

INTERIM STATEMENT ON THE FIRST QUARTER OF 2011 OF THE BOARD OF DIRECTORS

Regulated information - embargo 27/04/2011, 17:45

Antwerp, 27 April 2011

INTERVEST
OFFICES

Operating distributable result per share: € 0,37 (- 31 %)

Stable value of the real estate portfolio¹

Low debt ratio: 43 %

1. OPERATING ACTIVITIES OF THE FIRST QUARTER OF 2011

Rental activity

On 31 March 2011, the occupancy rate² of Intervest Offices amounts to 82 % (85 % on 31 December 2010).

The office portfolio has an occupancy rate of 84 % compared to 85 % on 31 December 2010. This decrease results mainly from the renegotiation of the lease contract with Ingram Micro who leases since 1 January 2011 less space in the building 3T Estate in Vilvorde.

In April 2011, Intervest Offices has obtained with Biocartis an agreement in principle regarding the conclusion of a lease contract for 1.333 m² laboratories and 2.154 m² offices in Intercity Business Park in Malines. The lease contract has a fixed duration of 15 years, with a possibility of termination after 9 years and starts on 15 May 2011. This contract is concluded at market rent. Biocartis is a biotechnology company from Swiss origin founded in 2007 by, among others, Rudi Pauwels (who is also at the basis of Tibotec, Virco and Galapagos). Biocartis has decided to establish in Malines its R&D centre and the first production line for the further development and production of a medical diagnosis platform in one of the buildings formerly occupied by Tibotec-Virco. For the period from May 2011 till November 2013 half of the net rental income from this lease contract will be shared with Tibotec-Virco in the framework of an agreement from 2010 regarding the retrocession of rental income (see press release of 3 June 2010).

Further, the market circumstances for new lettings in the office market remain difficult. The most important lettings in the first quarter of 2011 are concluded in Mechelen Campus with MC Square for a surface area of 717 m² and also in Intercity Business Park with SGS Belgium for an extension of 826 m².

The occupancy rate of the semi-industrial portfolio decreases by 7 % and reaches 77 % on 31 March 2011 compared to 84 % on 31 December 2010. This decrease results from the departure of tenants in Duffel Notmeir and Herentals Logistics 1 and 2, that was temporary let.



□ Herentals Logistics 1 - Herentals

¹ By unchanged composition of the real estate portfolio.

² The occupancy rate is calculated as the ratio of the commercial rental income to the same rental income plus the estimated rental value of the vacant locations for rent. The commercial rental income is the contractual rental income (including the spread rental income from early termination of lease contracts) and the rental income of already signed lease contracts regarding locations which are contractually vacant on balance sheet date.

Acquisition logistic site in Huizingen through a sale-and-rent-back transaction with DHL - Pharma Logistics

On 16 February 2011, Intervest Offices acquired a logistic site in Huizingen through a sale-and-rent-back transaction with DHL - Pharma Logistics. The logistic site is located on the industrial area 'De Gijzeleer' in the southern periphery of Brussels and is easily accessible by the E19 Brussels-Mons-Paris.

The site mainly consists of 3 buildings, build in 1987 and 1993. Since then, a lot of modifications and renovations have been made to the buildings in order to use them as warehouses for pharmaceutical products. In this way, there is an entire warehouse equipped with air conditioning. The total surface area of these buildings amounts to 14.878 m² warehouses, 2.151 m² office space and 85 parking spaces.

The site is integrally re-let by DHL - Pharma Logistics on the basis of a lease contract of 9 years with the possibility of termination after six years. The rental income amounts to € 605.000 on an annual basis. The acquisition was subject to registration rights. The purchase price amounts to € 7,7 million (registration rights included), which corresponds to a gross initial yield of 7,85 %. The investment value determined by the independent property expert of the property investment fund also amounts to € 7,7 million. The transaction is financed with the existing credit lines of the property investment fund.



□ DHL - Pharma Logistics - Huizingen

Evolution investment properties

REAL ESTATE PATRIMONY	31.3.2011	31.12.2010
Fair value of investment properties (€ 000)	534.194	526.680
Investment value of investment properties (€ 000)	547.631	539.929
Occupancy rate (%)	82 %	85 %
Total leasable space (m ²)	553.221	535.420

On 31 March 2011, the fair value of the investment properties of Intervest Offices amounts to € 534 million compared to € 527 million on 31 December 2010. This increase in fair value by 1,4 % or € 7,5 million is mainly due to the acquisition of the logistic site in Huizingen with a fair value of € 7,5 million.

2. FINANCIAL RESULTS³

Consolidated income statement

<i>in thousands €</i>	31.3.2011	31.3.2010
Rental income	9.003	10.063
Rental related expenses	-34	-18
Property management costs and income	398	168
PROPERTY RESULT	9.367	10.213
Property charges	-1.195	-749
General costs and other operating costs and income	-291	-273
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	7.881	9.191
Changes in fair value of investment properties	-455	-3.313
OPERATING RESULT	7.426	5.878
Financial result (excl. changes in fair value - IAS 39)	-2.770	-1.838
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	1.561	-401
Taxes	-5	0
NET RESULT	6.212	3.639
Operating distributable result	5.106	7.353
Result on portfolio	-455	-3.313
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	1.561	-401

DATA PER SHARE	31.3.2011	31.3.2010
Number of shares entitled to dividend	13.907.267	13.907.267
Net result per share (€)	0,45	0,26
Operating distributable result per share (€)	0,37	0,53

³ Between brackets comparable figures for the first quarter 2010.

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The **property result** of Invest Offices decreases during the first quarter 2011 by € 0,8 million to € 9,4 million (€ 10,2 million) mainly as a result of the decrease of the rental income. In the first quarter of 2011 the rental income is € 0,3 million lower than in the fourth quarter of 2010. Compared to the first quarter of 2010 the rental income of the property investment fund is € 1,1 million lower, mainly as a result of the departure of tenants and of the renegotiation of lease contracts at lower rental prices.

In the first quarter of 2011, the **property charges** amount to € 1,2 million (€ 0,7 million). This increase of € 0,5 million comes mainly from the higher maintenance and repair costs and the rise of the management costs of the property investment fund.

In the first quarter of 2011, the **general costs** of the property investment fund amount to € 0,3 million which is unchanged compared to the same period of previous year.

The decrease of the rental income and the increase of property charges lead to a decrease of the **operating result before result on portfolio** of 14 % or € 1,3 million to € 7,9 million (€ 9,2 million).

In the first quarter of 2011, the **changes in fair value of the investment properties** are limited to - € 0,5 million (- € 3,3 million).

The **financial result (excl. the changes in fair value - IAS 39)** amounts for the first quarter of 2011 to - € 2,8 million (- € 1,8 million). The increase in interest charges comes from the issuance of the bond loan in June 2010 at an interest rate of 5,1 %. For the first quarter of 2011, the average interest rate of the property investment fund amounts to approximately 4,9 % including bank margins (3,2 %).

The **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** comprise the change of the market value of interest rate swaps which, in accordance with IAS 39, cannot be classified as cash flow hedging instrument, for an amount of € 1,6 million (- € 0,4 million).

For the first quarter of 2011, the **net result** of the property investment fund Invest Offices amounts to € 6,2 million (€ 3,6 million) and can be divided in:

- ▶ the **operating distributable result** of € 5,1 million (€ 7,4 million) or a reduction by € 2,3 million or 31 %. This result mainly comes from the decrease of the rental income, the increase of the property charges and the increase of the financing costs of the property investment fund
- ▶ the **result on portfolio** of - € 0,5 million (- € 3,3 million) which comprises the decrease in value of the real estate portfolio
- ▶ the **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** for an amount of € 1,6 million (- € 0,4 million).

This generates per share for the first quarter 2011 an **operating distributable result**⁴ of € 0,37 per share (€ 0,53).

⁴ As legally speaking only the profit of the statutory annual accounts can be distributed and not the consolidated profit, the profit distribution has been based on the statutory figures.

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On 31 March 2011, the **debt ratio** of the property investment fund is unchanged compared to 31 December 2010 and amounts to 43 %, calculated in accordance with the Royal Decree of 7 December 2010.

BALANCE SHEET DATA PER SHARE	31.3.2011	31.12.2010
Number of shares entitled to dividend	13.907.267	13.907.267
Net asset value (fair value) (€)	21,15	20,59
Net asset value (investment value) (€)	22,13	21,57
Share price on closing date (€)	25,24	23,49
Premium to net asset value (fair value) (%)	19 %	14 %

On 31 March 2011, the **net asset value** (fair value) of the share is € 21,15 (€ 20,59 on 31 December 2010). As on 31 March 2011, the share price of Intervest Offices is € 25,24, the share is quoted at the end of the first quarter 2011 at a premium of 19 % compared to the net asset value (fair value).

3. FORECAST

Intervest Offices expects that the rental market for logistic real estate as well as for offices will recover in 2011. The increasing interest of candidate tenants in several available logistic and office buildings of the property investment fund indicates the recovering of the rental market.

Currently, several investment opportunities are analysed. The focus of the property investment fund remains on offices and logistic real estate, targeting a portfolio growth of approximately 5 % in 2011.



□ Mechelen Campus - Malines

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FINANCIAL STATEMENTS

Consolidated income statement

<i>in thousands €</i>	31.3.2011	31.3.2010
Rental income	9.003	10.063
Rental related expenses	-34	-18
NET RENTAL RESULT	8.969	10.045
Recovery of property charges	427	157
Recovery of rental charges and taxes normally payable by tenants on let properties	1.662	2.554
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-31	-3
Rental charges and taxes normally payable by tenants on let properties	-1.664	-2.547
Other rental related income and expenses	4	7
PROPERTY RESULT	9.367	10.213
Technical costs	-342	-63
Commercial costs	-47	-68
Charges and taxes on unlet properties	-214	-179
Property management costs	-511	-432
Other property charges	-81	-7
PROPERTY CHARGES	-1.195	-749
OPERATING PROPERTY RESULT	8.172	9.464
General costs	-296	-279
Other operating income and costs	5	6
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	7.881	9.191
Changes in fair value of investment properties	-455	-3.313
OPERATING RESULT	7.426	5.878
Financial income	25	12
Interest charges	-2.790	-1.805
Other financial charges	-5	-45
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	1.561	-401
FINANCIAL RESULT	-1.209	-2.239
RESULT BEFORE TAXES	6.217	3.639
TAXES	-5	0
NET RESULT	6.212	3.639
Attributable to:		
Equity holders of the parent company	6.212	3.639
Minority interests	0	0
<i>Note:</i>		
<i>Operating distributable result</i>	<i>5.106</i>	<i>7.353</i>
<i>Result on portfolio</i>	<i>-455</i>	<i>-3.313</i>
<i>Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)</i>	<i>1.561</i>	<i>-401</i>

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Consolidated statement of comprehensive income

<i>in thousands €</i>	31.3.2011	31.3.2010
NET RESULT	6.212	3.639
Changes in fair value of financial assets and liabilities (effective hedges - IAS 39)	1.591	-951
COMPREHENSIVE INCOME	7.803	2.688
Attributable to:		
Equity holders of the parent company	7.803	2.688
Minority interests	0	0

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Consolidated balance sheet

ASSETS <i>in thousands €</i>	31.3.2011	31.12.2010
Non-current assets	534.481	526.959
Intangible assets	42	47
Investment properties	534.194	526.680
Other tangible assets	231	218
Trade receivables and other non-current assets	14	14
Current assets	6.834	5.644
Trade receivables	1.938	1.726
Tax receivables and other current assets	1.908	1.943
Cash and cash equivalents	1.252	816
Deferred charges and accrued income	1.736	1.159
TOTAL ASSETS	541.315	532.603
SHAREHOLDERS' EQUITY AND LIABILITIES <i>in thousands €</i>	31.3.2011	31.12.2010
Shareholders' equity	294.127	286.324
Shareholders' equity attributable to the shareholders of the parent company	294.086	286.283
Share capital	126.729	126.729
Share premium	60.833	60.833
Reserves	98.621	98.621
Net result of previous financial year	17.432	17.432
Net result of the financial year - first quarter	6.212	0
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-13.606	-13.606
Changes in fair value of financial assets and liabilities	-2.135	-3.726
Minority interests	41	41
Liabilities	247.188	246.279
Non-current liabilities	137.781	177.239
Provisions	990	990
Non-current financial debts	136.226	175.659
<i>Credit institutions</i>	61.852	101.322
<i>Bond loan</i>	74.363	74.325
<i>Financial lease</i>	11	12
Other non-current liabilities	565	590
Current liabilities	109.407	69.040
Provisions	426	426
Current financial debts	92.372	53.425
<i>Credit institutions</i>	92.367	53.419
<i>Financial lease</i>	5	6
Trade debts and other current debts	3.027	2.110
Other current liabilities	439	476
Accrued charges and deferred income	13.143	12.603
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	541.315	532.603