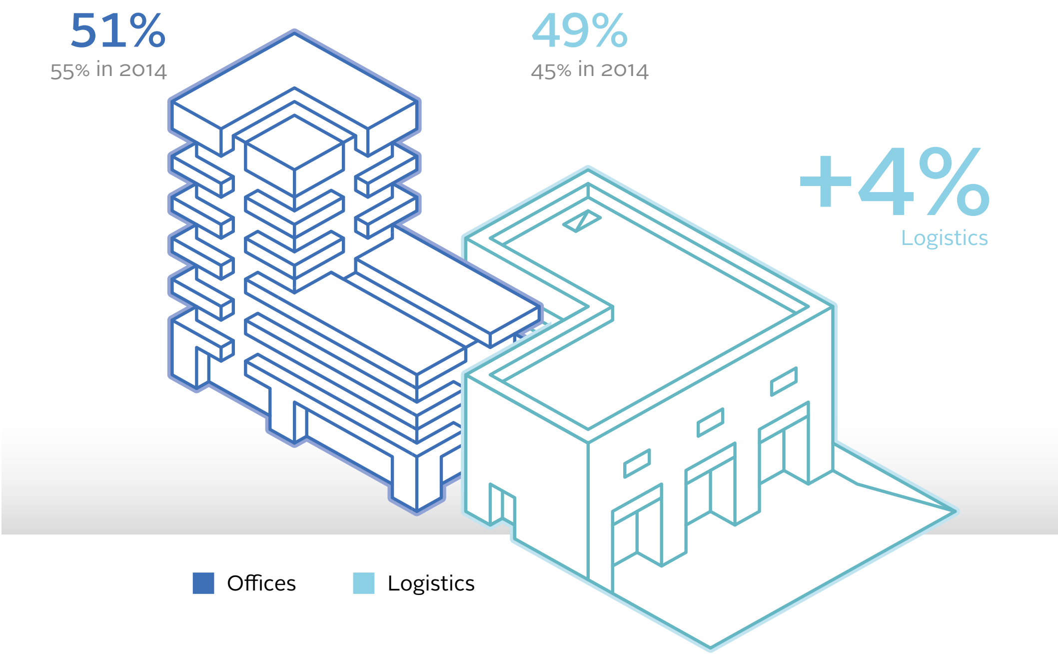
1 As at December 2015, the company has in Herentals on its site Herentals Logistics 3, a spare land of 32.100 m² for the future potential construction of a highly qualitative logistics warehouse in the form of a logistics hall with a space of approximately 19.000 m² that can be subdivided. At the end of 2015 this spare land is valued as ready for construction with building permit.

Commercial rent (€ 000)	Commercial rent + estimated rental value on vacancy (€ 000)	Occupancy rate [1] (%)	Estimated rental value [2] (ERV) (€ 000)
A	B	C	
14.135	**14.232**	**99%**	**12.861**
795	892	89%	903
2.420	2.420	100%	2.220
2.645	2.645	100%	2.284
1.064	1.064	100%	1.106
2.669	2.669	100%	2.227
3.225	3.225	100%	3.049
1.316	1.316	100%	1.072
7.072	**7.851**	**90%**	**7.259**
395	395	100%	393
1.239	1.239	100%	1.117
837	996	84%	905
208	682	31%	670
366	366	100%	280
2.193	2.193	100%	2.000
169	268	63%	433
632	632	100%	417
1.034	1.079	96%	1.043
1.330	**1.548**	**86%**	**1.570**
646	646	100%	734
241	321	75%	368
444	582	76%	468
22.538	**23.630**	**95%**	**21.690**
49.849	**55.689**	**90%**	**50.792**

1 The occupancy rate is calculated as follows: the commercial rental income divided by the commercial rental + ERV of the vacant locations for rent.

2 The estimated rental value is the rental value determined by the independent property experts. For the determination of the estimated rental value, the market, the location and some characteristics of real estate properties are taken into account.

1.2. Nature of the portfolio

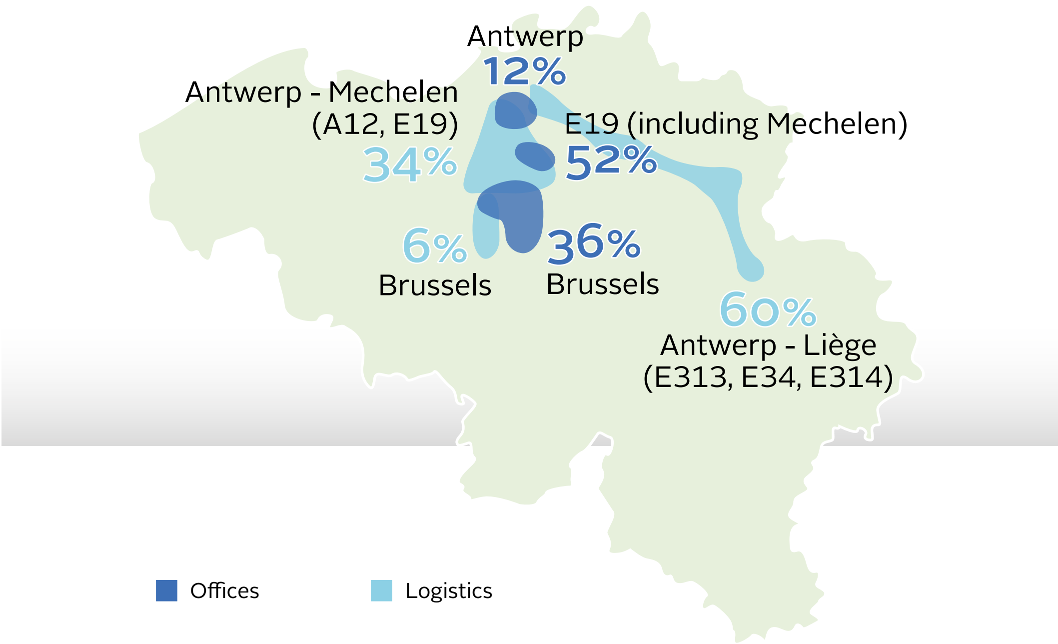


As at 31 December 2014, the portfolio consisted of 51% offices and 49% logistics properties, which is a shift as part of the strategy of the company compared to the situation as at 31 December 2014 (55% offices and 45% logistics properties). This shift of 4% is due for 3% to the acquisition of the logistics site in Liège as at 4 February 2015 and for 1% to the decrease in fair value of the office portfolio in 2015.

Segment	Fair value	Commercial rental income	Share of portfolio[1]	Acquisition value	Insured value
	(€ 000)	**(€ 000)**	**(%)**	**(€ 000)**	**(€ 000)**
Offices	326 .371	27.311	51%	412.423	359.876
Logistics	308.045	22.538	49%	270.060	185.022
TOTAL	**634.416**	**49.849**	**100%**	**682.483**	**544.898**

1 Based on the fair value of real estate properties

1.3. Geographical spread of offices



Offices

The Antwerp-Brussels axis is still the most important and most liquid office region of Belgium. The entire office portfolio of Intervest Offices & Warehouses is located in this region. The slight decrease of the share of the portfolio in Brussels in 2015 was due to the decrease in fair value of some office buildings in the Brussels periphery.

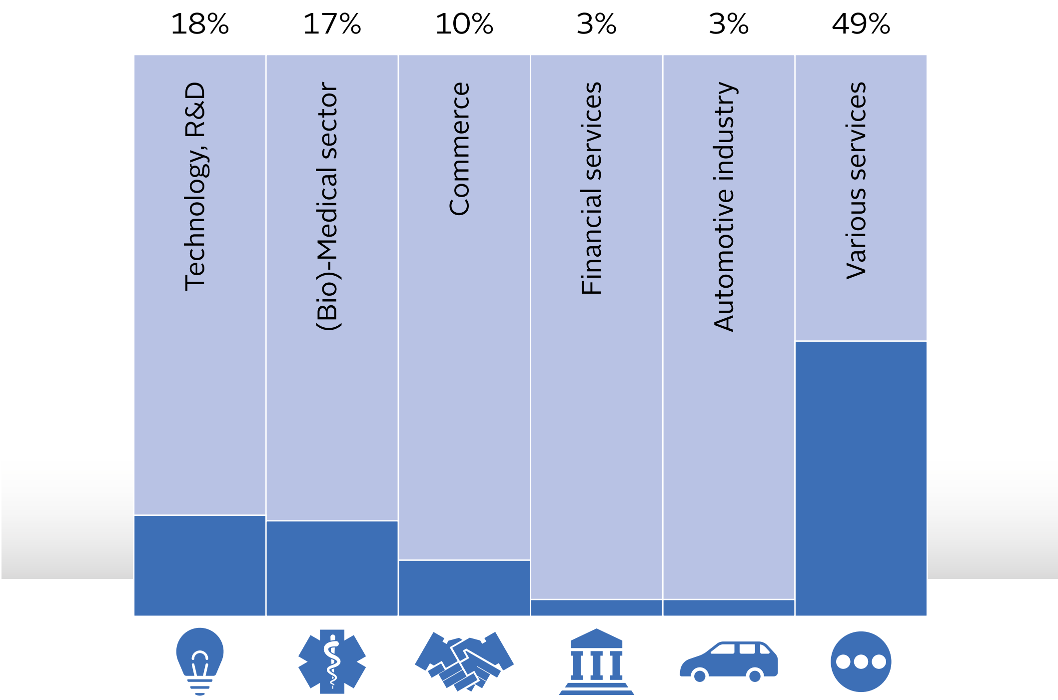
Logistics properties

94% of the logistics portfolio is located on the Antwerp- Mechelen axis (E19 and A12) and Antwerp-Liège axis (E313) which are the most important logistics axes in Belgium. 6% of the properties are in the centre of the country, in the area of Brussels. Compared to 31 December 2014 the share of the logistics properties on the Antwerp-Liège axis increased by 6% mainly through the acquisition of the site in Liège.

1.4. Sectoral spread of the portfolio[1]

Offices

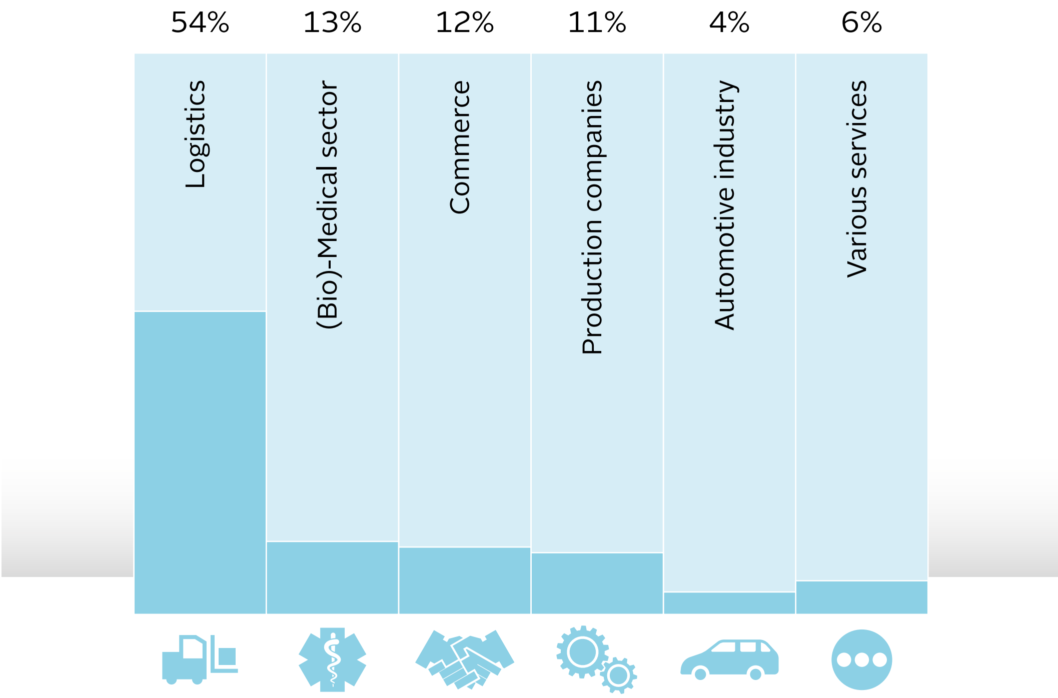
The tenants are well spread over different economic sectors which reduces the risk of vacancy in case of fluctuations of the economy which could hit some sectors more than others.



1 These graphs were drawn up, taking into account the received rental income.

Logistics properties

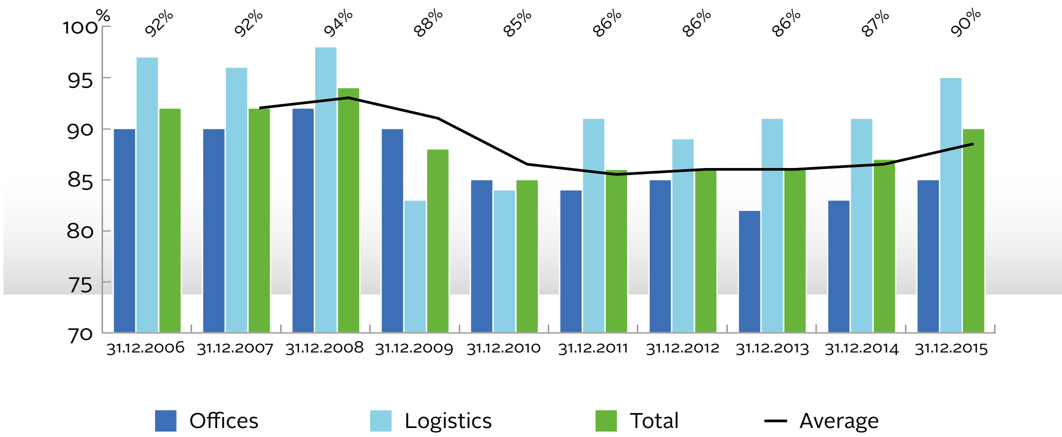
Approximately 46% of the logistics portfolio is let to companies from outside the logistics sector which improves the stability of the rental income, especially in periods with a less favourable economic situation.



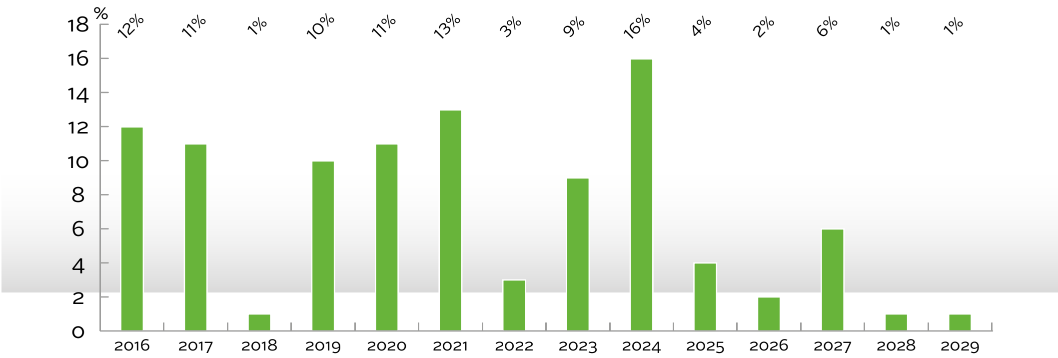
1.5. Occupancy rate

As at 31 December 2015, the occupancy rate of Intervest Offices & Warehouses amounted to 90% which is an improvement of 3% compared to 31 December 2014. For the office portfolio, representing 51% of the fair value of the real estate portfolio (55% as at 31 December 2014), the occupancy rate amounted as at 31 December 2015 to 85% (83% at the end of 2014). For the logistics portfolio, representing 49% of the fair value of the real estate portfolio (45% as at 31 December 2014), the occupancy rate amounted as at 31 December 2015 to 95% (91% at the end of 2014).

The average occupancy rate of the real estate portfolio of Intervest Offices & Warehouses over the past ten years from 2006 till 2015 was 89% with a maximum of 94 % (as at 31 December 2008) and with a minimum of 85% (as at 31 December 2010).



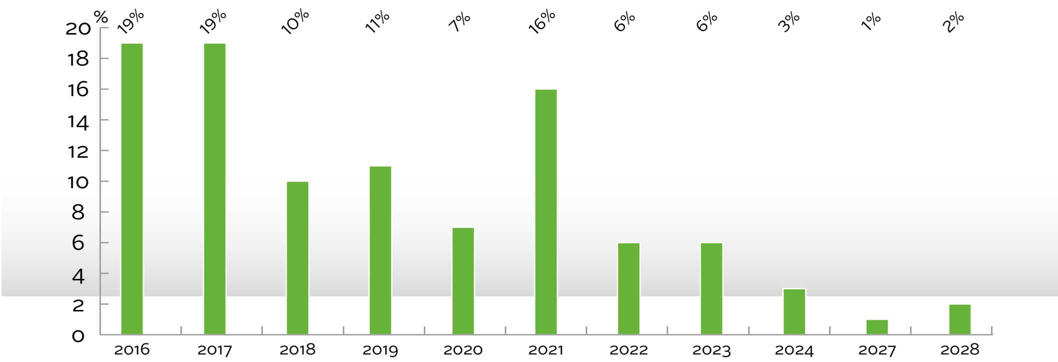
1.6. Final expiry dates of the lease agreements in the entire portfolio



The final expiry dates are well spread out over the coming years. 12% of the agreements, based on the annual rental income, have a final expiry date in 2016. Two thirds of this (8%) is attributable to the agreements of Deloitte in Diegem ending as at 31 December 2016. With most of the other tenants, discussions and negotiations are ongoing regarding the prolongation of the agreements.

In 2017, 11% reaches a final expiry date mainly as a result of the termination of Fiege in Puurs (5%) and PGZ in Wommelgem (3%). In 2018 only 1% of the agreements reaches the final expiry date.

1.7. First interim expiry date of lease agreements in the entire portfolio



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

The graph shows the hypothetical scenario as at 31 December 2015 in which every tenant terminates its lease agreements on the next interim expiry date. This is a worst case scenario that is analysed and explained further in the following graphs.

In 2016, 19% of the agreements reach their interim or final expiry date, of which 13% in the office portfolio and 6% in logistics real estate. A large part thereof is related to the expiry of the agreements with Deloitte in Diegem, since these account for 8% of the overall portfolio. Discussions and negotiations to extend agreements with several tenants are ongoing and/or relocation possibilities within the portfolio are being studied for the remaining agreements that are nearing their interim or final expiry date (5% spread out over smaller lease agreements in the office portfolio and 6% in the logistics portfolio).

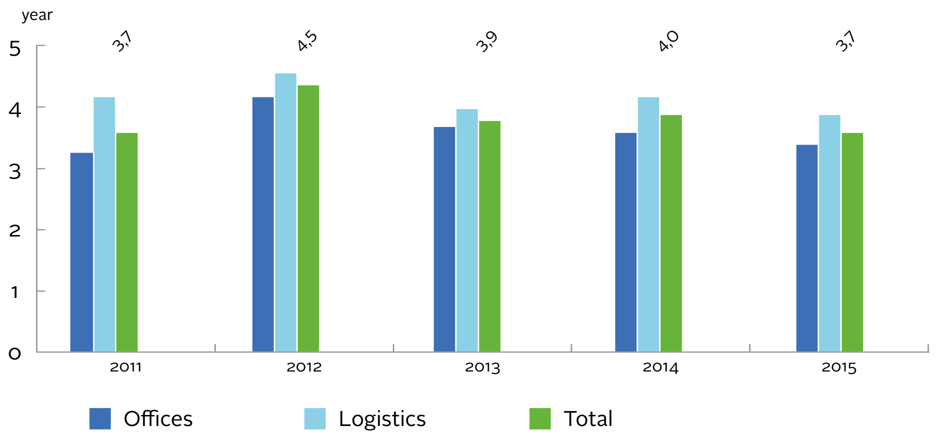
1.8. Average remaining duration of the lease agreements of the entire portfolio until the next expiry date

The average duration of the agreements in the entire portfolio amounted to 3,7 years as at 31 December 2015 compared to 4,0 years as at 31 December 2014.

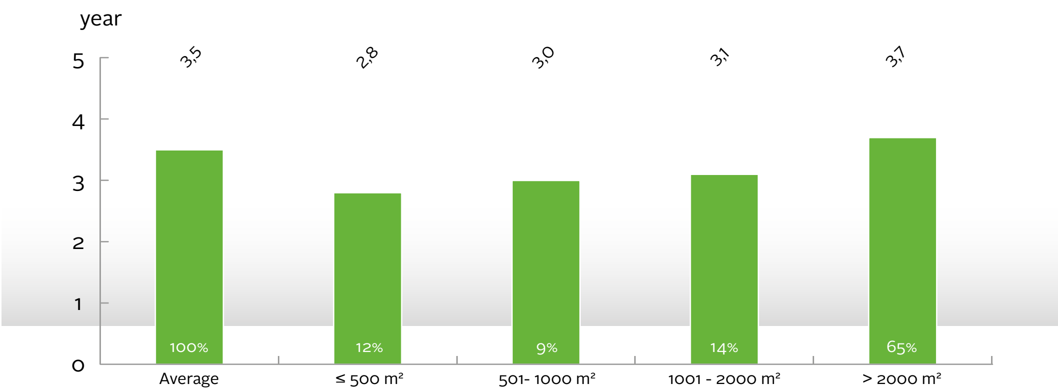
Although most lease agreements of the company are of the type 3/6/9, a number of important lease agreements have a longer effective duration.

As at 31 December 2015, the average remaining duration until the next expiry date was 3,7 years (4,0 years as at 31 December 2014). For offices there was a decrease from 3,7 years to 3,5 years and for the logistics properties from 4,3 years to 4,0 years, mainly due to the approach of the next expiry date of a number of important agreements.

If the Deloitte agreements, which end as at 31 December 2016 and represent 8% of the total annual rental income, are excluded, the average remaining duration until the next due date was 3,9 years on 31 December 2015.



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

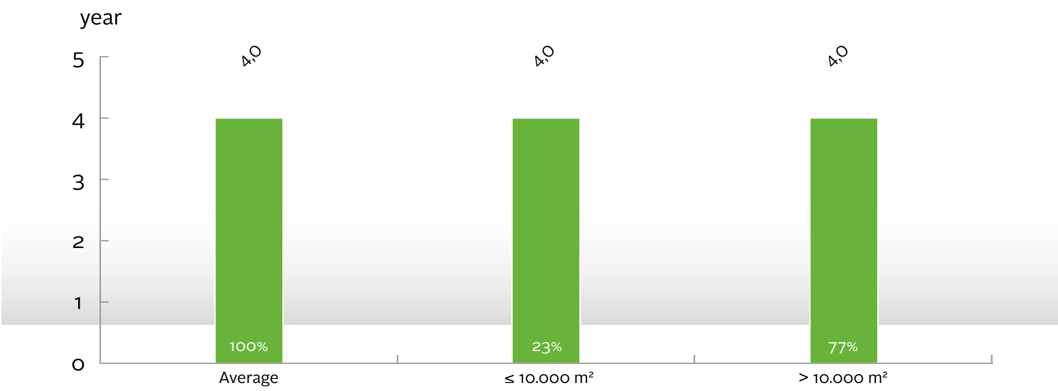


For offices, the average rental period until the next expiry date was 3,5 years as at 31 December 2015 compared to 3,7 years as at 31 December 2014. The graph shows clearly that the average rental period increases as the tenant leases a bigger space. For large office tenants (above 2.000 m²) comprising 65% of the office portfolio and having a great impact on the recurring rental income, the next expiry date (as at 1 January 2015) is on average only in 3,7 years. This is a slight decrease compared to the situation as at 31 December 2014, mainly due to the approach of the next expiry date of a number of agreements.

If the Deloitte agreements in Diegem, which represent 8% of total annual rental income in the entire portfolio and have a fixed end date as at 31 December 2016, are excluded, the average remaining agreement period for the lease agreements above 2.000 m² is 4,5 years and 3,9 years for the entire offices portfolio.

As at 31 December 2015, the average remaining duration of the lease agreements in the office portfolio was 3,5 years compared to 3,7 years as at 31 December 2014. For spaces above 2.000 m² it was 3,7 years (compared to 4,2 years as at 31 December 2014).

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



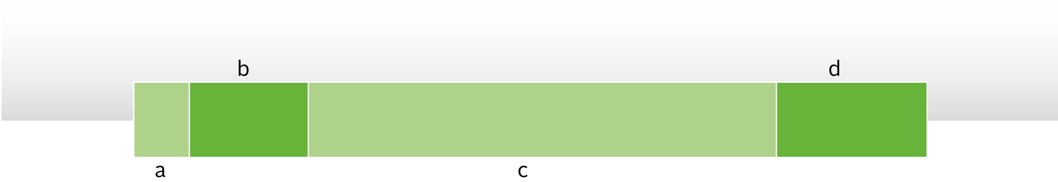
For the logistics properties the average duration of the lease agreements until the next expiry date is 4,0 years as at 31 December 2015, compared to 4,3 years as at 31 December 2014. This decrease is mainly due to the approach of the next expiry date of a number of important agreements, slightly compensated by the acquisition of the logistics site in Liège in February 2015.

For important tenants (above 10.000 m² in storage space) the next expiry date is on average also within 4,0 years (4,2 years as at 31 December 2014).

For the logistics portfolio the average remaining duration of the lease agreements was 4,0 years compared to 4,3 years as at 31 December 2014.

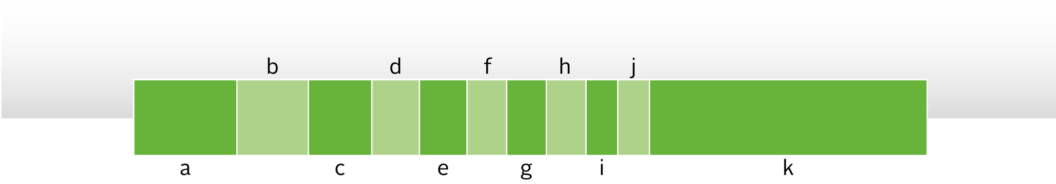
1.9. Average age of buildings

a	7%	0-5 years	c	59%	11-15 years
b	15%	6-10 years	d	19%	> 15 years



1.10. Risk spread of buildings by size

a	13%	Mechelen Campus	g	5%	Liège
b	9%	Intercity Business Park	h	5%	Puurs
c	8%	Herentals Logistics 1, 2, 3	i	4%	Mechelen Business Tower
d	6%	Woluwe Garden	j	4%	Wilrijk 1 and 2
e	6%	Oevel 1, 2, 3	k	35%	Other
f	5%	Opglabbeek			

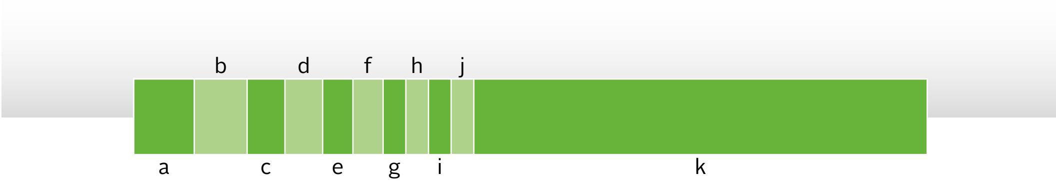


Intervest Offices & Warehouses aims to obtain an optimal risk spread and tries to limit the size of the buildings and complexes.

The largest complex is Mechelen Campus with a surface area of 58.107 m² and eleven buildings. Woluwe Garden and Intercity Business Park are also complexes consisting of different buildings that can be sold separately.

1.11. Risk spread by tenants

a	8%	Deloitte	g	3%	UTI Belgium
b	7%	PricewaterhouseCoopers	h	3%	Biocartis
c	5%	Hewlett-Packard Belgium	i	3%	PGZ Retail Concept
d	5%	Nike Europe	j	3%	Vincent Logistics
e	4%	Fiege	k	55%	Other
f	4%	Medtronic (previously Covidien)			



Tenants a, b, c and h (23%) are part of the office segment. Tenant d till g and i and j (22%) are part of the logistics segment.

The rental income of Intervest Offices & Warehouses is spread over 200 different tenants, limiting the debtor's risk of Intervest Offices & Warehouses and improving the stability of the rental income. The ten most important tenants represent 45% of the rental income and are all prominent companies in their sector and part of international groups.

1.12. Average retention of the portfolio in 2015

Although most lease agreements of the company are of the 3/6/9 type, it should be noted that a number of large agreements have a longer effective term.

In 2015, a total of 70 agreements reached their date of maturity (end of agreement or interim date of maturity). Of these, 55 agreements have been extended, representing 79%, which is a slight decrease compared to 2014, when 85% were extended. The percentage that has been extended amounted to 83% if calculated in rental income, while this percentage was 88% in 2014. For the agreements that represent more than € 50.000 of rental income, 83% have been prolonged (84% in rental income) which is in line with 2014 (80% and 87% respectively).

- Specifically for 2015, 33 agreements reached their first date of maturity (30 in 2014). Of these, only 15% have been terminated (i.e. 5 tenants out of a total of 33 tenants). This is in line with 2014 (6 out of 30 tenants or 20%).
- In 2015, 22 agreements came to a second or later expiry date. Of these, 36% have terminated (8 out of a total of 22 agreements) or only 20% based on the rental income. In 2014, 8% of the agreements that came to a second or later expiry date terminated (2 out of 24 agreements), or 1% based on the rental income.
- For tenants whose lease agreement officially ended in 2015, 13 of the 15 lease agreements have been extended or 87% (and 96% based on rental income). For 2014, this was 6 out of 7 lease agreements or 90% based on rental income.

The figures mentioned indicate that the market is still very competitive and that despite this fact, the retention ratio in the portfolio of Intervest Offices & Warehouses being maintained very well.

Under the present circumstances, a number of tenants continue to make use of opportunities currently available on the market, by which some owners are willing to rent out their property at low prices and in some cases, even at prices economically disproportionate to the construction costs. Intervest Offices & Warehouses wishes to offer competitive rent levels and thus adapts its leasing policy to the market conditions, but does take care to maintain healthy rent levels.

But Intervest Offices & Warehouses notes that, as in previous years and due to the continuing economic uncertainty, a number of companies are often reluctant to move, unless the high (both direct and indirect) relocation costs are offset by a significantly lower rental price, as mentioned above.

In addition, Intervest Offices & Warehouses assisted new and existing tenants in the full furnishing of their offices (so-called turn-key solutions projects) in a still-rising number of cases in 2015. With this, Intervest Offices & Warehouses visualises its role as one that is considerably broader than merely that of an owner-lessor of office buildings or logistics spaces. For this, not just leasable space, but also offering a housing solution and providing an overall service with the help of its specialised team of eighteen people are of central importance.

2. Overview of the portfolio[1]

TOTAL PORTFOLIO	31.12.2015	31.12.2014	31.12.2013	31.12.2012[2]	31.12.2011
Fair value of investment properties (€ 000)	634.416	609.476	580.709	581.280	581.305
Current rents (€ 000)	49.849	46.556	43.499	45.359	43.651
Yield on fair value (%)	7,9%	7,6%	7,5%	7,8%	7,5%
Current rents, including estimated rental value of vacant properties (€ 000)	55.689	53.807	50.868	52.674	50.576
Yield if fully let on investment value (%)	8,8%	8,8%	8,8%	9,1%	8,7%
Total leasable space (m^2)	717.073	674.156	604.428	614.308	627.096
Occupancy rate (%)	90%	87%	86%	86%	86%

As at 31 December 2015 the rental yield of the entire portfolio amounted to 7,9%.

1 Until the Annual report 2014, the yield was calculated on the investment value of investment properties. In order to obtain uniformity relating to the calculation method of the yield in the sector, the yield of the Annual report 2015 is calculated on the fair value of investment properties. The comparable figures of 2014 and earlier are recalculated on fair value basis.

2 This table is a snapshot as at 31 December of each financial year. As at 31 December 2012 the new lease agreement with PwC in Woluwe Garden was incorporated in the investment value of investment properties, but not yet in the current rents as the lease agreement only started as at 1 January 2013. Current rents for the office segment, adjusted for the new lease agreement would amount to € 44,7 million so that the yield of the real estate portfolio would amount to 7,7% as at 31 December 2012. Current rents in the office segment, including the estimated rental value of vacant properties, would after the adjustment for the new lease agreement amount to € 52,0 million, generating a yield if fully let of 8,9% as at 31 December 2012.

2.1. By segment

OFFICES	31.12.2015	31.12.2014	31.12.2013	31.12.2012[1]	31.12.2011
Fair value of investment properties (€ 000)	326.371	332.966	337.503	351.854	370.410
Current rents (€ 000)	27.311	27.254	26.902	28.344	27.450
Yield on fair value (%)	8,4%	8,2%	8,0%	8,1%	7,4%
Current rents, including estimated rental value of vacant properties (€ 000)	32.059	32.652	32.693	33.544	32.805
Yield if fully let on investment value (%)	9,8%	9,8%	9,7%	9,5%	8,9%
Total leasable space (m^2)	229.669	229.669	229.669	231.109	231.109
Occupancy rate (%)	85%	83%	82%	85%	84%

LOGISTICS PROPERTIES	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Fair value of investment properties (€ 000)	308.045	276.510	243.206	229.426	210.895
Current rents (€ 000)	22.538	19.302	16.597	17.015	16.201
Yield on fair value (%)	7,3%	7,0%	6,8%	7,4%	7,7%
Current rents, including estimated rental value of vacant properties (€ 000)	23.630	21.155	18.175	19.130	17.771
Yield if fully let on investment value (%)	7,7%	7,7%	7,5%	8,3%	8,4%
Total leasable space (m^2)	487.404	444.487	374.759	383.199	395.987
Occupancy rate (%)	95%	91%	91%	89%	91%

1 This table is a snapshot as at 31 December of each financial year. As at 31 December 2012 the new lease agreement with PwC in Woluwe Garden was incorporated in the investment value of investment properties, but not yet in the current rents as the lease agreement only started as at 1 January 2013. Current rents for the office segment, adjusted for the new lease agreement would amount to € 27,7 million so that the yield of the real estate portfolio would amount to 7,9% as at 31 December 2012. Current rents in the office segment, including the estimated rental value of vacant properties, would after the adjustment for the new lease agreement amount to € 32,9 million, generating a yield if fully let of 9,4% as at 31 December 2012.

2.2. Insured value

The real estate portfolio of Intervest Offices & Warehouses is insured for a total reconstruction value of € 545 million, excluding the premises on which the buildings are located, compared to a fair value of the investment properties of € 634 million as at 31 December 2015 (even though premises are included in that value). The insured value of the offices is € 360 million and that of the logistics portfolio is € 185 million.

The insurance policies also include additional guarantees for the real estate becoming unfit for use, such as loss of rental income, costs for maintenance and cleaning up the property, claims of tenants and users and third party claims. The lost rental income is reimbursed as long as the building has not been rebuilt, without time limit. With these additional guarantees, the insured value amounts to € 945 million. This insured value is split into € 714 million for the offices and € 231 million for the logistics portfolio.

Intervest Offices & Warehouses is insured against liability arising from its activities or its investments under a third party liability insurance policy covering bodily injury up to an amount of € 12,4 million and material damage (other than that caused by fire and explosion) of up to € 0,6 million. Furthermore, the directors and members of the management committee are insured for directors' liability, covering losses up to an amount of € 15 million.

2.3. Sensitivity analysis

In the case of a hypothetical negative adjustment of 1% (from 7,9% to 8,9% on average) to the yield used by property experts for determining the real estate portfolio of the company (yield or capitalisation rate), the fair value of the real estate properties would decrease by € 72 million or 11%. This would raise the debt ratio of the company by 6% to around 54%.

If this is reversed, and a hypothetical positive adjustment of 1% (from 7,9% to 6,9% on average) is made to this yield, the fair value of the real estate properties would increase by € 93 million or 15%. This would lower the debt ratio of the company by 6% to around 42%.

3. Valuation of the portfolio by property experts

As at 31 December 2015, the valuation of the current real estate portfolio of Intervest Offices & Warehouses has been carried out by the following property experts:

- Cushman & Wakefield, represented by Arnaud de Bergeyck
- Stadim, represented by Philippe Janssens.

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

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

The market:

- supply and demand of tenants and buyers of comparable real estate properties
- yield trends
- expected inflation
- current interest rates and expectations in terms of interest rates.

Location:

- factors in surroundings
- availability of parking spaces
- infrastructure
- accessibility by private and public transport
- facilities such as public buildings, stores, hotels, restaurants, pubs, banks, schools,etc.
- (construction)development of similar real estate properties.

Real estate:

- operating and other expenses
- type of construction and level of quality
- state of maintenance
- age
- location and representation
- current and potential alternative usage possibilities.

Subsequently, there are 4 important valuation methods that are being applied: updating the estimated rental income, unit prices, discounted cash flow analysis and cost method.

Update the estimated rental income

The investment value is the result of the yield (or capitalisation rate, that represents the gross yield required by a buyer) applied to the estimated rental value (ERV), adjusted for the net present value (NPV) of the difference between the current actual rent and the estimated rental value at the date of valuation for the period up to the first opportunity to give notice under the current lease agreements.

For buildings that are partially or completely vacant, the measurement is made on the basis of the estimated rental value minus the vacancy and the costs (rental costs, publicity costs, etc.) for the vacant portions. The costs method is applied to buildings for which the valuer considers it appropriate to do so.

Buildings to be renovated, buildings being renovated or planned projects are evaluated based on the value after renovation or after work has been finished, minus the amount of the remaining work to be done, the fees of architects and engineers, interim interest payments, the estimated vacancy rate and a risk premium.

Unit prices

The investment value is determined based on the unit prices of the object per m² for office space, storage space, archives, number of parking spaces, etc., all based on the market and building analysis described above.

Discounted cash flow analysis

The investment value is calculated based on the net present value of the net future rental income of every property. Thus, costs and provisions that are to be expected annually are taken into account for each property, as well as ongoing lease agreements, the expected completion time of the construction or renovation works, and their impact on the effective collection of the rents. This stream of income, as well as the selling value excluding transaction costs, are actualised (discounted cash flow) based on the interest rates on the capital markets, with a margin added that is specific to the type of the property investment (the liquidity margin). The impact of changing interest rates and expected inflation are thus taken account of in the estimate in a conservative way.

Costs method

This gives a value based on the estimated current costs of reproducing or creating a property of the same quality, utility and transferability, but with modern construction tools.

The real estate portfolio is divided as follows:

Valuer	Fair value (€ 000)	Investment value (€ 000)
Cushman & Wakefield	393.834	403.680
Stadim	240.582	246.596
TOTAL	**634.416**	**650.276**

Opinion of Cushman & Wakefield

For the part of the real estate portfolio of Intervest Offices & Warehouses valued by Cushman & Wakefield, Cushman & Wakefield determined an investment value of € 403.680.000 and a fair value of € 393.834.000 as at 31 December 2015.

Ardalan AZARI
Account Manager - Surveyor
Valuation & Advisory
Cushman & Wakefield

Arnaud de Bergeyck
Partner
Head of Capital Markets Group Retail
Cushman & Wakefield

Opinion of Stadim

For the part of the real estate portfolio of Intervest Offices & Warehouses valued by Stadim, Stadim determined an investment value of € 246.596.000 and a fair value of € 240.581.000 as at 31 December 2015.

Céline Janssens
MRE, MRICS
Partner
Stadim

Yannick Stolk
Valuer-Advisor
Stadim

Philippe Janssens
FRICS
Managing Director
Stadim

4. Description of the office portfolio

4.1. Office locations in Belgium[1]

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

1 Classification according to the space of the buildings.

Mechelen Campus ▼

▲ Intercity Business Park

▼ Woluwe Garden

Mechelen Business Tower ▲

Brussels 7 ▼

▲ Gateway House

▼ 3T Estate

Diegem Campus 2 ▲

Diegem Campus 1 ▼

▲ Park Station

▼ De Arend

Inter Access Park ▲

Sky Building ▼

▲ Aartselaar

▼ Hermes Hills

Exiten ▲

Park Rozendal ▼

5. Description of the logistics properties

5.1. Location of the logistics properties in Belgium[1]

1	Herentals Logistics 1	8	Boom - Krekelenberg
	Herentals Logistics 2	9	Wommelgem
	Herentals Logistics 3	10	Duffel
2	Opglabbeek	11	Huizingen
3	Liège	12	Mechelen 1
4	Oevel 1 and 3	13	Aartselaar
	Oevel 2	14	Schelle
5	Puurs	15	Merchtem
6	Wilrijk 1	16	Berchem Technology Center
	Wilrijk 2	17	Mechelen 2
7	Houthalen		

1 Classification according to the space of the buildings.

Herentals Logistics 1 ▼

▲ Herentals Logistics 2

▼ Herentals Logistics 3

Opglabbeek ▲

Liège ▼

▲ Oevel 1 and 3

▼ Oevel 2

Puurs ▲

Wilrijk 1 ▼

▲ Wilrijk 2

▼ Houthalen

Boom - Krekelenberg ▲

Wommelgem ▼

▲ Duffel

▼ Huizingen

Mechelen 1 ▲

Aartselaar ▼

▲ Schelle

▼ Merchtem

Berchem Technology Center ▲

Mechelen 2 ▼

FINANCIAL REPORT

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◄ Mechelen Business Tower

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1. Consolidated income statement

in thousands €	Note	2015	2014
Rental income	4	46.147	40.037
Rental-related expenses	4	30	-22
NET RENTAL INCOME		**46.177**	**40.015**
Recovery of property charges	4	3.183	982
Recovery of rental charges and taxes normally payable by tenants on let properties	4	9.388	8.636
Costs payable by tenants and borne by the landlord for rental damage and refurbishment		-409	-217
Rental charges and taxes normally payable by tenants on let properties	4	-9.388	-8.636
Other rental-related income and expenses	4	74	132
PROPERTY RESULT		**49.025**	**40.912**
Technical costs	5	-1.211	-997
Commercial costs	5	-263	-209
Charges and taxes on unlet properties	5	-783	-771
Property management costs	5	-2.791	-2.406
Other property charges	5	-271	-49
Property charges		**-5.319**	**-4.432**
OPERATING PROPERTY RESULT		**43.706**	**36.480**
General costs	6	-1.768	-1.664
Other operating income and costs		144	72
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		**42.082**	**34.888**
Result on disposals of investment properties	8	125	-589
Changes in fair value of investment properties	9	-5.347	-5.198
Other result on portfolio	10	-243	-616
OPERATING RESULT		**36.617**	**28.485**
Financial income		105	61
Net interest charges	11	-11.011	-11.856
Other financial charges		-7	-20
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	19	558	-344
Financial result		**-10.355**	**-12.159**

in thousands €	Note	2015	2014
RESULT BEFORE TAXES		**26.262**	**16.326**
Taxes	12	-310	-36
NET RESULT		**25.952**	**16.290**
Note:			
Operating distributable result		30.859	23.038
Result on portfolio	8-10	-5.465	-6.404
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	19	558	-344
Attributable to:			
Equity holders of the parent company		25.954	16.292
Minority interests		-2	-2

RESULT PER SHARE	Note	2015	2014
Number of shares at year-end		16.239.350	16.143.906
Number of shares entitled to dividend		16.239.350	14.777.342
Weighted average number of shares		16.200.911	14.672.873
Net result (€)		1,60	1,11
Diluted net result (€)		1,60	1,11
Operating distributable result (€)		1,90	1,56

2. Consolidated statement of comprehensive income

in thousands €	Note	2015	2014
NET RESULT		**25.952**	**16.290**
Other components of comprehensive income (recyclable through income statement)			
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	19	0	180
COMPREHENSIVE INCOME		**25.952**	**16.470**
Attributable to:			
Equity holders of the parent company		25.954	16.472
Minority interests		-2	-2

3. Consolidated balance sheet

ASSETS in thousands €	Note	31.12.2015	31.12.2014
NON-CURRENT ASSETS		**635.218**	**609.722**
Intangible assets		3	16
Investment properties	13	634.416	609.476
Other tangible assets		792	215
Trade receivables and other non-current assets		7	15
CURRENT ASSETS		**13.181**	**8.868**
Trade receivables	14	6.957	3.861
Tax receivables and other current assets	14	3.593	1.655
Cash and cash equivalents		598	1.259
Accrued charges and deferred income	14	2.033	2.093
TOTAL ASSETS		**648.399**	**618.590**

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	Note	31.12.2015	31.12.2014
SHAREHOLDERS' EQUITY		**321.736**	**314.167**
Shareholders' equity attributable to the shareholders of the parent company		**321.703**	**314.132**
Share capital	15	147.980	147.110
Share premium	15	84.220	82.785
Reserves	15	63.549	67.945
Net result of the financial year		25.954	16.292
Minority interests	**22**	**33**	**35**
LIABILITIES		**326.663**	**304.423**
Non-current liabilities		**231.467**	**177.162**
Non-current financial debts	18	226.054	171.478
Credit institutions		*166.625*	*112.184*
Bond loan		*59.426*	*59.291*
Financial lease		*3*	*3*
Other non-current financial liabilities	19	4.507	5.066
Other non-current liabilities		906	618
Current liabilities		**95.196**	**127.261**
Provisions	16	0	172
Current financial debts	18	79.158	112.465
Credit institutions		*79.157*	*37.533*
Bond loan		*0*	*74.925*
Financial lease		*1*	*7*
Trade debts and other current debts	17	6.335	3.656
Other current liabilities		186	187
Accrued charges and deferred income	17	9.517	10.781
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**648.399**	**618.590**

DEBT RATIO in %	Note	31.12.2015	31.12.2014
Debt ratio (max. 65%)	20	48,2%	46,6%

NET VALUE PER SHARE in €	31.12.2015	31.12.2014
Net value (fair value)	19,81	19,46
Net value (investment value)	20,75	20,36
Net asset value EPRA	20,09	19,77

4. Statement of changes in consolidated equity

In thousands €	Share capital	Share premium	Legal reserves	Reserve for the balance of changes in fair value of real estate properties: Reserve for the balance of changes of investment value of real estate properties	Reserve for the balance of changes in fair value of real estate properties: Reserve for the impact on the fair value[1]
Balance as at 31 December 2013	**131.447**	**65.190**	**90**	**72.204**	**-14.531**
Comprehensive income of 2014					
Transfers through result allocation 2013:					
• Transfer to the reserves for the balance of changes in investment value of real estate properties				7.827	
• Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties					14
• Transfer of changes in fair value of financial assets and liabilities to the reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting					
• Transfer to the results carried forward from previous years					
• Transfer from reserves					
Issue of shares for optional dividend financial year 2013	3.211	3.864			
Capital increase through contribution in kind in the frame-work of an operation assimilated to a split or partial split (article 677 of the Belgian Companies Code)	12.452	13.731			
Dividend financial year 2013					
Balance as at 31 December 2014	**147.110**	**82.785**	**90**	**80.030**	**-14.517**
Comprehensive income of 2015					
Transfers through result allocation 2014:					
• Transfer to the reserves for the balance of changes in investment value of real estate properties				-5.685	
• Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties					-719
• 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 not subject to hedge accounting					
• Transfer to results carried forward from previous years					
Issue of shares for optional dividend financial year 2014	870	1.435			
Dividend financial year 2014					
Balance as at 31 December 2015	**147.980**	**84.220**	**90**	**74.345**	**-15.236**

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

Reserves								
	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	Other reserves	Results carried forward from previous financial years	Total reserves	Net result of the financial year	Minority interests	TOTAL SHAREHOLDERS' EQUITY
	-180	**-6.888**	**650**	**3.921**	**55.265**	**34.582**	**37**	**286.521**
	180				180	16.292	-2	16.470
					7.827	-7.827		0
					14	-14		0
		2.166			2.166	-2.166		0
				2.505	2.505	-2.505		0
				-12	-12			-12
								7.075
								26.183
						-22.070		-22.070
	0	**-4.722**	**650**	**6.414**	**67.945**	**16.292**	**35**	**314.167**
						25.954	-2	25.952
					-5.685	5.685		0
					-719	719		0
		-344			-344	344		0
				2.352	2.352	-2.352		0
								2.305
						-20.688		-20.688
	0	**-5.066**	**650**	**8.766**	**63.549**	**25.954**	**33**	**321.736**

5. Consolidated cash flow statement

in thousands €	Note	2015	2014
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		**1.259**	**691**
1. **Cash flow from operating activities**		**23.937**	**24.790**
Operating result		**36.617**	**28.485**
Interests paid		**-12.534**	**-9.855**
Other non-operating elements		**346**	**-338**
Adjustment of result for non-cash flow transactions		**2.216**	**7.050**
• Depreciations on intangible and other tangible assets		165	132
• Result on disposals of investment properties	8	-125	589
• Changes in fair value of investment properties	9	5.347	5.198
• Spread of rental discounts and rental benefits granted to tenants	10	-356	183
• Other result on portfolio	10	243	616
• Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	19	-558	344
• Not yet received refurbishment fee		-2.500	0
• Other non-cash flow transactions		0	-12
Other non-cash flow transactions		**-2.708**	**-552**
Movement of assets		-2.105	-867
Movement of liabilities		-603	315
2. **Cash flow from investment activities**		**-21.941**	**-2.726**
Investments in existing investment properties	13	-3.845	-4.524
Extensions of existing investment properties	13	0	-139
Income/costs from the disposal of investment properties	8	3.619	2.038
Acquisitions of intangible and other tangible assets		-728	-101
Acquisition of shares of real estate companies		-20.987	0
3. **Cash flow from financing activities**		**-2.657**	**-21.496**
Repayment of loans	18	-12.229	-122.092
Draw-down of loans	18	102.664	56.325
Repayment/issue bond loan	18	-75.000	59.190
Repayment/recognition of financial lease liabilities	18	-6	-7
Receipts from non-current liabilities as guarantee		297	82
Dividend paid		-18.383	-14.994
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**598**	**1.259**

In 2015, Intervest Offices & Warehouses generated a cash flow of € 24 million from operating activities. Herewith, (i) investment activities were realised for € 22 million, among which the acquisition of a logistics site in Liège, and (ii) financing activities for a amount of € 3 million, existing of the dividend payment for financial year 2014 for € 18 million and the net-withdrawn of credit facilities for € 15 million.

6. Notes to the consolidated annual accounts

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

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

The scheme principally means that the result on the portfolio is presented separately in the income statement. This result on the portfolio includes all movements in the real estate portfolio and consists of:

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

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

Note 2. Principles of financial reporting

Statement of conformity

Intervest Offices & Warehouses is a public regulated real estate company having its registered office in Belgium. The consolidated annual accounts of the company as at 31 December 2015 include the company and its subsidiaries (the "Group"). The annual accounts of Intervest Offices & Warehouses have been prepared and are released for publication by the board of directors as at 14 March 2016 and will be submitted for approval to the general meeting of shareholders as at 27 April 2016.

The consolidated financial statements have been prepared in compliance with the "International Financial Reporting Standards" (IFRS) as approved by the European Union and according to the Royal Decree of 13 July 2014. These standards comprise all new and revised standards and interpretations published by the International Accounting Standards Board ('IAS B') and the International Financial Reporting Interpretations Committee ('IFRIC'), as far as applicable to the activities of the Group and effective for financial years as from 1 January 2015.

New and amended standards and interpretations effective for financial year starting as at 1 January 2015

The following amended standards by the IASB and published standards and interpretations by the IFRIC became effective for the current period, but do not affect the disclosure, notes or financial results of the company: Annual Improvements to IFRSs (2010-2012) (1/2/2015); Annual Improvements to IFRSs (2011-2013) (1/1/2015); Amendments to IAS 19 *Employee Benefits – Employee Contributions* (1/2/2015);

IFRIC 21 – Levies (1/7/2014) indicates under which circumstances a levy imposed by government must be booked in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. This interpretation has no significant impact on the consolidated annual accounts of the Group but does affect the development of the result during the financial year due to the change in the time at which the property tax for vacant units is recognised: with the application of IFRIC 21 the real estate is recognised fully as debt and cost as at 1 January 2015 and the charging on of this property tax to the tenants and the recovery of property tax on vacant buildings from the government units is recognised by the government fully as receivable and revenue as at 1 January 2015. The net impact on the income statement therefore remains limited to the non-rechargeable/recoverable property tax that is henceforth recognised as from 1 January as a cost instead of spread out over the financial year. No other government levies apply to the company for which the application of this interpretation changes the time at and the extent to which liability is to be recognised.

New disclosed standards and interpretations not yet effective in 2015

The following amendments which are applicable as of next year or later are not expected to have a material impact on the presentation, notes or financial results of the RREC: IFRS 9 Financial *Instruments and subsequent amendments* (1/1/2018); IFRS 14 *Regulatory Deferral Accounts* (1/1/2016); IFRS 15 *Revenue from Contracts with Customers* (1/1/2017); Amendments to IFRS 11 *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (1/1/2016); Amendments to IAS 16 and IAS 38 *Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation* (1/1/2016); Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* (1/1/2016); Annual Improvements to IFRSs (2012-2014) (1/1/2016); Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception* (1/1/2016); Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (not yet endorsed in the EU); Amendments to IAS 1 *Presentation of Financial Statements – Disclosure Initiative* (1/1/2016); Amendments to IAS 27 *Separate Financial Statements - Equity Method* (1/1/2016); IFRS 16 *Leases* (1/1/2019).

Presentation basis

The consolidated annual accounts are expressed in thousands of €, rounded to the nearest thousand. The consolidated annual accounts are presented before profit distribution.

The accounting principles are applied consistently.

Consolidation principles

Subsidiary companies

A subsidiary company is an entity over which another entity has control (exclusively or jointly). Control is the power to govern the financial and operating policies of an entity in order to influence benefits from its activities. A subsidiary company's annual accounts are recognised in the consolidated annual financial statement by means of the integrated consolidation methodology from the time that control arises until such time as it ceases. If necessary, the financial reporting principles of the subsidiaries have been changed in order to arrive at consistent principles within the Group. The reporting period of the subsidiary coincides with that of the parent company.

Eliminated transactions

All transactions between the Group companies, balances and unrealised profits and losses from transactions between Group companies will be eliminated when the consolidated annual accounts are prepared. The list of subsidiaries is given under Note 22.

Business combinations and goodwill

When the Group takes control of an integrated combination of activities and assets corresponding to the definition of business according to IFRS 3 – *Business combinations*, assets, liabilities and any contingent liabilities of the business acquired are recognised separately at fair value on the acquisition date. The goodwill represents the positive change between the sum of the acquisition value, the formerly interest in the entity which was not controlled (if applicable) and the recognised minority interest (if applicable) and on the other hand the fair value of the acquired net assets. If the difference is negative ("negative goodwill"), it is immediately recognised in the results after confirmation of the values. All transaction costs are immediately charged and do not represent a part of the determination of the acquisition value.

In accordance with IFRS 3, the goodwill can be determined on a provisional basis at acquisition date and adjusted within the 12 following months.

After initial recognition, the goodwill is not amortised but submitted to an impairment test carried out at least every year for cash-generating units to which the goodwill was allocated. If the carrying amount of a cash-generating unit exceeds its value in use, the resulting impairment is recognised in the results and first allocated in reduction of the possible goodwill and then to the other assets of the unit, proportional to their carrying amount. An impairment loss recognised on goodwill is not reversed during a subsequent year.

In the event of the disposal of a cash-generating unit, the amount of goodwill that is allocated to this unit is included in the determination of the result of the disposal.

When the Group acquires an additional interest in a subsidiary company, formerly already controlled by the Group or when the Group sells a part of the interest in a subsidiary company without losing control, the goodwill, recognised at the moment of the acquisition of control, is not influenced. The transaction with minority interests has an influence on the transferred results of the Group.

Foreign currencies

Foreign currency transactions are recognised at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currency are valued at the final rate in force on the balance-sheet date. Exchange rate differences deriving from foreign currency transactions and from the conversion of monetary assets and liabilities denominated in foreign currency are recognised in the income statement in the period when they occur. Non-monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate valid at the transaction date.

Property result

Income is valued at the fair value of the compensation received or to which title has been obtained. Income will only be recognised if it is probable that the economic benefits will fall to the entity and can be determined with sufficient certainty.

Rental income, the received operational lease payments and the other income and costs are recognised linearly in the income statement in the periods to which they refer.

Rental discounts and incentives are spread over the period running from the start of the lease agreement to the next possibility of terminating an agreement.

The compensation paid by tenants for early termination of lease agreements is immediately taken into result for the period in which it is definitively obtained.

Property charges and general charges

The costs are valued at the fair value of the compensation that has been paid or is due and are recognised in the income statement for the periods to which they refer.

Result on disposal and change in fair value of investment properties

The result from the disposal of investment properties is equal to the difference between the selling price and the carrying amount (i.e. the fair value determined by the property expert at the end of the previous financial year) less the selling expenses.

The changes in fair value of investment properties are equal to the difference between the actual carrying amount and the previous fair value (as estimated by the independent property expert). A comparison is made at least four times a year for the entire portfolio of investment properties. Movements in fair value of the real estate properties are recognised in the income statement in the period in which they arise.

Financial result

The financial result consists of interest charges on loans and additional financing costs, less the income from investments.

Taxes on the result

Taxes on the result of the financial year consist of the taxes due and recoverable for the reporting period and previous reporting periods, deferred taxes and the exit tax due. The tax expense is recognised in the income statement unless it relates to elements that are immediately recognised in equity. In the latter case, taxes are recognised as a charge against equity.

When calculating the taxation on the taxable profit for the year, the tax rates in force at the end of the period are used.

Withholding taxes on dividends are recognised in equity as part of the dividend until such time as payment is made.

The exit tax owed by companies that have been taken over by the real estate company, are deducted from the revaluation surplus at the moment of the merger and are recognised as a liability.

Tax receivables and liabilities are valued at the tax rate used during the period to which they refer.

Deferred tax receivables and liabilities are recognised on the basis of the debt method ('liability method') for all provisional differences between the taxable basis and the carrying amount for financial reporting aims with respect to both assets and liabilities. Deferred tax receivables are only recognised if it is probable that there will be taxable profit against which the deferred tax claim can be offset.

Ordinary and diluted net result per share

The ordinary net result per share is calculated by dividing the net result as shown in the income statement by the weighted average of the number of outstanding ordinary shares (i.e. the total number of issued shares less own shares) during the financial year.

To calculate the diluted net result per share, the net result that is due to the ordinary shareholders and the weighted average of the number of outstanding shares is adapted for the effect of potential ordinary shares that may be diluted.

Intangible assets

Intangible assets are recognised at cost, less any accumulated depreciation and exceptional impairment losses, if it is likely that the expected economic benefits attributable to the asset will flow to the entity, and if the cost of the asset can be measured reliably. Intangible assets are amortised linearly over their expected useful life. The depreciation periods are reviewed at least at the end of every financial year.

Investment properties (including mutation rights)

Definition

Investment properties comprise all buildings and lands that are lettable and (wholly or in part) generate rental income, including the buildings where a limited part is kept for own use.

Initial recognition and valuation

Initial recognition in the balance sheet takes place at the acquisition value including transaction costs such as professional fees, legal services, registration charges and other property transfer taxes. The exit tax due from companies absorbed by the company is also included in the acquisition value.

Commission fees paid for acquisitions of buildings must be considered as additional costs for these acquisitions and added to the acquisition value.

If the acquisition takes place through the acquisition of shares of a real estate company, through the non-monetary contribution of a building against the issue of new shares or by merger through takeover of a real estate company, the deed costs, audit and consultancy costs, reinvestment fees and costs of lifting distraint on the financing of the absorbed company and other costs of the merger are also capitalised.

Valuation after initial recognition

After initial recognition, investment properties are valued at fair value in accordance with IAS 40. The fair value is equal to the amount at which a building could be exchanged between well-informed parties, in agreement and acting in conditions of normal competition. From the point of view of the seller it must be understood subject to deduction of registration fees. The fair value is thus obtained by deducting an appropriate portion of the registration fees from the investment value:

- The investment value is the price at which the site will probably be traded between buyers and sellers who are well informed in the absence of information asymmetries and who wish to perform such a transaction, without taking into account any special agreement between them. This value is the investment value when it matches the total price to be paid by the buyer, plus any registration fees or VAT if the purchase is subject to VAT.

- Concerning the amount of the registration fees, as at 8 February 2006 the Belgian Asset Managers Association (BEAMA) published a press release on the subject (see www.beama.be - publications – press releases: "First application of IFRS accounting rules").

  A group of independent property experts, carrying out the periodical valuation of buildings of RREC, ruled that for transactions involving buildings in Belgium with an overall value of less than € 2,5 million, registration taxes of between 10,0 % and 12,5 % should apply, depending on the region where the buildings are located. For transactions concerning buildings with an overall value of more than € 2,5 million and considering the wide range of property transfer methods used in Belgium, the same experts - on the basis of a representative sample of 220 transactions that took place in the market from 2002 to 2005 and representing a grand total of € 6,0 billion - valued the weighted average of the taxes comes to 2,5 %.

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

The difference between the fair value of property and the investment value of the property as determined by the independent property experts is recognised when acquiring the property in the income statement in the section XVIII "Changes in fair value of investment properties."

After approval of the result allocation by the general meeting of shareholders (in April of next financial year) the difference between the fair value of real estate properties and the investment value of real estate properties are attributed to the reserve "c. Reserve for the impact on fair value of estimated mutation rights and costs resulting from the hypothetical disposal of investment properties" in shareholders' equity.

Holding of real estate properties and valuation process

Investment properties are valued by the independent property experts at investment value. For this, the investment properties are valued each quarter on the basis of the present value of market rents and/or effective rental income, where appropriate after deduction of associated costs in accordance with the International Valuation Standards 2001 published by the International Valuation Standards Committee. Valuations are produced by updating the annual net rent received from the tenants, less the associated costs. The updating takes place on the basis of the yield factor, which depends on the inherent risk of the relevant property.

Profits or losses arising from the variation in the fair value of an investment property are recognised in the income statement in section XVIII. "Changes in the fair value of investment properties" in the period in which they arise and when profits are distributed in the following year are allocated to the reserve "b. Reserve for the balance of changes in the fair value of real estate". When this allocation is made, within this reserve for the balance of the changes in the fair value of real estate properties a distinction is made between changes in the investment value of the real estate and the estimated transaction costs resulting from hypothetical disposal so that this last section always matches the difference between the investment value of the real estate and the fair value of the real estate properties.

Disposal of an investment property

By disposal of an investment property the realised profits and losses on the disposal are recorded in the income statement of the reporting period under the item "Result on disposals of investment properties". The mutation rights are charged against in the income statement after disposal. The commission fees paid to real estate agents the sale of buildings and obligations made as a result of transactions are reduced from the obtained sales price in order the determine the realised profit or loss.

By the result allocation of the next year, these realised profits or losses are attributed to the reserve"b. Reserve for the balance of changes in fair value of real estate properties". For this attribution a difference is made between the changes in the investment value of the real estate properties and the estimated of rights and costs resulting from the hypothetical disposal within this reserve for the balance of changes in fair value of real estate properties so that these latest section always corresponds with the difference between the investment value of real estate properties and the fair value of real estate properties.

Assets held for sale

Assets held for sale refer to real estate properties whose carrying amount will be realised during a sales transaction and not through continuing use. The buildings held for sale are valued in accordance with IAS 40 at fair value.

Other tangible assets

Definition

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

Valuation

Other tangible assets are initially recognised at cost and thereafter valued according to the cost model.

Additional costs are only capitalised if the future economic benefits related to the tangible asset increase.

Depreciation and exceptional impairment losses

Other tangible assets are depreciated using the linear depreciation method. Depreciation begins at the moment the asset is ready for use as foreseen by the management.

The following percentages apply on an annual basis:

- plant, machinery and equipment 20%
- furniture and vehicles 25%
- computer equipment 33%
- real estate for own use
  - land 0%
  - buildings 5%
- other tangible assets 16%

If there are indications that an asset may have suffered impairment, its carrying amount is compared to the realisable value. If the carrying amount is greater than the realisable value, an exceptional impairment loss is recognised.

Disposal and retirement

When tangible assets are sold or retired, their carrying amount ceases to be recognised on the balance sheet and the profit or loss is recognised shown on the income statement.

Impairment losses

The carrying amount of the assets of the company is reviewed periodically to determine whether there is an indication of impairment. Special impairment losses are recognised in the income statement if the carrying amount of the asset exceeds the realisable value.

Financial instruments

Trade receivables

Trade receivables are recorded at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for impairment losses are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Investments

Investments are recognised or no longer recognised on a trade date basis when the purchase or sale of an investment is under a contract whose terms require delivery of the asset within the time frame established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the economic reality of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The principles of financial reporting related to specific financial liabilities and equity instruments are set out below.

Interest-bearing bank loans

Interest-bearing bank loans and credit overdrafts are initially valued at fair value and are subsequently valued at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with principles of financial reporting related to financing costs, applied by the Group.

Trade debts

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

Equity instruments

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

Derivatives

The Group uses derivatives to hedge its exposure to interest rate risks arising from operational, financing and investment activities. The Group does not engage in speculative transactions nor does it issue or hold derivatives for trading purposes.

Derivatives do not qualify for hedge transactions. Derivatives are initially valued at cost price and are valued after initial recognition at fair value. Changes in the fair value of each derivative that does not qualify for hedge accounting are recognised immediately in the income statement.

Own shares

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

Provisions

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

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

Post-employment benefits

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

Dividend distribution

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

Events after the balance sheet date

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

Significant valuations and main sources of uncertainty regarding valuations

Fair value of investment properties

The fair value of the investment properties of Intervest Offices & Warehouses is valued on a quarterly basis by independent property experts. This valuation of the property experts is meant to determine the market value of a building on a certain date according to the evolution of the market and the characteristics of the relevant buildings. The property experts uses the principles described in the chapter "Valuation of the portfolio by property experts" in the Property report and in "Note 13: Non-current assets: investment properties" of the Financial report. The real estate portfolio is recorded in the consolidated annual accounts at fair value determined by the property experts.

Financial derivatives

The fair value of the financial derivatives of Intervest Offices & Warehouses are valued on a quarterly basis by the issuing financial institute. A comprehensive description can be found in "Note 19. Financial instruments" in the Financial report.

Disputes

The company is, and may be in the future, involved in legal procedures. Intervest Offices & Warehouses is involved as at 31 December 2015 in a procedure before the Court of First Instance in Antwerp, fiscal chamber, as well as in an appeal procedure for the regional director of the control centre large companies regarding the billing of the exit tax assessment year 1999 special (see "Note 24. Conditional rights and obligations" of the Financial report). The company estimates that this procedure will not have a significant impact on the results of the company.

Note 3. Segmented information

By business segment

The two business segments comprise the following activities:

- The category of "offices" includes the properties that are let to companies for professional purposes as office space.
- The category of "logistics properties" includes those premises with a logistical function, storage facilities and high-tech buildings.

The category of "corporate" includes all non-allocated fixed costs borne at Group level.

Income statement by segment

BUSINESS SEGMENT	Offices		Logistics		Corporate		TOTAL	
in thousands €	2015	2014	2015	2014	2015	2014	2015	2014
Rental income	25.112	24.510	21.035	15.527			46.147	40.037
Rental-related expenses	17	-3	13	-19			30	-22
NET RENTAL RESULT	*25.129*	*24.507*	*21.048*	*15.508*			*46.177*	*40.015*
Property management costs and income	2.685	819	163	78			2.848	897
PROPERTY RESULT	*27.814*	*25.326*	*21.211*	*15.586*			*49.025*	*40.912*
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**24.238**	**22.192**	**19.562**	**14.287**	**-1.718**	**-1.591**	**42.082**	**34.888**
Result on disposals of investment properties	172	0	-47	-589			125	-589
Changes in fair value of investment properties	-9.347	-6.971	4.000	1.773			-5.347	-5.198
Other result on portfolio	-714	-266	471	-350			-243	-616
OPERATING RESULT OF THE SEGMENT	**14.349**	**14.955**	**23.986**	**15.121**	**-1.718**	**-1.591**	**36.617**	**28.485**
Financial result					-10.355	-12.159	-10.355	-12.159
Taxes					-310	-36	-310	-36
NET RESULT	**14.349**	**14.955**	**23.986**	**15.121**	**-12.383**	**-13.786**	**25.952**	**16.290**

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

Key figures by segment

BUSINESS SEGMENT	Offices		Logistics		TOTAL	
in thousands €	2015	2014	2015	2014	2015	2014
Fair value of real estate properties	326.371	332.966	308.045	276.510	634.416	609.476
Investments during the financial year (fair value)	2.752	2.434	1.094	34.158	3.846	36.592
Acquisitions of shares of real estate companies	0	0	30.107	0	30.107	0
Divestments during the financial year (fair value)	0	0	3.666	2.627	3.666	2.627
Investment value of real estate properties	334.530	341.290	315.746	283.423	650.276	624.713
Total leasable space (m²)	229.669	229.669	487.404	444.487	717.073	674.156
Occupancy rate (%)	85%	83%	95%	91%	90%	87%

Note 4. Property result

Rental income

in thousands €	2015	2014
Rents	48.960	43.273
Guaranteed income	0	0
Rental discounts	-3.100	-3.311
Rental benefits ('incentives')	-42	-53
Compensation for early termination of lease agreements	329	128
Total rental income	**46.147**	**40.037**

Rental income comprises rents, income from operational lease agreements and directly associated revenues, such as rent securities granted by promoters and compensation for early terminated lease agreements minus any rental discounts and rental benefits (incentives) granted. Rental discounts and incentives are spread over the period running from the start of the lease agreement to the next possibility of terminating a lease agreement by the tenant.

Rental income of Intervest Offices & Warehouses is spread over 200 different tenants, limiting the debtor's risk of Intervest Offices & Warehouses and improving the stability of the rental income. The ten most important tenants represent 45% (47% in 2014) of the rental income, are often prominent companies in their sector and are often part of international groups. As at 31 December 2015, the most important tenant represented 8% of the rental income (8% in 2014). In 2015, there were 4 tenants whose rental income on an individual basis represented more than 5% of the total rental income of Intervest Offices & Warehouses (5 tenants in 2014).

The increase in rental income in 2015 of € 6,1 million or approximately 15% compared to financial year 2014 (€ 40,0 million) mainly resulted from the acquisition of the logistics sites in Opglabbeek in December 2014 and in Liège in February 2015. Rental income of the office portfolio slightly increased through indexations and lettings.

When concluding new lease agreements in financial year 2015, for 81% of the new lease agreements rental discounts was granted (89% in 2014) of 11% on average of annual rental income (12% in 2014).

It is moreover generally stipulated that the tenant has to pay back the rent for rental discount, either partially or in full, in the event that he chooses to terminate the agreement at the agreement's first break option.

For lease agreements that were extended and/or prolonged during financial year 2015, for 71% on average of the agreement value, a rental discount was granted (92% in 2014). This rental discount amounted on average to 11% of the annual rental income (8% in 2014)

Overview of future minimum rental income

The cash value of the future minimum rental income until the first expiry date of the non-cancellable lease agreements is subject to the following collection terms:

in thousands €	2015	2014
Receivables with a remaining duration of:		
Less than one year	39.394	41.267
Between one and five years	80.679	75.811
More than five years	15.253	21.361
Total of future minimum rental income	**135.326**	**138.439**

The decrease of the future minimum rental income of € 3 million compared to 31 December 2014 were in line with the shortening of the average duration of the agreements.

Rental-related expenses

in thousands €	2015	2014
Rent for leased assets and land rents	-21	-20
Write-downs on trade receivables	-14	-2
Reversal of write-downs on trade receivables	65	0
Total rental-related expenses	**30**	**-22**

The losses on lease receivables (with recovery) for the period 2006 - 2015 represented only 0,1% of the total turnover. A sharp deterioration in the general economic climate can result in an increase in the losses on lease receivables. The real estate company limits this risk by means of rental guarantees or bank guarantees from the tenants. The possible bankruptcy of a major tenant can represent a significant loss for the company, as can an unexpected vacancy and even a re-rental of the vacant space at a price lower than the price stated in the non-respected agreement.

The rental-related expenses consisted mainly of write-downs and reversal of write-downs on trade receivables that are recorded in the result if the carrying amount exceeds the estimated realisation value. This section also comprises the costs for ground and buildings lease by the company for further letting to its tenants.

Recovery of property charges

in thousands €	2015	2014
Obtained compensations on rental damage	2.579	379
Other	604	603
Management fees received from tenants	*604*	*603*
Total recovery of property charges	**3.183**	**982**

The recovery of property charges is mainly related to the profit taking of the compensation received from tenants for rental damage when leaving the let spaces and also the management fees that the Group receives from its tenants for the management of let buildings and the rebilling of rental charges to the tenants, as shown in the following tables.

Rebilling of rental charges and taxes

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

in thousands €	2015	2014
Rebilling of rental charges borne by the landlord	5.301	4.616
Rebilling of advance levies and taxes on let properties	4.087	4.020
Total recovery of rental charges and taxes normally payable by tenants on let properties	**9.388**	**8.636**

Rental charges and taxes normally payable by tenants on let properties

in thousands €	2015	2014
Rental charges borne by the landlord	-5.301	-4.616
Advance levies and taxes on let properties	-4.087	-4.020
Total rental charges and taxes normally payable by tenants on let properties	**-9.388**	**-8.636**
Total net amount of recovered rental charges and taxes	**0**	**0**

Rental charges and taxes on let buildings and the recovery of these charges refer to costs that are, by law or custom, the responsibility of the tenant or lessee.

These costs primarily comprise property taxes, electricity, water, cleaning, window cleaning, technical maintenance, garden maintenance, etc. The owner is responsible for the management of the buildings (office buildings) or has it contracted out to external property managers (for Mechelen Campus).

Depending on the contractual agreements with the tenants, the landlord may or may not charge the tenants for these services. Any such rebilling is done on a semi-annual basis, except for some office buildings for which the rebilling is done quarterly. During the financial year, advances are billed to the tenants.

Other rental-related income and expenses

in thousands €	2015	2014
Received coordination fees turn-key solutions	32	68
Expenses and income regarding exploitation RE:flex	-87	-69
Other	129	133
Total other rental-related income and expenses	**74**	**132**

Note 5. Property charges

Technical costs

in thousands €	2015	2014
Recurrent technical costs	**-1.205**	**-999**
Maintenance and repair	-1.131	-984
Insurance premiums	-74	-15
Non-recurrent technical costs	**-6**	**2**
Claims	-6	2
Claims (expenses)	*-155*	*-81*
Claims (income)	*149*	*83*
Total technical costs	**-1.211**	**-997**

Technical costs comprise, among others, maintenance costs and insurance premiums. The increase came mainly from a larger maintenance program for the logistics buildings of the company.

Maintenance costs that can be seen as renovation of an existing building because they improve yield or rent, are not recognised as costs but are capitalised.

Commercial costs

in thousands €	2015	2014
Brokers' fees	0	-9
Publicity	-145	-149
Lawyers' fees and legal costs	-118	-51
Total commercial costs	**-263**	**-209**

Commercial costs a.o. include brokers' fees. The brokers' fees paid to brokers after a period of vacancy are capitalised as the property experts, after a period of vacancy, reduce the estimated fees from the estimated value of the real estate property. Brokers' fees paid after an immediate re-letting, without vacancy period, are not capitalised and are recognised in the result as the property experts do not take this fee into account at the moment of valuation.

Charges and taxes on unlet properties

in thousands €	2015	2014
Vacancy charges of the financial year	-730	-757
Vacancy charges of previous financial year	21	91
Withholding tax on vacant properties	-602	-657
Recovery of property tax on vacant properties	528	552
Total charges and taxes on unlet properties	**-783**	**-771**

Charges and taxes on unlet properties remained almost stable during the financial year 2015 at € 0,8 million. Vacancy costs for financial year 2015 represented approximately 1,7% of the total rental income of the company (1,9% in 2014).

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

Property management costs

in thousands €	2015	2014
External property management fees	-10	-15
Internal property management fees	-2.781	-2.391
Employee benefits	-1.897	*-1.611*
Property experts	-156	*-156*
Other costs	-728	*-624*
Total property management costs	**-2.791**	**-2.406**

Property management costs are costs that are related to the management of the buildings. These include personnel costs and indirect costs with respect to the management committee and the staff (such as office costs, operating costs, etc.) who manage the portfolio and the lettings, and also depreciations and impairments on tangible assets used for such management and other business expenses related to the management of the real estate properties.

Other property charges

in thousands €	2015	2014
Charges borne by the landlord	-79	-39
Property taxes contractually borne by the landlord	-172	0
Other property charges	-20	-10
Total other property charges	**-271**	**-49**

The other property charges are often related to expenses that on the basis of contractual or commercial agreements with tenants are chargeable to the Group. They are mostly restrictions on the payment of common charges. For financial year 2015, these commercial interventions amounted to approximately € 0,3 million on an annual basis or 0,5% of total rental income of the company (€ 0,1 million or 0,1% in financial year 2014).

Note 6. General costs

in thousands €	2015	2014
UCI tax	-291	-265
Auditor's fee	-74	-74
Directors' remunerations	-54	-30
Liquidity provider	-15	-15
Financial services	-18	-26
Employee benefits	-854	-698
Advice costs	-145	-203
Other costs	-317	-353
Total general costs	**-1.768**	**-1.664**

General costs are all costs related to the management of the company and costs that cannot be allocated to property management. These operating costs include general administration costs, cost of personnel engaged in the management of the company as such, depreciations and impairments on tangible assets used for this management and other operating costs.

General costs amounted to € 1,8 million and increased by € 0,1 million compared to 2014 (€ 1,7 million) mainly as a result of higher personnel costs through the increasing number of employees.

Note 7. Employee benefits

in thousands €	2015 Charges for internal patrimony management	2015 Charges linked to the management of the company	2015 TOTAL	2014 Charges for internal patrimony management	2014 Charges linked to the management of the company	2014 TOTAL
Remunerations of employees and independent staff	**1.590**	**607**	**2.197**	**1.302**	**433**	**1.735**
Salary and other benefits paid within 12 months	926	472	1.398	794	339	1.133
Pensions and post employment benefits	36	9	45	34	7	41
Social security	249	59	308	210	44	254
Variable remunerations	82	19	101	119	25	144
Dismissal indemnities	122	0	122	0	0	0
Other charges	175	48	223	145	17	162
Remuneration of the management committee	**307**	**247**	**554**	**309**	**265**	**573**
Chairman of the management committee	85	86	171	104	104	208
Fixed remuneration	*73*	*74*	*147*	*92*	*92*	*184*
Variable remuneration	*12*	*12*	*24*	*12*	*12*	*24*
Other members of the management committee	222	161	383	205	161	365
Fixed remuneration	*187*	*120*	*307*	*185*	*119*	*304*
Variable remuneration	*35*	*24*	*59*	*20*	*24*	*44*
Retirement obligations	*0*	*17*	*17*	*0*	*17*	*17*
Total employees benefits	**1.897**	**854**	**2.751**	**1.611**	**698**	**2.308**

The number of employees and self-employed personnel at year-end 2015, expressed in FTE is 18 staff members for the internal management of the patrimony (17 in 2014) and 7 staff members for the management of the company (6 in 2014). The management team comprises 4 persons, 1 of whom receives no remuneration.

Remuneration, supplementary benefits, compensation upon termination, redundancy and resignation compensation for personnel in permanent employment are regulated by the Act on the Labour Agreements of 4 July 1978, the Annual Holiday Act of 28 June 1971, the joint committee for the sector that the company falls under and the collective bargaining agreements that have been recognised in the income statement in the period to which they refer.

Pensions and remunerations after termination of employment include pensions, contributions for group insurance policies, life and disability insurance policies and hospitalisation insurance policies. Intervest Offices & Warehouses has taken out a group insurance contract of the “agreed contribution” type at an external insurance company for its employees with a permanent contract. Due to the legislation that was amended at the end of December 2015 (as at 18 December 2015, the Act to ensure sustainability and the social nature of the additional pensions and to strengthen its supplementary nature in relation to the retirement pensions was approved), the employer must guarantee a minimum return and therefore this contract must be classed as a “defined benefit” plan. The company contributes to this fund, which is independent from the company. Contributions for the insurance policy are financed by the company. This group insurance contract complies with the Vandenbroucke Act on pensions. The compulsory contributions are recognised in the income statement for the period that they relate to. For financial year 2015 these contributions amounted to € 62.000 (€ 58.000 in 2014). The insurance company confirmed as at 31 December 2014 that the deficit to guarantee the minimum return is not material.

Note 8. Result on disposals of investment properties

in thousands €	2015	2014
Acquisition value	5.225	2.914
Accumulated gains and extra-ordinary impairment losses	-1.559	-287
Carrying amount (fair value)	**3.666**	**2.627**
Sales price	3.700	2.049
Sales cost	91	-11
Net sales revenue	**3.791**	**2.038**
Total result on disposals of investment properties	**125**	**-589**

Intervest Offices & Warehouses sold in 2015 a non-strategic semi-industrial building in Duffel, Notmeir for a sum of € 3,7 million. The property is a small semi-industrial building comprising warehouses (8.986 m²) and limited office space (228 m²). The sales price was achieved approximately equal to the carrying amount as at 31 December 2014, which amounted to € 3,7 million (fair value as determined by the independent property expert of the company). The building only represented 0,6% of the total fair value of the real estate portfolio of the company. The transaction was subject to registration rights.

Note 9. Changes in fair value of investment properties

in thousands €	2015	2014
Positive changes of investment properties	5.592	4.188
Negative changes of investment properties	-10.939	-9.386
Total changes in fair value of investment properties	**-5.347**	**-5.198**

The changes in fair value of investment properties are negative in 2015 and amounted to € -5,3 million compared to the positive changes of € -5,2 million in 2014. The changes in 2015 were the combined effect of a decrease in fair value of the office portfolio and an increase in fair value of the logistics portfolio.

The decrease in fair value of the office portfolio amounted to € 9 million or 2,8% compared to the fair value of the office portfolio as at 31 December 2014. This decrease in fair value was mainly due to adjustment of the yields of certain office buildings in the Brussels periphery and to new lease agreements at lower rents. The increase in fair value of the logistics real estate portfolio amounted to € 4 million or 1,4% compared to the fair value of the logistics portfolio as at 31 December 2014 due to new leases and extensions of existing lease agreements.

Note 10. Other result on portfolio

in thousands €	2015	2014
Result on portfolio as a result of merger operations and assimilated operations	114	-800
Other	-357	184
Changes spread rental discounts and benefits granted to tenants	*-357*	*182*
Taking into result of the future spread of rental discounts and benefits granted to tenants through the sale of investment properties	*0*	*2*
Total other result on portfolio	**-243**	**-616**

The other result on portfolio mainly comprised besides the changes in spread of rental discounts and the benefits granted to tenants, the revenue related to the acquisition of the logistics site in Liège and the latent taxes regarding this site.

Note 11. Net interest charges

in thousands €	2015	2014
Nominal interest charges on loans	**-8.299**	**-9.097**
Loans at financial institutions	-3.740	-3.099
With fixed interest rate	*-319*	*-190*
With variable interest rate	*-3.421*	*-2.909*
Bond loans	-4.164	-5.535
Interest charges on non-withdrawn credit facilities	-395	-463
Costs of authorised hedging instruments	**-2.317**	**-2.356**
Authorised hedging instruments that are not subject according to IFRS	-2.317	-2.356
Other interest charges	**-395**	**-403**
Total net interest charges	**-11.011**	**-11.856**

In 2015, the net interest charges amounted to € -11,0 million compared to € -11,9 million in 2014. The decrease of financing costs was mainly the result of refinancing according to a lower interest rate of the bond loan of € 75 million, which was due in June 2015 and was repaid. This decrease in financing costs was partially compensated by the acquisition of the two logistics sites (in Opglabbeek at the end of 2014 and in Liège in February 2015), so that to the total of withdrawn credit facilities at financial institutions in 2015, amounting to an average of € 29 million, was higher than in 2014.

Net interest charges classified by credit line expiry date

in thousands €	2015	2014
Net interest charges on current financial debts	-7.860	-8.125
Net interest charges on current financial debts	-3.151	-3.731
Total net interest charges	**-11.011**	**-11.856**

For 2015, the total average interest rate amounted to 3,5% including bank margins, compared to 4,1% in 2014. The average interest rate for the non-current financial debts for 2015 amounted to 3,7% including bank margins (4,1% in 2014). The average interest rate for the current financial debts for 2015 amounted to 3,0% including bank margins (4,2% in 2014).

The (hypothetical) future cash outflow for 2015 of the interest charges from the loans drawn as at 31 December 2015 at a fixed interest rate or a variable interest rate as at 31 December 2015 amounted to € 8,3 million (€ 10,2 million in 2014). This decrease was due to the refinancing of the bond loan in 2014.

For financial year 2015, the effect on the operating distributable result of a (hypothetical) increase in interest rate by 1% gave a negative result of approximately € 0,4 million negative (€ -0,4 million in 2014).

Note 12. Taxes

in thousands €	2015	2014
Corporate income tax	-310	-36
Total taxes	**-310**	**-36**

With the RREC Act (formerly the Royal Decree of 7 December 2010 and the Royal Decree of 10 April 1995), the legislator gave a favourable tax status to RREC. If a company converts its status into that of a RREC, or if an (ordinary) company merges with a RREC, it must pay a one-off tax (exit tax). Thereafter, the RREC is only subject to taxes on very specific items, e.g. “disallowed expenditure”. No corporate tax is therefore paid on the majority of the profit that comes from lettings and added value on disposals of investment properties.

The corporate tax for 2015 resulted from the acquisition of the shares of Stockage Industriel sa, comprising the site in Liège. This company was subject to corporate income tax and merged as at 17 February 2016 with Intervest Offices & Warehouses nv.

Note 13. Non-current assets

Research and development, patents and licenses

No own activities were developed by the company in the area of research and development.

Investment and revaluation table investment properties

in thousands €	2015			2014		
	Offices	Logistics properties	Total	Offices	Logistics properties	Total
Balance sheet as at 1 January	**332.966**	**276.510**	**609.476**	**337.503**	**243.206**	**580.709**
• Acquisitions of investment properties	0	0	0	0	33.033	33.033
• Acquisitions of real estate companies	0	30.107	30.107	0	0	0
• Investments in existing investment properties	2.752	1.094	3.846	2.434	986	3.420
• Extensions of existing investment properties	0	0	0	0	139	139
• Disposals of investment properties	0	-3.666	-3.666	0	-2.627	-2.627
• Changes in fair value of investment properties	-9.347	4.000	-5.347	-6.971	1.773	-5.198
Balance sheet as at 31 December	**326.371**	**308.045**	**634.416**	**332.966**	**276.510**	**609.476**
OTHER INFORMATION						
Investment value of real estate properties	334.530	315.746	650.276	341.290	283.423	624.713

The investment properties consisted of:

in thousands €	2015	2014
Real estate properties held for lease	628.860	604.021
Other: spare land reserves	5.556	5.455
Total investment properties	**634.416**	**609.476**

As at 31 December 2015, Intervest Offices & Warehouses had no development projects nor assets for own use.

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

In 2015, the **fair value of investment properties** increased by approximately € 25 million and amounted as at 31 December 2015 to € 634 million (€ 609 million as at 31 December 2014). Underlying the fair value of the real estate portfolio has known following evolutions in 2015:

- on the one hand, the increase of the fair value of the **logistics portfolio** by € 31 million or 11% compared to the fair value as at 31 December 2014, mainly because of:
    - € 30 million due to the acquisition of the logistics site in Liège
    - € 4 million due to an increase of the fair value of the existing logistics real estate portfolio
    - € 1 million due to investments in the existing logistics portfolio
    - € -4 million due to the sale of the non-strategical semi-industrial building located in Duffel.
- on the other hand, the decrease of the fair value of the **office portfolio** by € 6 million or 2% compared to the fair value as at 31 December 2014, mainly because of:
    - € -9 million due to the decrease in fair value of the office portfolio, mainly due to adjustment of the yields of certain office buildings in the Brussels periphery and due to new lease agreements at lower rents
    - € 3 million investments in the existing office portfolio.

The logistics site in Liège was acquired through the take-over of the shares of Stockage Industriel sa. On this acquisition IFRS 3 does not apply.

For the acquisition of these shares an amount of € 21 million (see overview consolidated cash flow) was paid. The real estate value amounted to € 29 million. During this transaction € 5 million debt were taken over. Besides, an amount of € 3 million exit tax to be paid, was reduced from the sales price (realised as at 17 February 2016). At the moment of the acquisition the real estate property was revalued by the independent property expert at € 30 million.

As at 31 December 2015, the company has in Herentals on its site Herentals Logistics 3, a spare land of 32.100 m² for the future potential construction of a highly qualitative logistics warehouse in the form of a logistics hall with a space of approximately 19.000 m² that can be subdivided. At the end of 2015 this spare land is valued as ready for construction with building permit.

As at 31 December 2015, there were no investment properties mortgaged as security for withdrawn loans and credit facilities at financial institutions. For the description of the legal mortgage established in order to guarantee the outstanding tax debt on the logistics property located in Aartselaar on Dijkstraat, and on the logistics property in Wilrijk please refer to Note 24.

IFRS 13

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

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

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

The fair value of investment properties recorded in the balance sheet is exclusively the result of the valuation of the portfolio by the independent property experts.

For the value determination of fair value of the investment properties, the nature, the characteristics and the risks of the buildings and the available market information were analysed.

Because of the liquidity of the market and the difficulties for obtaining transaction informations, being comparable on a unassailable manner, the valuation level of the fair value of the Intervest Offices & Warehouses' buildings according to IFRS 13 standard, is equal at 3 and this for the entire portfolio.

Valuation of investment properties

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

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

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

The yields[1] described in the Property report are calculated by dividing the (theoretical) gross rent of the real estate by the investment value of the investment properties expressed as a percentage. The average gross yield of the total real estate portfolio as at 31 December 2015 amounted to 8,8% (8,8% as at 31 December 2014).

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

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

	2015	2014
Average gross market rent per m² (€)		
• Offices	140	142
• Logistics properties	48	48
Average gross yield[2] if fully let (%)	**8,8%**	**8,8%**
• Offices	9,8%	9,8%
• Logistics properties	7,7%	7,7%
Average net yield[3] (%)	**7,8%**	**7,9%**
• Offices	8,4%	8,6%
• Logistics properties	7,1%	7,0%
Vacancy rate (%)	**10%**	**13%**

In the case of a hypothetical negative adjustment of 1% (from 7,9% to 8,9% on average) to the yield used by property experts for the determination of the fair value of the real estate portfolio of the company (yield or capitalisation rate), the fair value of the real estate would decrease by € 72 million or 11%. This would raise the debt ratio of the company by 6% to around 54%.

If this is reversed, and a hypothetical positive adjustment of 1% (from 7,9% to 6,9% on average) is made to this yield, the fair value of the real estate would increase by € 93 million or 15%. This would lower the debt ratio of the company by 6% to around 42%.

1,2,3 Until the Annual report 2014, the yield was calculated on the investment value of investment properties. In order to obtain a uniform calculation method of the yield in the sector, the yield in the Annual report 2015 is calculated on the fair value of the investment properties. The comparable figures of 2014 are calculated on the basis of the fair value.

In the case of a hypothetical decrease in the current rents of the company (assuming a constant yield) of € 1 million (from € 49,8 million to € 48,8 million), the fair value of the real estate would decrease by € 13 million or 2%. This would raise the debt ratio of the company by 1% to around 49%. In the reverse case of a hypothetical increase of the current rents of the company (assuming a constant yield) of € 1 million (from € 49,8 million to € 50,8 million), the fair value of the real estate properties would increase by € 13 million or 2%. This would lower the debt ratio of the company by 1% to around 47%.

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

Valuation process for investment properties

Investment properties are recorded in the accounts on the basis of valuation reports drawn up by independent and expert property assessors. These reports are based on information supplied by the company and on the assumptions and valuation models used by de property experts.

Information supplied by the company, such as current rents, periods and conditions of lease agreements, service charges, investments, etc. This information comes from the company's financial and management system and is subject to the generally applicable verification system of the company.

The assumptions and valuation models used by the property experts relate mainly to the market situation, such as yields and discount rates. They are based on their professional assessment and observation of the market.

Not observable parameters (input as at 31.12.2015)	Range	Weighed average
ERV (in €/m²)		
• Offices	93 – 147 €/m²	127 € /m²
• Logistics properties	39 – 83 €/m²	45 € /m²
Yield (in %)[1]		
• Offices	7,9% – 10,6%	8,9%
• Logistics properties	6,5% – 8,3%	7,1%

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

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

1 In the description of the range the highest and the lowest number is eliminated each time.

Note 14. Current assets

Trade receivables

in thousands €	2015	2014
Trade receivables	1.018	568
Advance billing of rents	2.921	2.740
Invoices to issue	465	464
Doubtful debtors	236	409
Provision doubtful debtors	-236	-409
Not received refurbishment fee	2.500	0
Other trade receivables	53	89
Total trade receivables	**6.957**	**3.861**

At the beginning of 2015 Intervest Offices & Warehouses reached an agreement with tenant Deloitte to have the departure dates for the 3 buildings in question (Diegem Campuses 1 and 2 and Hermes Hills, a total of approximately 20.000 m^2), which originally ran until 2016 and 2017, coincide and set as at 31 December 2016. Another agreement has also been concluded within this context to fix the refurbishment fee at € 2,5 million, which tenant Deloitte will pay in the course of 2016.

Thanks to a strict credit control, the number of days of outstanding customers credit was only 7 days.

Aging analysis of trade accounts receivable

in thousands €	2015	2014
Receivables < 30 days	488	259
Receivables 30-90 days	214	117
Receivables > 90 days	316	192
Total outstanding trade receivables	**1.018**	**568**

For the follow-up of the debtor's risk used by Intervest Offices & Warehouses, please see the description of the chapter "Risk factors" (Operating risks -debtor's risks).

Tax receivables and other current assets

in thousands €	2015	2014
Taxes (retained following the tax situation of the Group)	3.485	1.552
Recoverable corporate tax	*215*	*215*
Recoverable exit tax	*459*	*459*
Recoverable withholding tax on liquidation boni from mergers	*2.811*	*878*
Other	108	103
Total tax receivables and other current assets	**3.593**	**1.655**

For the description of the Group's tax situation, please see Note 24.

Deferred charges and accrued income

in thousands €	2015	2014
Incurred, non-expired property income	1.626	1.479
Recoverable withholding tax	*1.593*	*1.479*
Recoverable claims	*33*	*0*
Prepaid property charges	12	153
Prepaid interest and other financial costs	304	395
Other	91	66
Total deferred charges and accrued income	**2.033**	**2.093**

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

Note 15. Shareholders' equity

EVOLUTION OF THE CAPITAL

		Share capital movement	Total outstanding share capital after transaction	Number of share issued	Total number of shares
Date	**Operation**	**in thousands €**		**in units**	
08.08.1996	Constitution	62	62	1.000	1.000
05.02.1999	Capital increase by non-cash contribution (Atlas park)	4.408	4.470	1.575	2.575
05.02.1999	Capital increase by incorporation of issue premium and reserves and capital reduction through the incorporation of losses carried forward	-3.106	1.364	0	2.575
05.02.1999	Share split	0	1.364	1.073.852	1.076.427
05.02.1999	Capital increase by contribution in cash	1.039	2.403	820.032	1.896.459
29.06.2001	Merger by absorption of the limited liability companies Catian, Innotech, Greenhill Campus and Mechelen Pand	16.249	18.653	2.479.704	4.376.163
21.12.2001	Merger by absorption of companies belonging to the VastNed Group	23.088	41.741	2.262.379	6.638.542
21.12.2001	Capital increase by non-cash contribution (De Arend, Sky Building and Gateway House)	37.209	78.950	1.353.710	7.992.252
31.01.2002	Contribution of 575.395 Siref shares	10.231	89.181	1.035.711	9.027.963
08.05.2002	Contribution of max. 1.396.110 Siref shares in the context of the bid	24.824	114.005	2.512.998	11.540.961
28.06.2002	Merger with Siref sa; exchange of 111.384 Siref shares	4.107	118.111	167.076	11.708.037
23.12.2002	Merger by absorption of the limited liability companies Apibi, Pakobi, PLC, MCC and Mechelen Campus	5.016	123.127	1.516.024	13.224.061
17.01.2005	Merger by absorption of the limited liability companies of Mechelen Campus 2, Mechelen Campus 4, Mechelen Campus 5 and Perion 2	3.592	126.719	658.601	13.882.662
18.10.2007	Merger by absorption of the limited liability companies Mechelen Campus 3 and Zuidinvest	6	126.725	18.240	13.900.902
01.04.2009	Merger by absorption of the limited liability company Edicorp	4	126.729	6.365	13.907.267
25.05.2012	Capital increase through optional dividend financial year 2011	2.666	129.395	292.591	14.199.858
23.05.2013	Capital increase through optional dividend financial year 2012	2.051	131.447	225.124	14.424.982
28.05.2014	Capital increase through optional dividend financial year 2013	3.211	134.657	352.360	14.777.342
22.12.2014	Capital increase through contribution in kind in the framework of an operation assimilated to a split (article 77 of the Belgian Companies Code)	12.453	147.110	1.366.564	16.143.906
28.05.2015	**Capital increase through optional dividend**	**870**	**147.980**	**95.444**	**16.239.350**

As at 31 December 2014, the share capital amounted to € 147.979.792,72 and is divided among 16.239.350 fully paid-up shares with no statement of nominal value.

Share premium

EVOLUTION SHARE PREMIUM in thousands €		Capital increase	Contri bution in cash	Value contri-bution	Share premium
Date	**Operation**				
05.02.99	Capital increase by contribution in cash	1.039	0	20.501	19.462
21.12.01	Settlement of the accounting losses as a result of the merger by acquisition of the companies belonging to the VastNed Group	0	0	0	-13.747
31.01.02	Contribution of 575.395 Siref shares	10.231	1.104	27.422	16.087
08.05.02	Contribution of max. 1.396.110 Siref shares in the context of the bid	24.824	2.678	66.533	39.031
25.05.12	Capital increase through optional dividend	2.666	0	5.211	2.545
23.05.13	Capital increase through optional dividend	2.051	0	3.863	1.812
28.05.14	Capital increase through optional dividend	3.211	0	7.075	3.864
22.12.14	Capital increase through contribution in kind in the framework of an operation assimilated to a split (article 677 of the Belgian Companies Code)	12.453	0	26.183	13.730
28.05.15	Capital increase through optional dividend	870	0	2.305	1.435
Total share premium					**84.220**

The share premium amounted as at 31 December 2015 at € 84 million.

Reserves

For the movement of the reserves during financial year 2015, please see the statement of changes in equity.

The reserves are composed as follows:

in thousands €	2015	2014
Legal reserves	90	90
Reserves for the balance of changes in fair value of real estate properties	59.109	65.513
Reserve for the balance of changes in fair value of real estate properties	*74.345*	*80.030*
Reserve for the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	*-15.236*	*-14.517*
Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting according to IFRS	-5.066	-4.722
Other reserves	650	650
Reported results for previous financial years	8.766	6.414
Total reserves	**63.549**	**67.945**

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

in thousands €	2015	2014
Balance at the end of the preceding financial year	-14.517	-14.531
Changes in investment value of investment properties	21	-296
Acquisitions of investment properties of the preceding financial year	-806	0
Disposal of investment properties of the preceding financial year	66	310
Total reserve for the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	**-15.236**	**-14.517**

The difference between the fair value of the real estate property (in accordance with IAS 40) and the investment value of the real estate property as determined by the independent property experts is recognised in this item.

The transfer of the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties are no longer, as from financial year 2010, recorded during the financial year but only after approval of the profit distribution by the general meeting of shareholders (in April of next financial year). As this concerns a transfer within two items of shareholders' equity, it has no impact on the total shareholders' equity of the company.

Note 16. Provisions

in thousands €	2015	2014
Other	**0**	**172**
Provision for rental guarantees from disposal of investment properties	0	172
Total provisions	**0**	**172**

Till 2014, residual rent guarantees arising from disposal of investment properties were included in the short-term provisions.

Note 17. Current liabilities

Trade debts and other current debts

in thousands €	2015	2014
Exit tax	3.157	332
Other	3.178	3.324
Suppliers	*1.451*	*1.437*
Tenants	*690*	*1.417*
Taxes, remunerations and social charges	*1.037*	*470*
Total trade debts and other current debts	**6.335**	**3.656**

Other current liabilities

in thousands €	2015	2014
Dividends to be paid	186	187
Total other current liabilities	**186**	**187**

Accrued charges and deferred income

in thousands €	2015	2014
Property revenue received in advance	5.036	4.442
Liabilities related to the compensation received for early termination of lease agreements	*1.250*	*1.200*
Received compensations for refurbishment	*21*	*140*
Pre-billed rental income	*3.765*	*3.102*
Incurred, unexpired interests and other charges	2.748	4.571
Interests on the bond loans	*1.710*	*3.648*
Other interests and financial charges	*1.038*	*923*
Other	1.733	1.768
Other accrued charges	*735*	*695*
Other deferred income	*998*	*1.073*
Total accrued charges and deferred income	**9.517**	**10.781**

As at 31 December 2015, the accrued charges and deferred income comprised for € 5,0 million property revenue received in advance, of which € 1,3 million liabilities related to compensations received for early termination of lease agreements of Tibotec-Virco in 2010 in Intercity Business Park in Mechelen and the pre-billed rental income for the first quarter of next financial year amounting to € 3,8 million.

The incurred, unexpired interests and other charges amounted to € 2,7 million in 2015, and comprised, among others, the interests on the bond loan due as at 1 April 2016 on the bond loan issued in March 2014. In 2014, this section also comprised the interests still due on the bond loan of € 75 million, repaid in June 2015.

Note 18. Non-current and current financial debts

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

Classification by expiry date of withdrawn credit facilities

in thousands €	2015					2014				
	Debts with a remaining duration of			Total	Percentage	Debts with a remaining duration of			Total	Percentage
	< 1 year	> 1 year and < 5 years	> 5 years			< 1 year	> 1 year and < 5 years	> 5 years		
Credit institutions: withdrawn credit facilities	79.157	159.092	7.533	**245.782**	**81%**	37.533	101.450	10.734	**149.717**	**53%**
Bond loan	0	24.443	34.983	**59.426**	**19%**	74.925	24.702	34.589	**134.216**	**47%**
Financial lease	1	3	0	**4**	**0%**	7	3	0	**10**	**0%**
TOTAL	**79.158**	**183.538**	**42.516**	**305.212**	**100%**	**112.465**	**126.155**	**45.323**	**283.943**	**100%**
Percentage	**26%**	**60%**	**14%**	**100%**		**40%**	**44%**	**16%**	**100%**	

Guarantees regarding financing

In addition to the requirement to maintain the RREC status and to comply with financial ratios as enforced by the RREC Act, the bank credit agreements of Intervest Offices & Warehouses are subject to compliance with financial ratios, which are primarily related to the company's consolidated financial debt or its financial interest charges, the prohibition on the mortgaging or pledging of real estate investments and the pari passu treatment of creditors. The financial ratios limit the amount that could still be borrowed by Intervest Offices & Warehouses.

For the purpose of the financing of the company, no mortgage registrations are made and no mortgage authorisations have been permitted as at 31 December 2015.

For most financings, credit institutions generally require an interest coverage ratio of more than 2 (see description of the Financial structure in the Report of the management committee).

These ratios were respected as at 31 December 2015. If Intervest Offices & Warehouses were no longer to respect these ratios, the financial institutions could demand that the financing agreements of the company be cancelled, renegotiated, terminated or prematurely repaid.

Classification by expiry date of credit lines

in thousands €	2015					2014				
	Debts with a remaining duration of			Total	Percentage	Debts with a remaining duration of			Total	Percentage
	< 1 year	> 1 year and < 5 years	> 5 years			< 1 year	> 1 year en < 5 years	> 5 years		
Credit institutions: withdrawn credit facilities	79.157	159.092	7.533	**245.782**	**72%**	37.533	101.450	10.734	**149.717**	**40%**
Not-withdrawn credit facilities	35.225	0	0	**35.225**	**10%**	50.479	40.200	0	**90.679**	**24%**
Bond loan	0	24.443	34.983	**59.426**	**18%**	74.925	24.702	34.589	**134.216**	**36%**
TOTAL	**114.382**	**183.535**	**42.516**	**340.433**	**100%**	**162.937**	**166.352**	**45.323**	**374.612**	**100%**
Percentage	**34%**	**54%**	**12%**	**100%**		**43%**	**45%**	**12%**	**100%**	

The above table "Classification by expiry date of credit lines" comprised an amount of € 35 million of not-withdrawn credit lines (€ 91 million as at 31 December 2014). These did not form at closing date an effective debt but are only a potential debt under the form of an available credit line. The part in terms of percentage is calculated as the relation of each component to the sum of the withdrawn credit lines, the not-withdrawn credit lines and the outstanding bond loan.

Classification by variable or fixed character of withdrawn credit facilities at financial institutions and the bond loan

in thousands €	2015		2014	
	Total	**Percentage**	**Total**	**Percentage**
Credit facilities with variable interest rate	78.782	26%	42.717	15%
Credit facilities covered by interest rate swaps	160.000	52%	100.000	35%
Credit facilities with fixed interest rate	66.426	22%	141.216	50%
TOTAL	**305.208**	**100%**	**283.933**	**100%**

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

Characteristics of the bond loans

Private placement of bonds of € 60 million

As at 19 March 2014 Intervest Offices & Warehouses closed early the successful private placement of bonds for a total amount of € 60.000.000. The bonds have a term of respectively 5 years (€ 25 million) and 7 years (€ 35 million) and expire respectively as at 1 April 2019 and 1 April 2021. The bonds with expiry date 1 April 2019 generate a fixed annual gross return of 3,430 %, the bonds with expiry date as at 1 April 2021 a fixed annual gross return of 4,057 %.

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

Public bond loan 2010-2015

In June 2010, Intervest Offices & Warehouses issued a bond loan on the Belgian market for an amount of € 75 million with duration of 5 years. The issue price was set at 100,875% of the nominal value on the bonds with a gross coupon of 5,10% payable as at 29 June each year. The gross actuarial yield of the issue price amounted to 4,90% (on the issue price of 100,875%). The bond loan was listed on Euronext Brussels. The bond loan was repaid in June 2015 at the nominal value of € 75 million.

Note 19. Financial instruments

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

SUMMARY OF THE FINANCIAL INSTRUMENTS			2015		2014	
in thousands €	Categories	Level	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL INSTRUMENTS ON ASSETS						
Non-current assets						
Trade receivables and other non-current assets	A	2	7	7	15	15
Current assets						
Trade receivables	A	2	6.957	6.957	3.861	3.861
Tax receivables and other current assets	A	2	3.593	3.593	1.655	1.655
Cash and cash equivalents	B	2	598	598	1.259	1.259
FINANCIAL INSTRUMENTS ON LIABILITIES						
Non-current liabilities						
Non-current financial debts (interest-bearing)	A	2	226.054	231.566	171.478	177.165
Other non-current financial liabilities	C	2	4.507	4.507	5.066	5.066
Other non-current liabilities	A	2	906	906	618	618
Current liabilities						
Current financial debts (interest-bearing)	A	2	79.158	79.158	112.465	113.811
Other current financial liabilities	C	2	0	0	0	0
Trade debts and other current debts	A	2	6.335	6.335	3.656	3.656
Other current liabilities	A	2	186	186	187	187

The categories correspond to the following financial instruments:

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

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

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

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

- for the items “Other non-current financial liabilities” and “Other current financial liabilities”, which apply to the interest rate swaps, the fair value is determined by means of observable data, namely the forward interest rates that apply to active markets, which are generally supplied by financial institutions
- the fair value of the remaining level 2 financial assets and liabilities is practically the same as their carrying amount, either because they have a short-term maturity (such as trade receivables and debts) or because they carry a variable interest rate
- when the fair value of the interest-bearing financial liabilities is calculated, the financial liabilities with a fixed interest rate are taken into account, and the future cash flows (interest and capital redemption) are discounted with a market-based yield.

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

- The effective part of the changes in the fair value of derivatives designated as cash flow hedges is recognised in the comprehensive income on the line “Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting”. As a result, hedge accounting is applied to these swaps, and it is on this basis that changes in the value of these swaps are recognised directly in the shareholders’ equity and not in the income statement.
- The ineffective part is recognised in the income statement on the line “Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)” in the financial result.

Fair value of financial derivatives

As at 31 December 2015, the company had following financial derivatives:

		Start date	Expiry date	Interest rate	Contractual notional amount	Hedge accounting	Fair value	
in thousands €						Yes/No	2015	2014
1	IRS	02.01.2012	02.01.2017	2,3350%	50.000	No	-1.280	-2.309
2	IRS	02.01.2012	01.01.2017	2,1400%	10.000	No	-236	-422
3	IRS	02.01.2012	01.01.2018	2,3775%	10.000	No	-515	-694
4	IRS	02.01.2012	01.01.2018	2,3425%	10.000	No	-509	-681
5	IRS	30.04.2014	30.04.2019	1,2725%	10.000	No	-437	-480
6	IRS	30.04.2014	30.04.2019	1,2725%	10.000	No	-437	-480
7	IRS	18.06.2015	18.06.2022	0,7800%	15.000	No	-361	0
8	IRS	30.06.2015	30.06.2020	0,4960%	15.000	No	-249	0
9	IRS	18.06.2015	18.06.2021	0,6300%	15.000	No	-306	0
10	IRS	26.06.2015	26.06.2019	0,3300%	15.000	No	-177	0
Authorised hedging instruments							*-4.507*	*-5.066*
Total other non-current financial liabilities:							**-4.507**	**-5.066**

Accounting process as at 31 December:		
• In shareholders' equity: Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	-5.066	-4.722
• In the income statement: Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	558	-344
Total fair value financial derivatives	**-4.507**	**-5.066**

As at 31 December 2015, these interest rate swaps had a negative market value of € -4,5 million (contractual notional amount € 160 million), which is determined on a quarterly basis by the issuing financial institute.

As 31 December 2015, Intervest Offices & Warehouses classified none of the interest rate swaps as cash flow hedge. The fluctuations in value of all existing interest rate swaps are recognised directly in the income statement.

Management of financial risks

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

Financing risk

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

For financing real estate, Intervest Offices & Warehouses always strives for a balance between shareholders' equity and borrowed capital. In addition, Intervest Offices & Warehouses aims to safeguard its access to the capital market through the transparent disclosure of information, by maintaining regular contacts with financiers and (potential) shareholders and by increasing the liquidity of the share. Finally, with respect to long-term financing, it aims for a balanced spread of refinancing dates and a weighted average duration between 3,5 and 5 years. This may be temporarily derogated from if specific market conditions require this. The average remaining duration of the long-term credit agreements as at 31 December 2015 is 3,4 years. Intervest Offices & Warehouses has also diversified its funding sources through the use of 8 European financial institutions and the issue of bond loans.

More information on the composition of the credit portfolio of Intervest Offices & Warehouses can be found in the section entitled "Financial structure" in the Report of the management committee and also in "Note 18. Non-current and current financial debts" in the Financial report.

Liquidity risk

For the description of this risk and the way it is managed, it is referred to the chapter "Liquidity risks" in the description of the Major risk factors and internal control and risk management systems in the Report of the board of directors.

The bank credit facility agreements of Intervest Offices & Warehouses are subject to compliance with financial ratios, which are primarily related to the consolidated financial debt level of Intervest Offices & Warehouses or its financial interest charges. In order to avail itself of this credit margin, the conditions of credit facilities must be complied with on a continuous basis. As at 31 December 2015, the company still had € 35 million in non-withdrawn credit lines with its lenders for the purpose of absorbing fluctuations in liquidity requirements.

More information on the composition of the credit portfolio of Intervest Offices & Warehouses can be found in the section entitled "Financial structure" in the Report of the management committee as well in "Note 18. Non-current and current financial debts" of the Financial report.

Interest rate risk

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

As a result of financing with borrowed capital, the yield is also dependent on interest rate developments. In order to reduce this risk, when composing the loan portfolio, the company aims for a ratio of one third borrowed capital with a variable interest rate and two thirds borrowed capital with a fixed interest rate. Depending on the developments in interest rates, derogation from this may occur. Furthermore, for long-term borrowed capital, a balanced spread of interest rate review dates and a minimum duration of 3 years are targeted. As at 31 December 2015 the interest rates on the credit facilities of company remained fixed for a remaining average duration of 3,5 years.

More information on the composition of the credit portfolio of Intervest Offices & Warehouses can be found in the section entitled "Financial structure" in the Report of the management committee and also in "Note 18. Non-current and current financial debts' and "Note 11. Net interest charges" in the Financial report.

Note 20. Calculation of debt ratio

in thousands €	Note	2015	2014
Non-current financial debts	18	226.054	171.478
Other non-current liabilities		906	618
Current financial debts	18	79.158	112.465
Trade debts and other current debts	17	6.335	3.656
Other current liabilities	17	186	187
Total liabilities for calculation of debt ratio		**312.639**	**288.404**
Total assets		**648.399**	**618.590**
Debt ratio		**48,2%**	**46,6%**

For the further description of the evolution of the debt ratio, please see the explanation of the Financial structure in the Report of the management committee.

Note 21. Related parties

The company's related parties are its shareholders and the affiliated companies as well as its subsidiaries (see Note 22), and its directors and members of the management committee.

Relation with the related companies

in thousands €	2015	2014
Interests paid on current account	5	5

Directors and members of the management committee

The remuneration for the directors and the members of the management committee are recognised in the items "Property management costs" and "General costs" (see Notes 5 and 6).

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

in thousands €	2015	2014
Directors	109	61
Members of the management committee	554	574
Total	**663**	**635**

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

Note 22. List of consolidated companies

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

Company name	Address	Company number	Value of the participation in the statutory accounts	Capital share (in %)	Minority interests (in thousands €) 2015	2014
Aartselaar Business Center nv	Uitbreidingstraat 66 2600 Berchem	BE 0466.516.748	€ -206.476	99%	-1	1
Mechelen Business Center nv	Uitbreidingstraat 66 2600 Berchem	BE 0467.009.765	€ 3.158.935	99%	32	33
Mechelen Research Park nv	Uitbreidingstraat 66 2600 Berchem	BE 0465.087.680	€ 1.894.598	99,9%	2	1
Stockage Industriel sa	Uitbreidingstraat 66 2600 Berchem	BE 0438.634.295	€ 22.272.193	100%	0	0
Total minority interests					**33**	**35**

Note 23. Fee of the statutory auditor and entities affiliated with the statutory auditor

in thousands €	2015	2014
VAT excluded		
Fee statutory auditor	66	67
Fee for exceptional activities or special assignments within the company by the statutory auditor regarding		
Other control assignments	4	20
Tax advice assignments	15	0
Other assignments apart from audit assignments	35	105[1]
Total fee of the statutory auditor and the entities affiliated with the statutory auditor	**120**	**192**

1 Including due diligence assignments in the context of potential acquisitions.

Note 24. Conditional rights and obligations

Disputed tax assessments

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

Tax legislation stipulates that this basis for taxation is to be calculated as the difference between the actual value of the equity and the (tax-related) carrying amount. The Minister of Finance has decided by circular (dated 23 December 2004) that the transfer costs related to the transaction must not be taken into account when determining the fair value, but specifies that the securitisation premium remains subject to company tax. Tax assessments based on the securitisation premium should therefore be owed. Intervest Offices & Warehouses contests this interpretation and has still open appeals for an amount of around € 4 million.

Currently the pending tax payments plus late payment interest charges total approximately € 6,7 million. That said, an exemption has not yet been granted concerning the specific provision (since the circular letter dated 23 December 2004) that stipulates that the value of the property when transfer costs are paid by the buyer must apply when calculating the exit tax, as opposed to the value of the property when transfer costs are paid by the seller. In the opinion of Intervest Offices & Warehouses, the only real tax dispute centres around the standpoint that the securisation premium must be taken into consideration when determining the exit tax (the total tax debt then comes to roughly € 4 million instead of roughly € 6,7 million).

As at 2 April 2010, in a lawsuit between another Belgian public RREC and the Belgian State concerning this issue, the Court of First Instance in Leuven ruled that there is no reason *"why the actual value of the company's assets on the date that it is recognised as a property investment fund by the Financial Markets and Services Authority (FSMA) could not be lower than the price of the shares that were offered to the public"*.

These additional tax debts, amounting to roughly € 4 million, are being guaranteed by Siref's two former promoters. As a result of Siref's recognition as a property investment fund, and within the scope of the approval of the prospectus of the Siref property investment fund for purposes of obtaining approval to become exchange listed, these promoters submitted a unilateral declaration dated 8 February 1999 to the FSMA in which they state that they will pay the exit tax that will be owed in the case of an amendment to the return. That said, in a letter dated 24 May 2012, one of these promoters is now disputing that Intervest Offices & Warehouses can claim rights from this declaration.

In 2008, the tax authorities (the Recipient of direct taxes) took out a legal mortgage on a single logistics property on the Dijkstraat in Aartselaar as a guarantee against the outstanding tax debt. No provision was made for these disputed assessments.

During 2013, the tax authorities refused one of the notices of objection and Intervest Offices & Warehouses submitted a petition to the Court of First Instance in Antwerp. The Court of First Instance rejected the petition of Intervest Offices & Warehouses in a verdict as at 3 April 2015. The company is appealing against this verdict, and the hearing will be in March 2017.

The processing of other notices of objection has been suspended awaiting the decision of the Court of Appeal.

Conditional rights

Intervest Offices & Warehouses has conditional rights regarding receivable refurbishment fees and compensation on the departure of tenants. The amount of compensation is strongly dependent on a number of suspensive conditions which may or may not be realised in the coming years. The total compensation could be between € 2 million and no more than € 5 million. This compensation will be used as much as possible for the refurbishment and renovation of the buildings.

Note 25. Conflict of interest

In case of a potential conflict of interest with a major shareholder of the company, the procedure defined in article 524 of the Belgian Companies Code shall be applicable. In addition, article 37 of the RREC Act should be referred to in this context.

NSI nv (via its subsidiary VastNed Offices Benelux Holding bv), controlling shareholder of the company, submitted in April 2015 the request to the board of directors that they cooperate with the preparation of a possible sale transaction of its shares in Intervest Offices & Warehouses by means of an accelerated bookbuilding to institutional investors.

The request meant that the management of the company (i) would answer certain legal, financial and accounting-related due diligence questionnaires regarding the company within the context of this transaction, (ii) would participate in management presentations on the company for certain potential investors, (iii) would organise or participate in road shows regarding the company and (iv) would conduct negotiations regarding the company's financing banks' waiver of the change of control provisions pursuant to the transaction.

By decision of 23 April 2015, the board of directors consequently appointed a committee of three independent directors, in the person of Paul Christiaens, Nick van Ommen, and EMSO bvba permanently represented by Chris Peeters, who in turn appointed an expert in the person of Linklaters LLP. In consultation with and assisted by Linklaters LLP, this committee drafted a recommendation, of which the decision was as follows:

"The committee is of the opinion that based on the interest of the company, there is good reason to grant the request from VastNed Offices Benelux Holding BV and the company is not disadvantaged by this, under the condition that this information is released according to the conditions and according to the modalities stipulated hereinafter [4 see hereinafter, text re-included in the decision of the board of directors]."

Subsequently, the board of directors decided as at 24 April 2015:

"The following is allowed within the framework of the transaction:

I. answering certain legal, financial and accounting due diligence questionnaires regarding the company in the context of the transaction;
II. giving management presentations about the company for certain potential investors;
III. organising or participating in road shows with regard to the company; and;
IV. engaging in negotiations regarding the company's financial banks' waiver of the change of control provisions pursuant to the transaction and assistance with regard to marketing

since it can be morally justified based on the interests of the company.

Nonetheless the board of directors is of the opinion that allowing due diligence questions with regard to the company and informing certain serious potential shareholders must be subject to strict conditions and modalities.

The investment banks that support Vastned in the transaction must be obliged, and any potential shareholders to be contacted must promise to preserve confidentiality of non-public information regarding the company that they receive within the framework of bring down due diligence calls or management information sessions, and to refrain from using the information for purposes other than those pertaining to the transaction. Only the information required for supporting the transaction can be given, without disclosure of information that the chairman of the management committee considers commercially sensitive.

If the company were to have prior knowledge and it would, in conformance with the applicable rules regarding market abuse, decide to postpone its publication of this prior knowledge, then the information withheld shall not be disclosed."

The board of directors also requested the company's auditors, Deloitte Company Auditors, Burgl. Venn. specifying CVBA, represented by Kathleen De Brabander, company auditor, in accordance with article 524 §3 of the Belgian Companies Code, to give an opinion on the accuracy of the data specified in the recommendation of the committee of three independent directors, assisted by the independent expert. The decision of the auditor in this respect is as follows:

"On the basis of the above work, we can conclude that the data contained in the recommendation of the committee and in the minutes of the Board are faithfully presented. However, this does not mean that we have given a discretionary opinion on the recommendation of the committee and the decision of the board of directors."

Note 26. Events after the balance sheet date

There are no significant events to be mentioned that have occurred after the closing of the accounts as at 31 December 2015, apart from the silent merger that took place as at 17 February 2016 between Intervest Offices & Warehouses and its 100% subsidiary Stockage Industriel sa.

7. Statutory auditor’s report

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Intervest Offices & Warehouses NV/SA, Public regulated real estate company under Belgian law

**Statutory auditor's report
to the shareholders' meeting on the
consolidated financial statements
for the year ended 31 December 2015**

The original text of this report is in Dutch

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Intervest Offices & Warehouses NV/SA, Public regulated real estate company under Belgian law

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2015

To the shareholders

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2015, the consolidated profit and loss statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Intervest Offices & Warehouses NV/SA, Public regulated real estate company under Belgian law ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. The consolidated balance sheet shows total assets of 648,399 (000) EUR and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 25,954 (000) EUR.

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

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the group's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /
Société civile sous forme d'une société coopérative à responsabilité limitée
Registered Office: Berkenlaan 8b, B-1831 Diegem
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB

Member of Deloitte Touche Tohmatsu Limited

Unqualified opinion

In our opinion, the consolidated financial statements of Intervest Offices & Warehouses NV/SA, Public regulated real estate company under Belgian law give a true and fair view of the group's net equity and financial position as of 31 December 2015, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

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

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

Antwerp, 14 March 2016

The statutory auditor

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

8. Statutory annual accounts Intervest Offices & Warehouses nv

The statutory annual accounts of Intervest Offices & Warehouses nv are prepared according to the IRFS standards and in accordance with the RREC Royal Decree of 13 July 2014. The entire version of the statutory annual accounts of Intervest Offices & Warehouses nv, along with the annual report and the report of the statutory auditor, will be deposited within the legal time frame at the National Bank of Belgium and can be obtained for free through the website of the company (www.intervest.be) or on demand at the registered office.

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

8.1. Income statement

in thousands €	2015	2014
Rental income	43.778	40.037
Rental-related expenses	29	-22
NET RENTAL INCOME	**43.807**	**40.015**
Recovery of property charges	3.302	982
Recovery of rental charges and taxes normally payable by tenants on let properties	9.204	8.636
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-409	-217
Rental charges and taxes normally payable by tenants on let properties	-9.204	-8.636
Other rental-related income and expenses	12	132
PROPERTY RESULT	**46.712**	**40.912**
Technical costs	-1.084	-997
Commercial costs	-261	-209
Charges and taxes on unlet properties	-784	-771
Property management costs	-2.791	-2.406
Other property charges	-89	-48
Property charges	**-5.009**	**-4.431**
OPERATING PROPERTY RESULT	**41.703**	**36.481**
General costs	-1.753	-1.656
Other operating income and costs	135	72
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**40.085**	**34.897**
Result on disposals of investment properties	125	-589
Changes in fair value of investment properties	-5.396	-5.198
Other result on portfolio	-464	-617

in thousands €	2015	2014
OPERATING RESULT	**34.350**	**28.493**
Financial income	464	253
Net interest charges	-10.979	-11.856
Other financial charges	-6	-21
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	558	-344
Changes in fair value of financial non-current assets	1.607	-232
Financial result	**-8.356**	**-12.200**
RESULT BEFORE TAXES	**25.994**	**16.293**
Taxes	-40	-36
NET RESULT	**25.954**	**16.257**
Note:		
Operating distributable result	29.330	23.006
Result on portfolio	-5.735	-6.405
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements[1]	2.359	-344

RESULT PER SHARE	2015	2014
Number of shares at year-end	16.239.350	16.143.906
Number of shares entitled to dividend	16.239.350	14.777.342
Weighted average number of shares	16.200.911	14.672.873
Net result (€)	1,60	1,11
Diluted net result (€)	1,60	1,11
Operating distributable result (€)	1,81	1,56

8.2. Statement of comprehensive income

in thousands €	2015	2014
NET RESULT	**25.954**	**16.257**
Other components of comprehensive income (recycable in income statement)		
Changes in the effective part of the fair value of authorised hedging instruments subject to hedge accounting	0	180
COMPREHENSIVE INCOME	**25.954**	**16.437**

1 The changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements comprised for financial year 2015, besides the changes in fair value of financial assets and liabilities of € 0,6 million, the positive revalution of the participation of Stockage Industriel sa for € 1,8 million. As the merger did not yet take place as at 31 December 2015, this result was not considered as result. There were no non-distributable elements for financial 2014.

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

in thousands €		2015	2014
A.	**NET RESULT**	**25.954**	**16.257**
B.	**ALLOCATION TO/TRANSFER FROM RESERVES**		
1.	Allocation to/transfer from the reserves for the balance of changes in fair value [1] of real estate properties:		
•	Financial year	5.906	5.028
•	Realisation real estate properties	-34	655
2.	Allocation to/transfer from the reserve of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-138	722
5.	Allocation to the reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	-558	0
6.	Transfer from the reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	0	344
11.	Allocation to/transfer from results carried forward from previous financial years	-3.361	-2.318
C.	**REMUNERATION OF CAPITAL pursuant to article 13, §1, paragraph 1 of the RREC Royal Decree**	**21.426**	**18.512**
D.	**REMUNERATION OF CAPITAL, other than C**	**6.343**	**2.176**

8.4. Balance sheet

ASSETS in thousands €	Note	31.12.2015	31.12.2014
NON-CURRENT ASSETS		**623.002**	**609.689**
Intangible assets		3	16
Investment properties		595.081	600.668
Other tangible assets		792	215
Financial non-current assets	8.6	27.119	8.775
Trade receivables and other non-current assets		7	15
CURRENT ASSETS		**20.172**	**8.866**
Assets held for sale		6.652	3.861
Trade receivables		10.960	1.655
Tax receivables and other current assets		527	1.257
Cash and cash equivalents		2.033	2.093
TOTAL ASSETS		**643.174**	**618.555**

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

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	31.12.2015	31.12.2014
SHAREHOLDERS' EQUITY	**321.704**	**314.134**
Share capital	147.980	147.110
Share premium	84.220	82.785
Reserves	63.550	67.982
Net result of the financial year	25.954	16.257
LIABILITIES	**321.470**	**304.421**
Non-current liabilities	**231.467**	**177.162**
Non-current financial debts	226.054	171.478
Credit institutions	*166.625*	*112.184*
Bond loan	*59.426*	*59.291*
Financial lease	*3*	*3*
Other non-current financial liabilities		5.066
Other non-current liabilities	906	618
Current liabilities	**90.003**	**127.259**
Provisions	0	172
Current financial debts	78.013	112.465
Credit institutions	*78.012*	*37.533*
Bond loan	*0*	*74.925*
Financial lease	*1*	*7*
Trade debts and other current debts	2.817	3.656
Other current liabilities	185	187
Accrued charges and deferred income	8.988	10.779
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**643.174**	**618.555**

DEBT RATIO in %	31.12.2015	31.12.2014
Debt ratio (max. 65%)	47,9%	46,6%

NET VALUE PER SHARE in €	31.12.2015	31.12.2014
Net value (fair value)	19,81	19,46
Net value (investment value)	20,73	20,34
Net asset value EPRA	20,09	19,77

8.5. STATEMENT OF CHANGES IN STATUTORY EQUITY

In thousands €	Share capital	Share premium	Legal reserves	Reserve for the balance of changes in fair value of real estate properties	
				Reserve for the balance of changes of investment value of real estate properties	Reserve for the impact on the fair value[1]
Balance as at 31 December 2013	**131.447**	**65.190**	**90**	**71.552**	**-14.307**
Comprehensive income of 2014					
Transfers through result allocation 2013:					
• Transfer to the reserves for the balance of changes in investment value of real estate properties				7.827	
• Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties					14
• Transfer of changes in fair value of financial assets and liabilities to the reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting					
• Transfer to results carried forward from previous years					
• Transfer from the reserves					
Issue of shares for optional dividend financial year 2013	3.211	3.864			
Capital increase through contribution in kind in the framework of an operation assimilated to a split or partial split (article 677 of the Belgian Companies Code)	12.452	13.731			
Dividend financial year 2013					
Balance as at 31 December 2014	**147.110**	**82.785**	**90**	**79.379**	**-14.293**
Comprehensive income of 2015					
Transfers through result allocation 2014:					
• Transfer to the reserves for the balance of changes in investment value of real estate properties				-5.683	
• Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties					-722
• 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 not subject to hedge accounting					
• Transfer to results carried forward from previous years					
Issue of shares for optional dividend financial year 2014	870	1.435			
Dividend financial year 2014					
Balance as at 31 December 2015	**147.980**	**84.220**	**90**	**73.695**	**-15.015**

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

	Reserves						
	Reserve for the balance of changes in fair value of authorised hedging instruments subject to hedge accounting	Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	Other reserves	Results carried forward from previous financial years	Total reserves	Net result of the financial year	TOTAL SHAREHOLDERS' EQUITY
	-180	**-6.888**	**427**	**4.609**	**55.303**	**34.581**	**286.521**
	180				180	16.257	16.437
					7.827	-7.827	0
					14	-14	0
		2.166			2.166	-2.166	0
				2.504	2.504	-2.504	0
				-12	-12		-12
							7.075
							26.183
						-22.070	-22.070
	0	**-4.722**	**427**	**7.101**	**67.982**	**16.257**	**314.134**
						25.954	25.954
					-5.683	5.683	0
					-722	722	0
		-344			-344	344	0
				2.318	2.318	-2.318	0
							2.305
						-20.688	-20.688
	0	**-5.066**	**427**	**9.419**	**63.550**	**25.954**	**321.704**

8.6. ANNEXES TO THE STATUTORY ANNUAL ACCOUNTS

Movements of the number of shares

MOVEMENTS OF THE NUMBER OF SHARES	2015	2014
Number of shares at the beginning of the financial year	16.143.906	14.424.982
Number of shares issued as optional dividend	95.444	352.360
Number of shares issued through contribution in kind in the framework of an operation assimilated to a split or partial split (article 677 of the Belgian Companies Code).	0	1.366.564
Number of shares at the end of the financial year	16.239.350	16.143.906
Number of shares entitled to dividend	16.239.350	14.777.342
Adjustments for calculation of the weighted average of the number of shares	-38.439	-104.469
Weighted average number of shares	16.200.911	14.672.873

Non-current financial assets

MOVEMENTS OF THE NUMBER OF SHARES	2015	2014
Participation Stockage Industriel	22.272	0
Participation Aartselaar Business Center	-207	-145
Participation Mechelen Research Park	1.895	1.931
Participation Mechelen Business Center	3.159	3.255
R/C Mechelen Business Center	0	1.873
R/C Mechelen Research Park	0	682
R/C Aartselaar Business Center	0	1.179
TOTAL	**27.119**	**8.775**

The non-current financial assets comprised the value of the participations in the subsidiaries at the end of the financial year, as well as in 2014 the long-term receivables from these subsidiaries. As from 2015, these receivables are included under tax receivables and other current assets.

Determination of the amount of obligatory dividend payment

The amount that is eligible for payment has been determined in accordance with article 13, §1, of the RREC Royal Decree and Chapter III of annex c of the RREC Royal Decree.

in thousands €	2015	2014
Net result	**25.954**	**16.257**
Adjustment for non-cash flow transactions included in the net result:		
• Write-downs	165	132
• Depreciations	14	2
• Reversal of depreciations	-64	0
• Other non-monetary elements	-4.557	962
• Result on disposals of real estate properties	-125	589
• Changes in fair value of real estate properties	5.396	5.198
Corrected result (A)	**26.783**	**23.140**
Net gains for realisation of real estate properties non-exempted from mandatory distribution (B)	**0**	**0**
Total (A + B) x 80%	**21.426**	**18.512**
Debt reduction (-)	**0**	**0**
Mandatory distribution	**21.426**	**18.512**
Operating distributable result (statutory annual accounts)	29.330	23.006
Operating distributable result (consolidated annual accounts)	30.858	23.038

In 2015, the other non-monetary elements included, apart from a refurbishment fee granted but not yet received amounting to € 2,5 million, the variations in the fair value of the financial fixed assets of € 1,6 million, the other portfolio result of € -0,5 million, spreading of lease discount and lease benefits included in lease agreements for € 0,3 million and the changes in the fair value of the financial assets and liabilities of € 0,6 million.

The corrected result is not to be modified any further for any possible non-exempt added value on sales of property investments or debt reductions.

As a result, the corrected result equals the amount that is eligible for the mandatory payment of at least 90% according to article 45, 2° of the RREC Act.

The profit that may be paid out as dividend, based on the statutory annual accounts of Intervest Offices & Warehouses nv amounted to € 29,3 million in 2015, compared to € 23,0 million in 2014. The difference with the operating distributable result according to the consolidated annual accounts mainly concerned the operating distributable result of the subsidiary Stockage Industriel sa.

Calculation of the result per share

	2015	2014
Net result (€ 000)	25.954	16.257
Weighted average number of shares	16.200.911	14.672.873
Ordinary net result per share (€)	1,60	1,11
Diluted net result per share (€)	1,60	1,11
Operating distributable result (€ 000)	29.330	23.006
Number of shares entitled to dividend	16.239.350	14.777.342
Operating distributable result per share (€)	**1,81**	**1,56**

Proposed dividend per share

In the current competitive environment, it is essential that Intervest Offices & Warehouses be able to continue to pursue the implementation of its strategy. Investments in the quality, and thereby the leasability, of its buildings are crucial for exploiting the long-term value potential of the company. Intervest Offices & Warehouses has therefore concluded that it is necessary, just as for financial year 2014, to apply a pay-out of 90% in order to maintain enough liquidities from operational activities to keep investing in the portfolio.

Intervest Offices & Warehouses chooses to pay out 90% of the consolidated operating distributable result to its shareholders for the financial year of 2015, and thus does an additional payment from the statutory reserves of the company amounting to the difference between the statutory and the consolidated operating distributable result. This equals a dividend distribution of 95% of the statutory operating distributable result. As a result, the shareholders will be offered a gross dividend of € 1,71 per share, compared to € 1,40 for 2014. This gross dividend offers shareholders a gross dividend yield of 7,0% based on the closing share price as at 31 December 2015.

	2015	2014
Operating distributable result per share (€)	1,81	1,56
Dividend payment expressed as a percentage of the statutory operating distributable result (%)	95%	90%
Gross dividend per share (€)	1,71	1,40
Remuneration of capital (€ 000)	27.769	20.688

Following the close of the financial year, the board of directors proposed this dividend distribution. This will be presented for approval to the general shareholders' meeting on 27 April 2016. In accordance with IAS 10, the dividend distribution is not included as an obligation and has no impact on the tax on profits.

Determination of the amount pursuant to article 617 of the Belgian Companies Code

The amount in the sense of article 617 of the Belgian Companies Code of the paid-up capital or if this amount is higher, of the requested capital, plus all the reserves that may not be distributed according to the law or the articles of association is determined in Chapter 4 of attachment C of the RREC Royal Decree.

in thousands €	2015	2014
Non-distributable elements of shareholders' equity for profit distribution		
Paid-up capital	147.980	147.110
Share premium, unavailable according to the articles of association	84.220	82.785
Reserve for the positive balance of changes in fair value of real estate properties	58.680	65.086
Reserve for the positive balance of changes in investment value of real estate properties	*73.695*	*79.379*
Reserve for the impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	*-15.015*	*-14.293*
Reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting	-5.066	-4.722
Legal reserves	90	90
Result of the financial year which, pursuant to Chapter I of annex C of the Royal Decree of 13 July 2014, is to be allocated to non-distributable reserve		
Changes in fair value of investment properties[1]	-5.906	-5.028
Changes in fair value [2] of investment properties due to realisation of investment properties	34	-655
Estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	138	-722
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	558	-344
Total non-distributable shareholders' equity	**280.728**	**283.600**
Statutory shareholders' equity	**321.704**	**314.134**
Planned dividend distribution	27.769	20.688
Number of shares	16.239.350	14.777.342
Gross dividend per share	1,71	1,40
Shareholders' equity after dividend distribution	**293.935**	**293.446**
Remaining reserves after distribution	**13.207**	**9.846**

Based on a distribution percentage of the dividend of 90% of the consolidated operating distributable result, for the financial year of 2015, € 1,71 per share is paid out, compared to € 1,90 operating distributable result per share last year. Mainly due to this, the remaining reserve after distribution has increased by € 3,4 million compared to the previous financial year.

1 Based on changes in the investment value of investment properties.
2 Based on changes in the investment value of investment properties.

GENERAL INFORMATION

1 Identification

2 Extract from the articles of association

3 Statutory auditor

4 Liquidity provider

5 Property experts

6 Property management

7 RREC — legal framework

8 RREC — tax status

9 Statement to the annual report

◀ Herentals Logistics 2

1. Identification

1.1. Name

Intervest Offices & Warehouses nv is a public RREC under Belgian law.

As at 27 October 2011 the name of the company changed from “Intervest Offices” into “Intervest Offices & Warehouses”.

1.2. Registered office

Uitbreidingstraat 66, 2600 Antwerp-Berchem.

Reachable by phone on 0032 3 287 67 67.

1.3. Enterprise identification number (RPR Antwerp)

The company is registered at the Central Enterprise Database under the enterprise identification number 0458.623.918.

1.4. Legal form, formation, publication

Intervest Offices & Warehouses nv was founded as at 8 August 1996 as a limited liability company under the name of “Immo-Airway”, by deed executed before the civil-law notary Carl Ockerman, in Brussels as published in the Appendices to the Belgian Official Gazette of 22 August 1996 under no. BBS 960822-361.

By deed executed before Eric Spruyt, notary in Brussels, and Max Bleeckx, notary in Sint-Gillis-Brussels, executed as at 5 February 1999 and published in the Appendices to the Belgian Official Gazette of 24 February 1999 under number BBS 990224-79, the company’s legal form was converted from a limited liability company to a limited partnership with a share capital and its name was changed to “PeriFund”.

By deed executed before Eric De Bie, notary in Antwerp- Ekeren, with the intervention of Carl Ockerman, notary in Brussels, executed as at 29 June 2001 and published in the Appendices to the Belgian Official Gazette of 24 July 2001 under number BBS 20010724- 935, the company’s legal form was converted from a limited partnership with a share capital to a limited liability company and its name was changed to “Intervest Offices”. By deed executed before Eric de Bie, notary in Antwerp-Ekeren as at 27 October 2011, and published in the Appendices to the Belgian Official Gazette as at 21 November 2011 under number 2011-11-21/0174565, the name changed into “Intervest Offices & Warehouses”.

The articles of association were amended by deed executed by notary Eric De Bie as at 27 October 2014, published in the Appendices of the Belgian Official Gazette under number 2014-11-14/0207173, whereby the corporate objective was changed because the company has become a public regulated real estate company in the sense of article 2, 2° of the Act of 12 May 2014 concerning the regulated real estate companies (and is therefore no longer a public property investment fund) and whereby also other changes to the articles of association were implemented in order to refer to the Act of 12 May 2014 concerning the regulated real estate companies instead of property investment funds legislation.

As at 15 March 1999, Intervest Offices was recognised as a "Public property investment fund with fixed capital under Belgian law", abbreviated to "property investment funds under Belgian law". Taking into account the coming into force of the Act of 19 April 2014 regarding the alternative institutions for collective investments and their managers (the "AIFMD Act")32, the company has opted to apply for the status of public regulated real estate company, as implemented by the RREC Act, instead of the status of public property investment fund. In this context, the company submitted its permit application as public regulated real estate company to the FSMA as at 17 July 2014. The company was subsequently granted the status of public regulated real estate company by the FSMA pursuant to articles 9, §3 and 77 of the RREC Act as at 9 September 2014, under the suspensive condition of a change in the articles of association of the company and compliance with the stipulations of article 77, §2 and following of the RREC Act. Finally, as at 27 October 2014, the extraordinary general meeting of shareholders in the company approved, with 99,99% of the votes, the change in the corporate objective regarding the change of status from property investment fund to public regulated real estate company, pursuant to the RREC Act. Considering that at the above mentioned extraordinary general meeting of shareholders no right of abstention whatsoever was executed, and all suspensive conditions were fulfilled to which the change in the articles of association by the extraordinary general meeting of shareholders and the permit granted by the FSMA were subject, Intervest Offices & Warehouses enjoys the status of public regulated real estate company as from 27 October 2014. As a public regulated real estate company, the company is no longer subjected to the stipulations of the Royal Decree of 7 December 2010 regarding property investment funds and the Act of 3 August 2012 regarding certain forms of collective management of investment portfolios, but since 27 October 2014 the applicable legislation consists of the RREC Act and the RREC Royal Decree.

By decision of 4 May 2015, drawn up by deed executed by notary Eric De Bie and published in the Appendices to the Belgian Official Gazette under number 2015-05-22/0073359, the board of directors of Intervest Offices & Warehouse has conditionally increased the capital in execution of the decision for the allocation of the optional dividend. The articles of association were modified most recently by decision of 27 May 2015, drawn up in a deed executed by notary Eric De Bie and deposited at the Registry of the Commercial Court at Antwerp for publishing in the Appendices of the Belgian Official Gazette under number 2015-06-12/0083249, whereby the implementation was recorded of the capital increase in the context of the authorised capital.

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

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

1.5. Duration

The company is founded for an indefinite period.

1.6. Financial year

The financial year starts as at 1 January and ends as at 31 December of each year.

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

1.7. Inspection of documents

- The articles of association of Intervest Offices & Warehouses nv are available for inspection at the Office of the Clerk of the Commercial Court in Antwerp, and at the company's registered office.
- The annual accounts are filed with the balance sheet centre of the National Bank of Belgium.
- The annual accounts and associated reports are sent annually to holders of registered shares and to any other person who requests them.
- The resolutions relating to the appointment and dismissal of the members of the company's bodies are published in the Appendices to the Belgian Official Gazette.
- Financial announcements and notices convening the general meetings are published in the financial press.
- Important public company documents are available on the website www.intervest.be.

The other publicly accessible documents that are mentioned in the prospectus are available for inspection at the company's registered office.

1.8. Purpose of the company

Article 4 of the articles of association

4.1. The company has the exclusive purpose of:

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

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

i. *real estate as defined in articles 517 and following of the Civil Code, and rights in rem on real estate, with the exclusion of real estate of an architectural, agricultural or mining nature;*
ii. *voting shares issued by real estate companies managed exclusively or jointly by the company;*
iii. *option rights to property;*
iv. *shares of public or institutional regulated real estate companies, provided that the latter are jointly or exclusively managed by the company;*
v. *rights arising from contracts under which one or more properties have been placed under a rental arrangement with the company, or any other similar rights of usufruct have been granted;*
vi. *shares of public property investment funds;*
vii. *units in foreign institutions for collective property investment registered on the list referred to in article 260 of the Act of 19 April 2014 on alternative institutions for collective investment and their managers;*
viii. *units in institutions for collective property investment located in another Member State of the European Economic Area and which are not registered on the list referred to in a rticle 260 of the Act of 19 April 2014 on alternative institutions for collective investment and their managers, insofar as they are subject to a similar control as public property investment funds;*
ix. *shares issued by companies (i) with the status of a legal entity; (ii) resorting under the jurisdiction of another Member State of the European Economic Area; (iii) of which the shares have been admitted for trading on a regulated market and/or that are subject to a prudential control regime; (iv) of which the main activity consists of the acquisition or establishment of real estate with a view to making the same available to users, or the direct or indirect possession of holdings in companies with similar activities; and (v) which are exempt from tax on profit income arising from the activity intended by the stipulation under (iv) above, provided certain legal obligations are complied with, and which are at least mandatory for the distribution of a portion of their income among their shareholders (hereinafter "Real Estate Investment Trusts" (or "REITs");*

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

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

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

For that purpose:

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

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

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

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

4.4. Pursuant to intermediate legislation on the regulated real estate companies, the company may be involved in:

- purchasing, renovation, furnishing, rental, subletting, managing, exchanging, selling, subdividing the property or placing it under the system of joint ownership as described above;
- granting mortgages or other securities or guarantees only in the context of the financing of its real estate activities, pursuant to article 43 of the RREC Act;
- granting credits and providing securities or guarantees in favour of a subsidiary of the company pursuant to article 42 of the RREC Act.

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

Insofar as it is compatible with the articles of association of regulated real estate companies, the company may, through contributions in cash or in kind, mergers, subscriptions, participations, financial interventions or other means, participate in all existing companies or enterprises, or those yet to be formed, in Belgium or abroad, the corporate objective of which is identical to its own or the nature of which is such that it promotes its objective.

2. Extract from the articles of association[1]

2.1. Capital – Shares

Article 7 — Authorised capital

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

The board of directors is authorised to increase the nominal capital by contribution in cash or contribution in kind, if applicable through incorporation of the reserves or share premiums, or by issuing convertible bonds or warrants, under regulations provided for by the Belgian Companies Code, these articles of association and the applicable legislation on regulated real estate companies. This authorisation is only related to the amount of the nominal capital and not to the share premium.

For every capital increase, the board of directors shall set the price, any share premium and the conditions of issuance of the new shares, unless the general meeting should decide otherwise.

Article 8 — Nature of the shares

The shares are registered shares or in dematerialised form. A record of the registered shares, which each shareholder is entitled to inspect, is maintained at the company's registered office. Registered subscription certificates will be issued to the shareholders.

Any transfer between living persons or following death, as well as any exchange of securities, will be recorded in the aforementioned register.

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

1 These articles are not the complete or the literal reproduction of the articles of association. The complete articles of association can be consulted at the company's registered office and on www.intervest.be.

Article 11 — Transparency regulations

In accordance with legal requirements, all natural persons or legal entities who acquire or surrender shares or other financial derivatives with voting rights granted by the company, regardless of whether these represent the capital, are obliged to inform both the company and the Financial Services and Markets Authority of the number of financial derivatives in their possession, whenever the voting rights connected with these financial derivatives reach five per cent (5%) or a multiple of five per cent of the total number of voting rights in existence at that time, or when circumstances that require such notification arise. Besides the legal threshold mentioned in the previous paragraph, the company also provides for a statutory threshold of three per cent (3%).

This declaration is also compulsory in the event of the transfer of shares, if as a result of this transfer the number of voting rights rises above or falls below the thresholds specified in the first or second paragraph.

2.2. Administration and supervision

Article 12 — Nomination - dismissal – vacancy

The company is managed by a board of directors consisting of at least three directors, who may or may not be shareholders. They will be appointed for a maximum of six years by the general meeting of shareholders, and their appointment may be revoked at any time by the latter. In the event that one or more directors' positions become vacant, the remaining directors have the right to fill the vacancy on a provisional basis until the next general meeting, when a definitive appointment will be made.

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

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

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

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

The members of the board of directors and the persons in charge of the effective leadership must satisfy the requirements of articles 14 and 15 of the RREC Act.

Unabated the transitional stipulation as provided for by article 38, the members of the board of directors and the persons in charge of effective leadership are exclusively persons.

Article 15 — Delegation of authority

In application of article 524bis of the Belgian Companies Code, the board of directors can put together a management committee, whose members are selected from inside or outside the board. The powers to be transferred to the management committee are all managerial powers with the exception of those managerial powers that might relate to the company's general policy, actions reserved to the board of directors on the basis of statutory provisions or actions and transactions that could give rise to the application of article 524 of the Belgian Companies Code. If a management committee is appointed, the board of directors is charged with the supervision of this committee.

The board of directors determines the conditions for the appointment of the members of the management committee, their dismissal, their remuneration, any severance pay, the term of their assignment and way of working.

If a management committee is appointed, it can only delegate day-to-day management of the company.

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

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

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

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

Article 17 — Conflicts of interest

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

Article 18 — Auditing

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

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

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

2.3. General meeting

Article 19 — General, special and extraordinary general meeting

The ordinary general meeting of shareholders, known as the annual meeting, must be convened every year on the last Wednesday of April at 4.30 p.m.

If this day is a public holiday, the meeting will be held on the next working day.

An extraordinary general meeting can be convened at any time to deliberate and decide on any matter that falls within its competence and that does not relate to changes to the articles of association. An extraordinary general meeting can be convened before a notary at any time to deliberate and decide, on changes to the articles of association.

The general meetings are held at the company's registered office or at another location in Belgium, as announced in the notice convening the meeting.

Article 22 — Participation to the general meeting

To be admitted to general meeting and to express a vote, depends on the accounting registration of bearer shares of the shareholder on the fourteenth day prior to the general meeting at midnight (Belgium time) (name hereinafter "registration date"), either by subscription to the register of bearer shares of the company, either by subscription by an authorised account holder or a settlement body, or by filing the bearer shares with a financial intermediary, regardless of the amount of shares held by the shareholder on the day of the general meeting.

Owners of dematerialised shares informing the company of their wish to attend, must provide a certificate that has been filed with a financial intermediary or authorised account holder, attesting the number of dematerialised shares that have been registered in their accounts on the registration date in the name of the shareholder or the number of bearer shares that have been registered, attesting that the shareholder wish to attend the general meeting. This filing have to be done at latest the sixth day prior to the general meeting date at the registered office or at the institutions mentioned in the invitation.

Owners of registered shares communicate their wish to participate to the company, by ordinary mail, fax or e-mail at least the sixth day before the date of the general meeting.

Article 26 — Voting rights

Each share gives the holder the right to one vote.

If one or more shares are jointly owned by different persons or by a legal entity with a representative body consisting of several members, the associated rights may only be exercised vis-à-vis the company by a single person who has been appointed in writing to do so by all the persons holding rights. Until such a person has been appointed, all of the rights associated with those shares remain suspended.

If a share is encumbered with a usufruct, the voting rights associated with the share are exercised by the usufructuary, subject to an objection from the bare owner.

2.4. Social documents - Result allocation

Article 30 — Appropriation of profit

Pursuant to article 45, 2° of the RREC Act the company distributes annually as capital at least 80 % as determined by the RREC Act, as implementation of the taken decisions and regulations. This obligation is not detrimental to article 617 of the Belgian Companies Code.

3. Statutory auditor

As at 24 April 2013, Deloitte Réviseurs d'Entreprises SC under the form of a SCRL , which is represented by Kathleen De Brabander, Berkenlaan 8b – 1831 Diegem, has been reappointed as statutory auditor of Intervest Offices & Warehouses. The mandate of the statutory auditor will end immediately after the annual meeting to be held in 2016.

The remuneration paid to the statutory auditor is determined on a basis of market rates and independently from Intervest Offices & Warehouses, in accordance with the deontological requirements and the standards of the Belgian Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises and in accordance with the applicable stipulations relating to the independence of the statutory auditor contained in the Belgian Companies Code.

The remuneration of the statutory auditor amounts to € 66.600 (excl. VAT, incl. costs) as from the financial year started as at 1 January 2015 for the survey of the statutory and consolidated annual accounts.

4. Liquidity provider

In 2003, a liquidity contract was concluded with ING Bank, avenue Marnix 24, 1000 Brussels, to promote the liquidity of the shares. In practice, this is done through the regular submission of buy and sell orders within certain margins.

The remuneration has been set at a fixed amount of € 15.000 a year.

5. Property experts

As at 31 December 2015, the property experts of the real estate company are:

- Cushman & Wakefield, 1000 Brussels, avenue des Arts 56. The company is represented by Arnaud de Bergeryck. They value the office portfolio and the logistics sites Opglabbeek and Herstal.
- Stadim, 2600 Berchem, Uitbreidingstraat 10 - 16, represented by Philippe Janssens. They value the logistics portfolio, except the sites of Opglabbeek and Liège.

In accordance with the RREC Act, they value the portfolio four times a year. The fee of the property experts is calculated on the basis of an annual fixed amount per building.

For financial year 2015, the total fee of the property experts amounted to € 141.768 (VAT included).

6. Property management

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

7. RREC — legal framework

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

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

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

The RREC is monitored by the Financial Services and Markets Authority and is subject to specific regulations, the most notable provisions of which are as follows:

- adopt the form of a limited liability company or a limited partnership with a share capital with a minimum capital of € 1.200.000
- a company with fixed capital and a fixed number of shares
- compulsory listing on the stock exchange with at least 30% of the shares in public hands
- the public regulated real estate company has for only purpose (a) either directly, or by means of a company in which it possesses a holding pursuant to the stipulations of the RREC Act and the decisions and regulations made for the execution of the same, to make real estate available to users and b) within the bounds of the applicable legislation on regulated real estate companies, to possess real estate as mentioned in article 2, 5°, vi to x of the RREC Act. The RREC does not have a statutory embedded investment policy but develops a strategy enabling it to position itself in all stages of the value chain of the real estate sector

- limited possibility for concluding mortgages
- a debt ratio limited to 65% of the total assets; if the consolidated debt ratio exceeds 50%, a financial plan has to be drawn up pursuant to the provisions of article 24 of the RREC Roayl Decree. In case of a dispensation authorised by the FSMA based on article 30, §3 and §4 of the RREC Act, the consolidated debt ratio of the public RREC pursuant the provisions of article 30, §3 and §4 of the RREC Act may not exceed 33%
- annual financial interest charges resulting from borrowings may under no circumstances exceed the threshold of 80% of the operating distributable result before result on portfolio increased with the financial income of the company
- strict rules relating to conflicts of interests
- the portfolio must be recorded at market value without the possibility of depreciation
- a three-monthly estimate of the property assets by independent property experts, based on a rotation principle
- risk spread: a maximum of 20% of capital in one building, except certain exceptions
- a RREC may not engage itself in "development activities"; this means that the company cannot act as a building promoter aiming to erect buildings in order to sale them and to cash a developer's profit
- the opportunity to establish subsidiary companies which take the form of an 'institutional RREC' which must operate under the exclusive or joint control of the public RREC in order to be able to implement specific projects with a third, being 1) professional clients such as credit institutions, investment companies and collective investment institutions, or 2) legal persons who can be considered as eligible investor by introducing a simply request to the FSMA without additional conditions having to be fulfilled
- at least three independent directors in the sense of article 526b of the Belgian Companies Code sit on the board of directors
- the fixed fees of directors and the actual managers may not depend on the operations and transactions carried out by the public RREC or its subsidiaries: this therefore prohibits them being granted a fee based on the turnover. This rule also applies to the variable fee. If the variable fee is determined according to the result, only the consolidated operating distributable result may be used as basis for this.

The aim of these rules is to minimise the risk for shareholders.

8. RREC — tax status

With the RREC Act the legislator has given RRECs a favourable tax status.

An RREC is subject to the normal corporate tax rate, however this only applies to a limited taxable basis, consisting of the sum of (1) the abnormal or benevolent benefits it has received (2) expenses and costs that are not deductible as professional expenses, other than depreciations and losses on shares. The results (rental income and gain from sale minus the operating expenses and financial charges) are thus exempt from corporate tax on condition that at least 80% of the operating distributable profit is paid out. It can also be subjected to the special secret commissions tax of 309% on commissions and remunerations paid that are not properly documented in individual pay sheets and a summary statement.

The withholding tax on the dividends that are paid out by a public RREC equals 27% as of 1 January 2016, to be withheld when paying the dividend (subject to certain exemptions). The withholding tax has been increased from 25% to 27% as of 1 January 2016 as a result of the Act of 26 December 2015 on strengthening job creation and purchasing power, published in the Belgian Official Gazette of 30 December 2015.

This is a discharging withholding tax for private individuals who are residents of Belgium.

If a company converts to the status of RREC, or if a (normal) company merges with an RREC or splits part of its immovable assets with a transfer to an RREC, it must pay a one-time tax (the so-called exit tax) of 16,995% (16,5% plus a crisis contribution of 3%). After that, the RREC is only subject to taxes on very specific elements, such as rejected expenses and abnormal benefits. This exit tax is the fiscal price that such companies must pay in order to leave the normal tax system. In terms of the tax system, this transfer is treated as a (partial) division of the company's assets by the company to the RREC. When dividing the company's assets, a company must treat the difference between the payments in cash, in securities or in any other form and the revalorised value of the paid-up capital (in other words the gain that is present in the company) as a dividend.

The Income Tax Code states that the sum paid out equals the actual value of the company's assets on the date when this transaction has taken place (art. 210, §2 Belgian Tax Code 1992). The difference between the actual value of the company's assets and the revalorised value of the paid-up capital is equalled with a dividend paid out. The reserves that have already been taxed may be subtracted from this difference. As a rule, the remainder forms the taxable basis that is subject to the 16,995% rate.

The exit tax is calculated with due observance of the Circular Letter Ci.RH.423/567.729 of the Belgian tax administration of 23 December 2004, of which the interpretation of the practical application could always change. The "actual tax value", as the circular letter refers to it, is calculated by deducting registration fees or VAT (which would apply in case of sale of the assets), and can differ from the fair value of the property as listed on the public RREC balance sheet (in accordance with IAS 40).

It is true that the tax authority still considers (see point 3 of the circular letter of 23 December 2004) that the actual value of the company's assets on the date that it is recognised as a RREC cannot be less than an amount corresponding to the value of the company's assets as would be determined in comparison with the value of the issued shares, or the price of the shares acquired or offered to the public, less the registration fees and VAT that are included in the property valuation reports. It is the intention to include the so-called securitisation premium in the taxable base of the exit tax. The securitisation premium is the premium that investors in an RREC are prepared to pay on top of the net assets reflected by the expected added value resulting from the recognition of the RREC by the FSMA. As described in Note 24 of the Financial report, Intervest Offices & Warehouses disputes this interpretation.

Statement to the annual report

Pursuant to 13 §2 of the Royal Decree of 14 November 2007, the board of directors, composed of Paul Christiaens (chairman), EMSO sprl, permanently represented by Chris Peeters, Nick van Ommen, Thomas Dijksman, Johan Buijs, Daniel van Dongen and Nico Tates declares that according to its knowledge:

a. the annual accounts, prepared in accordance with the “International Financial Reporting Standards” (IFRS) as accepted by the European Union and in accordance with the Act of 12 May 2014 on regulated real estate companies, give a true and fair view of the equity, the financial position and the results of Intervest Offices & Warehouses and the companies included in the consolidation
b. the annual report gives a true statement of the development and results of Intervest Offices & Warehouses during the current year and of the position of company and the companies included in the consolidation, as well as of the main risks and uncertainties that Intervest Offices & Warehouses is confronted with
c. the information in the annual is according to the reality and no information has been omitted whereby the statement could modify the purpose of the annual report.

Terminology

Acquisition value of an investment property

This term is used at the purchase of the acquisition of a property. If transfer costs are paid, they are included in the acquisition value.

Commercial rental income

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

Corporate governance

Corporate governance is an important instrument for constantly improving the management of the real estate company and to protect the interest of the shareholders.

Current rents

Annual rent on the basis of the rental situation on a certain point in time.

Debt ratio

The debt ratio is calculated as the relation of all liabilities (excluding provisions and accrued charges and deferred income) less the negative change in fair value of financial instruments, compared to total assets. The calculation method of the debt ratio is pursuant to article 13, §1 second paragraph of the Royal Decree of 13 July 2014. By means of this Royal Decree the maximum debt ratio of the company is 65%.

Diluted net result

The diluted net result per share is the net result as published in the income statement, divided by the weighted average number of ordinary shares, adapted to the effect of potential ordinary shares leading to dilution.

EPRA vacancy rate

The EPRA vacancy rate is calculated as the ratio between the estimated rental value of the vacant properties available for letting and the same estimated rental value of the entire portfolio available for letting.

Estimated rental value

The estimated rental value is the rental value determined by the property experts.

Fair value of investment properties (in accordance with Beama interpretation of IAS 40)

This value is equal to the amount at which a building might be exchanged between knowledgeable, willing parties in normal competitive conditions. From the perspective of the seller, they should be understood as involving the deduction of registration fees.

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

Free float

Free float is the number of shares circulating freely on the stock exchange and therefore not in permanent ownership. According to the EPRA and Euronext definition it concerns all shareholders possessing individually less than 5% of the total number of shares.

Gross dividend

The gross dividend per share is the operating distributable result divided by the number of shares entitled to dividend.

Gross dividend yield

The gross dividend yield is the gross dividend divided by the share price on closing date.

Gross market rent

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

Gross yield

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

Investment value of a real estate property

This is the value of a building estimated by an independent property expert, and including the transfer costs without deduction of the registration fee. This value correspond to the formerly used term “value deed in hand”.

Liquidity of the share

The ratio between the numbers of shares traded daily and the number of capital shares.

Net asset value EPRA

Total shareholders' equity attributable to the shareholders of the parent company, adjusted for the fair value of financial instruments and deferred taxes, divided by the number of shares at the end of the year.

Net dividend

The net divided is equal to the gross dividend after deduction of withholding tax of 27% . The withholding tax on dividends of public regulated real estate companies was increased from 25% to 27% (except in case of certain exemptions) as of 1 January 2016 as a result of the law of 26 December 2015, on strengthening job creation and purchasing power, published in the Belgian Official Gazette of 30 December 2015.

Net dividend yield

The net dividend yield is equal to the net dividend divided by the share price on closing date.

Net result per share

The net result per share is the net result as published in the income statement, divided by the weighted average number of ordinary shares (i.e. the total amount of issued shares less the own shares) during the financial year.

Net value (fair value)

Total shareholders' equity attributable to the equity holder of the parent company divided by the number of shares at the end of the year.

Net value (investment value)

Total shareholders' equity attributable to the equity holder of the parent company increased with the reserve for the impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties, divided by the number of shares at the end of the year.

Net yield

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

Occupancy rate

The occupancy rate is calculated as the ratio of the commercial rental income to the same rental income plus the estimated rental value of the vacant locations for rent.

Operating distributable result

The distributable operating result is the operating result before the result on portfolio less the financial result and taxes, and exclusive the change in fair value of financial derivatives (which are not considered as effective hedge in accordance with IAS 39) and other non-distributable elements on the basis of the statutory annual accounts of Intervest Offices & Warehouses nv.

Regulated real estate company (RREC)

The status of regulated real estate company is regulated by the Act of 12 May 2014 on regulated real estate companies (RREC Act) and by the Royal Decree of 13 July 2014 on regulated real estate companies (RREC Royal Decree) in order to stimulate joint investments in real estate properties.

RREC Act

The Act of 12 May 2014 on regulated real estate companies.

RREC Royal Decree

The Royal Decree of 13 July 2014 on regulated real estate companies.

Vacancy rate

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

Velocity of the share

The velocity of the share is calculated as the ratio of the annually negotiated number of shares, divided by the total number of shares at the end of the period.

Yield

The yield is calculated as the ratio between the rental income (increased or not by the estimated rental value of vacant locations for rent) and the investment value of investment properties.

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The English Annual report is a translation of the Dutch Annual report. Only the Dutch version forms legal evidence. The Annual report was translated under the responsibility of Intervest Offices & Warehouses. The Dutch Annual report is available upon request at the company's registered office.

This document contains regulated information within the meaning of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

This Annual report is a registration document in the sense of art. 28 of the Act of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments authorised to trading on a regulated market. It has been approved by the FSMA, in accordance with art. 23 of the aforementioned, as at 22 March 2016.

Ce rapport est également disponible en français.

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