

Press release Annual result 2011



ANTWERP, 14 FEBRUARY 2012

Annual result 2011

The real estate portfolio of Intervest Offices & Warehouses has expanded in 2011 by 10 % through investments of € 52 million in four logistic sites.

In 2011, the property investment fund has changed its name in “Intervest Offices & Warehouses” to emphasize the importance of its logistic portfolio.

The property investment fund has concluded important rental contracts in 2011, with, among others, Biocartis, Galapagos and Nike Europe.

In 2011, the fair value of the real estate portfolio has increased by approximately 1 % (excluding investments of financial year 2011) compared to a decrease of 1,6 % in 2010.

The total occupancy rate of Intervest Offices & Warehouses has improved in 2011 by 1 % and amounts to 86 %. For the logistic portfolio the occupancy rate has increased from 84 % to 91 % on 31 December 2011.

The gross dividend of Intervest Offices & Warehouses amounts to € 1,73 per share in 2011 (€ 1,83 in 2010).

In 2012 and 2013, Intervest Offices & Warehouses has no important refinancing of its credit facilities.

1. Operating activities of 2011

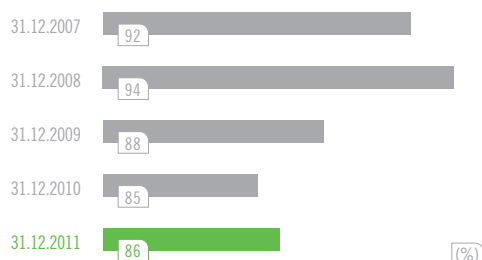
In 2011, the property investment fund Intervest Offices & Warehouses has achieved an important part of its objectives, as formulated in its Annual Report 2010:

- ✓ Intervest Offices & Warehouses' expectation of revival of the rental market for logistic real estate in Belgium in 2011, has been confirmed by the lease of more than 50.000 m² of logistic space in Herentals to Nike Europe. Intervest Offices & Warehouses has also realized some good transactions in the office market, such as the lease of 5.543 m² office space and laboratories in Malines to Biocartis and Galapagos. On 31 December 2011, the occupancy rate of the property investment fund amounts to 86 % which is 1 % higher compared to 31 December 2010.



On 31 December 2011, the entire portfolio has an occupancy rate of 86 %. For the logistic portfolio the occupancy rate increases from 84 % to 91 % on 31 December 2011.

Occupancy rate



- ✓ In 2011, the property investment fund has made optimal use of its investment capacity created by the issuance of the bond loan, through the expansion of the logistic real estate portfolio with four logistic sites, namely the acquisition in Huizingen, Houthalen and Oevel and the construction of the extension of Herentals Logistics 2. These four sites represent a total investment of approximately € 52 million (€ 4,8 million rental income on an annual basis). Herewith an important step forward has been made for the growth of the fund and the aim to increase the portfolio by approximately 5 % in 2011 has largely been achieved.

- ✓ Meanwhile, the share of logistic buildings in the real estate portfolio of Intervest Offices & Warehouses has increased to 36 %. The addition of "Warehouses" in the name is a clear confirmation of the fund's important market position in logistic real estate and of the ambition to expand the activities in this segment.

- ✓ Intervest Offices & Warehouses has executed an intensive marketing program in order to increase in the long run the brand recognition of the fund, towards potential tenants as well as investors. It is the purpose to pursue these efforts in the future.

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✓ The plans to better meet the needs of candidate tenants in the rental market by assisting them, for instance, in the design of their offices and by delivering turn-key design projects, have been concretized. Meanwhile several projects have been realized with great satisfaction of the tenants. Herewith Intervest Offices & Warehouses wants to emphasize that its role is considerably larger than being purely owner-lessor of office buildings or logistic spaces. The main aim is to offer housing solutions. At the moment of the fund's change of the name, the opportunity has been taken to introduce the baseline "Feel Real Estate".

In 2011 a lot of attention has been given to the financing situation of the property investment fund. In financial year 2011, a total amount of € 130 million long-term credit facilities which expired in 2011 or at the beginning of 2012, have been renegotiated. The new credit facilities, with existing and new bankers, have durations between 3 and 5 years and are concluded at conditions and covenants conform the market. The next credit facility of the property investment fund expires only in December 2013 (for only € 10 million) so that Intervest Offices & Warehouses does not have to negotiate important refinancings of its credit facilities in the next 2 years.



Despite the successful lettings, the operating distributable result of Intervest Offices & Warehouses has decreased in 2011 as a result of the decline in rental income, the increase of the property charges and the rise of the financing costs of the property investment fund. Intervest Offices & Warehouses can offer its shareholders a gross dividend¹ of € 1,73 per share compared to € 1,83 for financial year 2010.

The gross dividend of Intervest Offices & Warehouses amounts to € 1,73 per share in 2011 (€ 1,83 in 2010).

¹ As legally speaking only the operating distributable profit 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.

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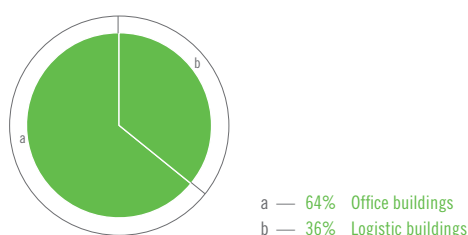


Evolution real estate portfolio

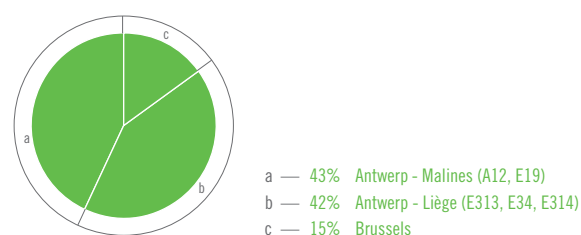
Intervest Offices & Warehouses focuses on an investment policy based on the principles of high-quality professional real estate and the principles of risk diversification based on building type and geographic spread and the nature of tenants.

On 31 December 2011 this risk spread is as follows:

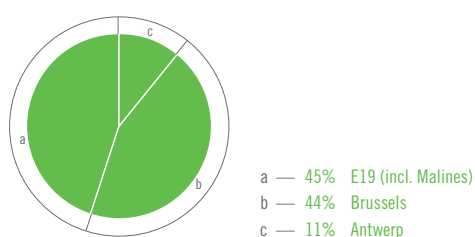
Sector spread



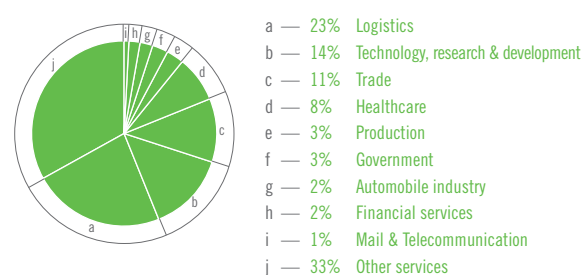
Geographic spread of logistic properties



Geographic spread of offices



Diversification by tenants



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In 2011, the real estate portfolio of Intervest Offices & Warehouses has expanded by 10 % through investments of € 52 million in four logistic sites.



Real estate patrimony	31.12.2011	31.12.2010
Fair value of investment properties (€ 000)	581.305	526.680
Investment value of investment properties (€ 000)	595.919	539.929
Occupancy rate (%)	86 %	85 %
Total leasable space (m²)	627.096	535.420

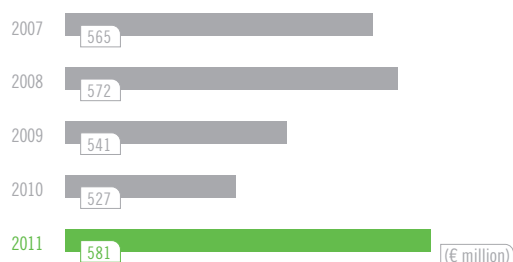
In 2011, the **fair value** of the real estate portfolio of the property investment fund has increased by € 55 million and amounts on 31 December 2011 to € 581 million (€ 527 million on 31 December 2010). This increase in fair value is the combined effect of:

- ✓ the acquisition of three logistic sites, with a total fair value of € 43 million (Huizingen, Houthalen and Oevel)
- ✓ the extension of the logistic site Herentals Logistics 2 through the construction of warehouse space, offices and a mezzanine, for already € 9 million
- ✓ investments in the existing real estate portfolio for € 5 million, mainly for € 4 million in Herentals Logistics 1 for renovation works and for € 1 million in 3T Estate in Vilvorde
- ✓ the increase in fair value of the existing real estate portfolio of € 2 million or approximately 1 % (excluding investments of financial year 2011) compared to the total fair value on 31 December 2010 due to the letting of the logistic site Herentals Logistics 2 to Nike Europe and the letting of office spaces and laboratories in Intercity Business Park to Biocartis and Galapagos
- ✓ the sale of a non-strategic semi-industrial complex located in Sint-Niklaas, known as "Eigenlo", with a book value of € 4 million.



In 2011, the fair value of the real estate portfolio has increased by approximately 1 % (excluding investments of financial year 2011) compared to a decrease of 1,6 % in 2010.

Evolution of fair value of real estate properties



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Rental activity in 2011

Take-up of office space on the Belgian office market is still very low. In Brussels, for instance, the estimated total take-up is even lower than in 2009 and 2010², but in those years figures were improved by some exceptional large transactions at the end of the year. Prime rents remain quite stable. Real rents are still under pressure, but to a lesser extent than in 2010, in the centre of Brussels as well as in the other important Belgian office markets (Brussels periphery, Antwerp, Ghent and Malines), because of the important advantages and incentives that owners must grant. Moving decisions still take a lot of time, which is in itself not unfavourable to keep existing tenants.

The general expectation of 2010, namely that rents had reached their lowest point, has been confirmed in 2011. Further improvement is expected in 2012, but will depend largely on the macro-economic evolution within the European Union.

In the logistic and semi-industrial market another trend has been observed in 2011. Take-up, which has reached in 2011 approximately 1.650.000 m², can be compared to the historically high levels of 2007 and 2008. Especially for logistic buildings the estimated take-up has more than tripled in 2011 compared to 2010³. Currently, prime rents remain stable, but due to the strong demand and limited qualitative offer it is expected that in the coming years rents will increase also for qualitative buildings.

On 31 December 2011, the total occupancy rate of the real estate portfolio of Intervest Offices & Warehouses amounts to 86 % (85 % on 31 December 2010):

- ✓ compared to 31 December 2010, the occupancy rate of the office portfolio has slightly decreased to 84 % (85 % on 31 December 2010), mainly because of the adapted processing of the rental income of Tibotec-Virco, partly compensated by the lettings to Biocartis and Galapagos in Intercity Business Park in Malines
- ✓ for the logistic portfolio the occupancy rate has increased by 7 % compared to 31 December 2010, to 91 %. This increase comes mainly from the acquisition of three logistic sites, each having an occupancy rate of 100 % (Huizingen, Houthalen and Oevel) and from the extension of Herentals Logistics 2 resulting from the letting to Nike Europe.



² Source: Cushman & Wakefield

³ Source: Jones Lang Lasalle

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Rental activity of the office portfolio

New tenants

In the office portfolio new lease contracts have been signed in 2011 for a total space of 9.755 m², attracting 13 new tenants (on a total office portfolio of approximately 231.000 m²). This is an important decrease of the number of tenants compared to the new lettings of 2010, when 21 new tenants were attracted. On the other hand, the total space let has slightly increased (9.529 m² in 2010).

In 2011, the most important transactions are:

- ✓ Intercity Business Park in Malines: 3.970 m² to Biocartis and 539 m² to E-Spot
- ✓ Gateway House in Antwerp: 1.630 m² to DLA Piper
- ✓ Mechelen Campus: 717 m² to MC Square and 511 m² to AFAS Belgium
- ✓ 3T Estate in Vilvorde: 636 m² to B-Bridge (Excelsia)

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

In the office portfolio, current lease contracts have been renegotiated or prolonged for a space of 26.306 m² in 36 transactions in 2011. This is more than the renegotiations in 2010 when in 30 transactions a total space of 20.004 m² was renegotiated.

In 2011, the most important transactions are:

- ✓ prolongation of Ingram Micro in 3T Estate in Vilvorde for 5.072 m²
- ✓ prolongations and extensions of Galapagos in Intercity Business Park in Malines for 4.148 m²
- ✓ temporary prolongation of Hello Agency in Park Station in Diegem for 2.472 m²
- ✓ temporary prolongation of BDO in Sky Building in Berchem for 2.905 m²
- ✓ prolongation of Endemol in Mechelen Campus for 1.774 m²
- ✓ prolongation of Mylan in Park Rozendal in Hoeilaart for 1.430 m²
- ✓ extension of SGS Belgium in Intercity Business Park in Malines for 1.298 m²
- ✓ prolongation and extension of Electro Rent in Intercity Business Park in Malines for 1.029 m²
- ✓ prolongation and extension of PAB Benelux and Trilux in Intercity Business Park in Malines for respectively 827 m² and 819 m²
- ✓ prolongation and extension of Keyrus in Brussels 7 in Strombeek for 772 m²



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Rental activity of the logistic portfolio

At the end of December 2011, the occupancy rate of the logistic real estate portfolio amounts to 91 % which is a substantial increase compared to the end of 2010 (84 % on 31 December 2010). On the one hand there is the transaction concluded with Nike Europe in Herentals Logistics 2 for approximately 51.000 m² and on the other hand there are 3 entirely let building acquired in Huizingen, Houthalen and Oevel for a total space of more than 74.000 m².

New tenants

In the logistic portfolio, new lease contracts have been concluded in 2011 for a total space of 89.323 m² in 4 transactions (including the sale-and-rent back transaction with Pharma Logistics (DHL)). This is twice as much compared to 2010 (46.881 m² in 2010).

In 2011, these transactions are:

- ✓ letting in Herentals Logistics 2 to Nike Europe for 50.994 m²
- ✓ temporary letting to Distri-Log in Stocletlaan in Duffel for 19.395 m² (till 31 December 2011)
- ✓ letting to Pharma Logistics (DHL) in Huizingen for 17.801 m²
- ✓ letting to Van Marcke in Sint-Niklaas for 1.133 m²

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

In the logistic portfolio, lease contracts for a space of 26.385 m² have been renewed or prolonged in 2011 in 6 transactions. This is noticeably less than in 2010. However, it must be observed that the most important prolongation in 2010, being the one of Fiege in Puurs Logistic Center, represented approximately 80 % of the total surface area.

In 2011, these transactions are:

- ✓ temporary extension of Ikea in Wilrijk for 7.070 m²
- ✓ extension of Yusen Logistics Benelux in Herentals Logistics 1 for 4.809 m²
- ✓ 2 extensions of Pharma Logistics (DHL) in Intercity Industrial Park in Malines for a total of 4.151 m²
- ✓ prolongation of Iron Mountain in Duffel Stocletlaan for 4.078 m²



WEST LOGISTICS - OEVEL - STORAGE HALL SPACE: 27.548 M² OFFICES SPACE: 1.711 M²



NEERLAND 1&2 - WILRIJK - STORAGE HALL SPACE: 28.536 M² OFFICES SPACE: 632 M²

Partial re-letting of ex-Tibotec-Virco spaces in Malines to Biocartis and Galapagos

Intervest Offices & Warehouses has concluded with Biocartis on the one hand a lease contract and on the other hand a operational leasing contract for 3.970 m² laboratories, offices and production space 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 has started on 15 May 2011. The leasing contract starts on 15 May 2012 (after the necessary renovation works) and has a fixed duration of 15 years.

These contracts represent in a first phase a net annual rent of approximately € 445.000. For the period from May 2011 till November 2013 half of the net rental income from this contract is shared with Tibotec-Virco in the framework of an agreement from 2010 regarding the retrocession of rental income⁴. As a result of this re-letting transaction the property investment fund has taken into result a part of the indemnities received from Tibotec-Virco in 2010 in the first semester of 2011.

Furthermore, Intervest Offices & Warehouses has concluded in September 2011 a lease contract with the biotechnological company Galapagos for approximately 1.560 m² of laboratories in a building formerly used by Tibotec-Virco as R&D centre in Intercity Business Park in Malines. This lease contract runs to 2024, with a possibility of termination in 2020. For the period from September 2011 till October 2014 half of the net rental income is shared with Tibotec-Virco, in the framework of the agreement from 2010 related to the retrocession of rental income. Simultaneously the existing lease contract with Galapagos for approximately 3.300 m² office space and laboratories, which would normally end in 2015, is prolonged for 9 years to 2024, with a possibility of termination in 2020. These contracts with Galapagos are globally concluded at market conditions and confirm once again, after the agreement with Biocartis in April 2011, the attraction of Malines for companies in high technological sectors such as biotechnology.



The property investment fund has concluded important rental contracts in 2011, with, among others, Biocartis, Galapagos and Nike Europe.



⁴ See press release of 3 June 2010: Intervest Offices concludes an agreement with Tibotec-Virco and starts the re-letting.

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Investments in 2011

As the logistic real estate market performs much better than the office market which still encounters difficulties, Intervest Offices & Warehouses has focused on investments in the logistic segment. The aim to expand the portfolio by approximately 5 % in 2011 has been largely realized through the acquisition of 3 logistic buildings during 2011 and through the construction of the extension of Herentals Logistics 2. As the share of logistic real estate in the portfolio has increased to 36 %, the property investment fund has chosen to add “Warehouses” to its company name.

In 2011, the property investment fund has changed its name in “Intervest Offices & Warehouses” to emphasize the importance of its logistic portfolio.

1. Acquisition of a logistic site in Huizingen through a sale-and-rent-back transaction with Pharma Logistics (DHL)⁵

Intervest Offices & Warehouses acquired on 16 February 2011 a logistic site in Huizingen through a sale-and-rent-back transaction with Pharma Logistics (DHL). The logistic site is located on the industrial area ‘De Gijzeleer’ in the southern periphery of Brussels and is easily accessible via the E19 Brussels-Mons-Paris. The site mainly consists of 3 buildings and the total surface area of these buildings amounts to 15.902 m² warehouses, 1.899 m² office space and 85 parking spaces.

The site is integrally re-let by Pharma Logistics (DHL) on the basis of a lease contract of 9 years with the possibility of termination after 6 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 amounts at the moment of acquisition also to € 7,7 million.



⁵ See press release of 16 February 2011: Intervest Offices acquires logistic site in Huizingen.

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2. Acquisition logistic site in Oevel

On 1 July 2011, the property investment fund acquired the control of West Logistics sa, owner of a logistic site along the E313 motorway in Oevel (Westerlo). The site, built in 2007, is a modern state-of-the-art complex of warehouses with office facilities and external parking spaces. The site comprises 27.548 m² warehouses, 1.711 m² offices and 65 external parking spaces. Besides, it is possible to realize on the long run an additional unit of approximately 2.000 m² on the site.

The building is entirely let to UTI Belgium (87 %) till 2017 and to Berry Plastics (13 %) till 2013. A part of the site, let to UTI Belgium, is used as European distribution centre for Northern Europe for the cosmetic concern Estée Lauder.

This acquisition generates a rental income for the property investment fund of approximately € 1,5 million on an annual basis. The acquisition value of this logistic site amounts to approximately € 21,5 million (fair value € 21,0 million). This acquisition provides Intervest Offices & Warehouses a direct gross initial yield of 7 %.

3. Acquisition logistic site in Houthalen

The property investment fund acquired on 1 July 2011 the shares of MGMF Limburg sa, owner of a logistic site in the industrial zone Europark in Houthalen, easy accessible via the E314. The site, built in 2001, is a modern complex of 26.255 m² warehouses, with 740 m² offices and 123 parking spaces. The buildings are let to Caterpillar Logistics. The lease agreement runs to 2016.

This acquisition generates a rental income for the property investment fund of approximately € 1,1 million on an annual basis. The acquisition value of this real estate property amounts to approximately € 14,2 million (fair value of € 13,9 million) and provides Intervest Offices & Warehouses an attractive gross initial yield of 7,7 %.



WEST LOGISTICS - OEVEL
STORAGE HALL SPACE: 27.548 M² OFFICES SPACE: 1.711 M²



CATERPILLAR LOGISTICS - HOUTHALLEN
STORAGE HALL SPACE: 26.255 M² OFFICES SPACE: 740 M²

4. Letting of Herentals Logistics 2 for 50.994 m² logistic space to Nike Europe⁶ and extension of the complex

In June 2011, the property investment fund concluded a new lease agreement with Nike Europe at its site Herentals Logistics 2. It concerns the entire already existing new building of 20.270 m² warehouse space, 4.124 m² mezzanine and 1.276 m² offices, as well as the second phase, being an extension of 20.270 m² warehouse space, 4.124 m² mezzanine (both already delivered in 2011) and 930 m² offices (which will be delivered in the first quarter of 2012). Nike Europe occupies to a large extent the existing building since the last quarter of 2011.

After full occupation of the building (the existing part as well as the second phase which was largely built in 2011), expected in the first quarter of 2012, this agreement will generate approximately € 2 million net rental income on an annual basis.

The construction cost of the extension amounts to approximately € 10,3 million (excluding the purchase of the land parcel which has already been acquired in 2008). After the temporary delivery of the warehouse space on 22 December 2011, € 8,6 million were already paid to the building contractor. After the full development, the fair value of the entire site will amount to approximately € 28,7 million and the yield of the site will reach approximately 7,5 %. The available credit lines of the property investment fund are used to finance the development.



Disinvestment in 2011

In December 2011, Intervest Offices & Warehouses obtained an agreement in principle for the sale of a non-strategic semi-industrial complex (built in 1992) with partial vacancy, located in Sint-Niklaas, Eigenlostraat 25, known as "Eigenlo".

The total surface area of the building comprises 1.328 m² offices and 6.535 m² warehouse space/production space, which is only 0,3 % of the total leasable space of the property investment fund.

The sales price amounts to € 4,1 million and the buyer is a Belgian private investor. The sales price is approximately 2 % above the book value on 31 December 2011 which amounts to € 4,0 million (fair value as determined by the independent property expert of the property investment fund).

In January 2012 the deed was signed before notary and the sales price paid by the buyer.

⁶ See press release of 24 June 2011: Letting Herentals Logistics 2 to Nike Europe

2. Financial results

Change in valuation rule for the indemnities received from early terminated lease contracts

In August 2011 the EECS (European Enforcers Coordination Session), a forum organized by the ESMA (European Securities and Markets Authorities) has provided more information regarding the implementation of IFRS related to indemnities received from early terminated lease contracts (as compensation for loss of rental income). The EECS has determined that according to IFRS, indemnities received from early terminated lease contracts must entirely be recorded as income in the annual accounts of the year in which the indemnity is received and may not be deferred into income over the remaining duration of the original lease contract.

On this basis the Financial Services and Market Authority (FSMA) has advised Intervest Offices & Warehouses to change its valuation rules on this subject. According to IAS 8 this change in valuations rules must be applied retroactively so that the comparable figures of 2010 have to be adapted. As a result, the indemnity received in September 2010 from Tibotec-Virco⁷ (excluding the obligation of retrocession to repay 50 % of all future rental income in case of letting before the end of the duration of the original lease contract) have been recorded as profit in 2010. This gives the following result:

in thousands €	31.12.2010		
	Released figures	After change valuation rule	Difference
Rental income	38.523	41.068	2.545
Net result	17.431	19.976	2.545
Operating distributable result	25.451	27.996	2.545
Shareholders' equity	286.324	288.869	2.545
Accrued charges and deferred income	12.603	10.058	-2.545
Per share (in €)			
Net result	1,25	1,44	0,18
Operating distributable result	1,83	2,01	0,18
Net asset value (fair value)	20,59	20,77	0,18
Net asset value (investment value)	21,57	21,75	0,18

⁷ See press release of 3 June 2010: Intervest Offices concludes an agreement with Tibotec-Virco and starts the re-letting.

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The additional operating distributable result that appears in 2010 through the change in valuation rule, will according to the original accounting method, be attributed to the dividend of the years 2011-2013/2014. As Intervest Offices & Warehouses has realised in 2011 the re-letting to Biocartis and Galapagos of the space that was formerly let, the property investment fund can distribute already in financial year 2011 € 2,4 million additional dividend. In total this means that on 31 December 2011 only € 0,1 million will remain available for distribution for the years 2012/2014 as a result of the change in valuation rule.

For ease of reading this press release, it has been decided to put the symbol π next to the comparable figures of financial year 2010 which as a result of the change in the valuation rule have been modified compared to the figures of the press release published in 2010.



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Consolidated income statement

in thousands €	2011	2010 ^π
Rental income	38.587	41.068
Rental related expenses	-76	-94
Property management income and costs	2.435	821
Property result	40.946	41.795
Property charges	-5.145	-3.224
General costs and other operating costs and income	-1.244	-1.049
Operating result before result on portfolio	34.557	37.522
Result on sales of investment properties	64	464
Changes in fair value of investment properties	2.294	-8.525
Other result on portfolio	-2.478	-614
Operating result	34.437	28.847
Financial result (excl. change in fair value - IAS 39)	-12.018	-9.509
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-4.175	655
Taxes	-227	-17
NET RESULT	18.017	19.976
Operating distributable result	21.707	27.996
Result on portfolio	-120	-8.675
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-4.175	655
Other non-distributable elements (subsidiaries)	605	0

RESULT PER SHARE	2011	2010 ^π
Number of shares entitled to dividend	13.907.267	13.907.267
Net result (€)	1,30	1,44
Operating distributable result (€)	1,56	2,01
Adaptation dividend to the changed valuation rule (€) ^π	0,17	-0,18
Gross dividend (€)	1,73	1,83
Net dividend ⁸ (€)	1,37	1,56

⁸ As a result of the Law of 28 December 2011 containing various provisions (Belgian Official Gazette 30 December 2011 - taking effect as from 1 January 2012), the withholding tax on dividends of public property investments funds goes from 15 % to 21 % (except certain exemptions or increases).

Analysis of results⁹

For financial year 2011, **rental income** of Intervest Offices & Warehouses amounts to € 38,6 million. This decrease of € 2,5 million or 6 % compared to financial year 2010 (€ 41,1 million) is mainly the combined effect of:

- ✓ the non-recurring profit taking in 2010 of a part of the indemnity received from Tibotec-Virco for € 2,5 million. Through the change of the valuation rules this indemnity has been attributed to the third quarter of 2010, moment of receipt of the indemnity
- ✓ the decrease in rental income of the office portfolio of € 1,5 million, mainly from the leave of Tibotec-Virco in Malines as per 30 September 2010
- ✓ investments in three logistic sites (in Huizingen, Houthalen and Oevel) generating rental income for an amount of € 1,9 million in 2011
- ✓ stable rental income in the existing logistic portfolio
- ✓ the sale of the office park Latem Business Park in 2010, resulting in a decrease in rental income of € 0,3 million.

In 2011, **property management costs and income** amount to € 2,4 million (€ 0,8 million) and comprise the indemnities for rental charges (received from Tibotec-Virco) taken into result after the letting to Biocartis and Galapagos in Intercity Business Park, as well as the refurbishment indemnities taken into result.

During financial year 2011, **property charges** of the property investment fund increase to € 5,1 million (€ 3,2 million). This rise of € 1,9 million comes from an increase of:

- ✓ for € 0,4 million maintenance and repair works due to a more extensive maintenance program
- ✓ for € 0,7 million vacancy costs of resulting mainly from increasing vacancy in Herentals Logistics 1 and on Mechelen Campus
- ✓ for € 0,5 million management costs of the property investment fund due to an enhanced number of employees
- ✓ for € 0,3 million other property charges as a result of commercial interventions in favour of tenants

General costs and other operating income and costs amount to € 1,2 million and have increased by € 0,2 million compared to previous year (€ 1,0 million) mainly as a result of the marketing campaign implemented to improve the brand recognition of Intervest Offices & Warehouses.

The decrease of rental income and the rise of property charges lead to a decrease of **operating result before result on portfolio** of approximately 8 % or € 2,9 million, to € 34,6 million (€ 37,5 million).

In 2011, **changes in fair value of investment properties** are positive and amount to € 2,3 million compared to negative changes of € 8,5 million in 2010. The positive changes in 2011 result mainly from the lettings to Biocartis and Galapagos in Intercity Business Park in Malines of a part of the office space and laboratories that were left by Tibotec-Virco in 2010 and from the letting in Herentals Logistics 2 to Nike Europe, partly compensated by renovation costs for Herentals Logistics 1.

The **other result on portfolio** comprises mainly the immediate write off of the price difference of - € 2,0 million on the acquisition of the shares of the companies MGMF Limburg sa (owner of the logistic site in Houthalen) and West-Logistics sa (owner of the logistic site in Oevel) on 1 July 2011. IFRS 3 is not applied on these acquisitions.

⁹ Between brackets the comparable figures of financial year 2010, adapted to the change of the valuation rule for the indemnities for early terminated lease contracts.

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The **financial result (excl. changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39))** amounts in 2011 to - € 12,0 million (- € 9,5 million). The increase of the net interest charges of € 2,5 million comes from the issuance of the bond loan in June 2010 at an interest rate of 5,1 % and from the acquisition of three logistic sites in 2011 for a total investment amount of € 43 million.



For financial year 2011, the average interest rate of the current credit facilities of the property investment fund amounts to 4,6 % (4,0%) including bankmargins.

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, cannot be classified as cash flow hedging instrument, for an amount of - € 4,2 million (€ 0,7 million).

For financial year 2011, the **net result** of Intervest Offices & Warehouses amounts to € 18,0 million (€ 20,0 million) and can be divided in:

- ✓ the **operating distributable result** of € 21,7 million (€ 28,0 million) This decrease comes mainly from the decrease in rental income through the one-time income in 2010 of a part of the indemnity received from Tibotec-Virco, from the rise of property charges and from the increase of financing costs of the property investment fund
- ✓ the **result on portfolio** of - € 0,1 million (- € 8,7 million) resulting on the one hand from the positive changes in fair value of investment properties of € 2,3 million and, on the other hand, from the immediate write off of the price difference of - € 2,0 million on the acquisitions of the shares of the companies MGMF Limburg sa and West-Logistics sa
- ✓ **changes in fair value of the financial assets and liabilities (ineffective hedges - IAS 39)** for an amount of - € 4,2 million (€ 0,7 million)
- ✓ **other non-distributable elements** for € 0,6 million (€ 0 million) related to the operating result of the subsidiaries MGMF Limburg sa and West-Logistics sa for the period as from 1 July 2011 to 27 October 2011. Through the merger by absorption with the property investment fund, which took place on 27 October 2011, the operating results can be distributed from this date.

In 2011, the **operating distributable result** of Intervest Offices & Warehouses amounts to € 21,7 million (€ 28,0 million). Given the 13.907.267 shares and after the adjustment of the dividend for the change of the valuation rule, this represents for financial year 2011 a gross dividend of € 1,73 per share compared to € 1,83 in 2010. This is a decrease of the dividend of 5 % per share. This **gross dividend** offers the shareholders of the property investment fund a gross dividend yield of 9,5 % based on the closing price of the share on 31 December 2011.

Press release

Annual result

2011



Consolidated balance sheet

in thousands €	31.12.2011	31.12.2010 ^π
ASSETS		
Non-current assets	581.672	526.959
Current assets	12.462	5.644
Total assets	594.134	532.603
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	284.018	288.869
Share capital	126.729	126.729
Share premium	60.833	60.833
Reserves	78.398	81.289
Net result of financial year	18.018	19.977
Minority interest	40	41
Non-current liabilities	264.426	177.239
Current liabilities	45.690	66.495
Total shareholders' equity and liabilities	594.134	532.603

Balance sheet data per share	31.12.2011	31.12.2010 ^π
Number of shares entitled to dividend	13.907.267	13.907.267
Net asset value (fair value) (€)	20,42	20,77
Net asset value (investment value) (€)	21,37	21,75
Share price on closing date (€)	18,15	23,49
Premium (+) / discount (-) to net asset value (fair value) (%)	-11 %	13 %
Debt ratio (max. 65 %) (%)	49,9 %	43,0 %

Press release

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2011



Assets

The fair value of the investment portfolio amounts to € 581 million on 31 December 2011.

Non-current assets consist mainly of the investment properties of Intervest Offices & Warehouses. In 2011, the fair value of the real estate portfolio increases by € 55 million and amounts to € 581 million on 31 December 2011 (€ 527 million on 31 December 2010). This increase in fair value comes mainly from the acquisition of three logistic sites with a total fair value of € 43 million (Huizingen, Houthalen and Oevel) and from the extension of the logistic site Herentals Logistics 2 through the new construction of warehouses, offices and a mezzanine, for already € 9 million.

Current assets amount to € 12 million and consist mainly of € 4 million in assets held for sale, being the semi-industrial building Eigenlo in Sint-Niklaas, of € 2 million in trade receivables, of € 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 is only 12 days.

Liabilities

The **shareholders' equity** of the property investment fund amounts to € 284 million. The **share capital** (€ 127 million) and the **share premium** (€ 61 million) are unchanged to previous year. The total number of shares entitled to dividend amounts to 13.907.267 units on 31 December 2011. The **reserves** amount to € 78 million (€ 81 million).

Non-current liabilities comprise mainly non-current financial liabilities for an amount of € 259 million (€ 175 million). These consist of € 185 million long-term bank financings of which the expiry date falls after 31 December 2012 and of the bond loan issued in June 2010 for an amount of € 74 million. Non-current liabilities also comprise the other non-current financial liabilities representing the negative market value of € 5 million of the cash flow hedges which the property investment fund has concluded to hedge the variable interest rates of the non-current financial debts.

Current liabilities amount to € 46 million (€ 66 million) and consist mainly of € 34 million current financial debts (short-term financings progressing each time), of € 3 million trade debts and of € 8 million accrued charges and deferred income.

On 31 December 2011, the **net asset value** (fair value) of the share is € 20,42. As the share price on 31 December 2011 of the Intervest Offices & Warehouses' share is € 18,15, the share is quoted on closing date with a discount of 11 % compared to the net asset value (fair value).

The **debt ratio** of the property investment fund increases on 31 December 2011 by 7 % compared to 31 December 2010 mainly as a result of the acquisition of three logistic sites (Huizingen, Houthalen and Oevel) and the extension of the logistic site Herentals Logistics 2 for a total amount of € 52 million, financed with borrowed capital. The debt ratio amounts to 49,9 % (calculated in accordance with the Royal Decree of 7 December 2010).

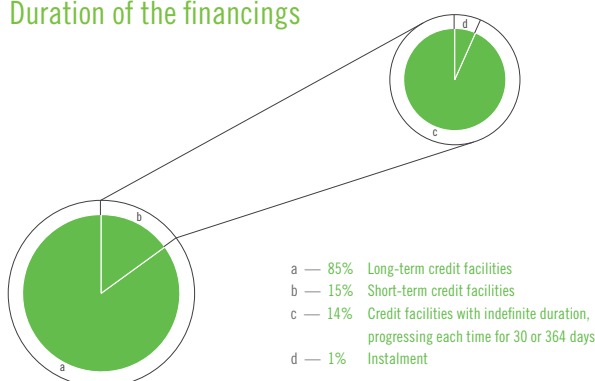
Financial structure

The most important characteristics of the financial structure of Intervest Offices & Warehouses at the end of 2011 are:

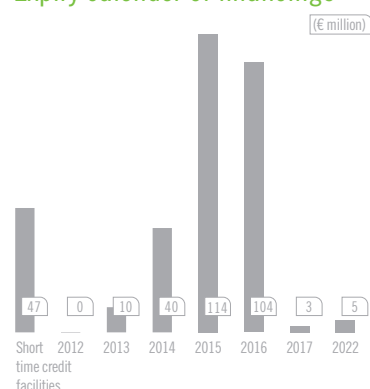
- ✓ amount of financial debts: € 293 million (excluding the market value of financial derivatives)
- ✓ 85 % long-term financings with an average remaining duration of 3,7 years
- ✓ spread of expiry dates of credit facilities between 2012 and 2022
- ✓ spread of credit facilities over 5 European financial institutions and bondholders
- ✓ € 31 million available non-withdrawn credit lines
- ✓ 60 % of the credit lines have a fixed interest rate, 40 % have a variable interest rate. 66 % of the withdrawn credit facilities have a fixed interest rate and 34 % a variable interest rate (situation on 2 January 2012)
- ✓ interest rates are fixed for a remaining average period of 4,0 years
- ✓ market value of financial derivatives: € 5 million negative
- ✓ average interest rate for 2011: 4,6 % including bank margins (4,0 % in 2010)
- ✓ debt ratio of 49,9 % (legal maximum: 65 %) (43,0 % on 31 December 2010)

In financial year 2011, the property investment fund has renegotiated with its bankers four long-term credit facilities for a total amount of € 130 million, which expired in 2011 and at the beginning of 2012. The new credit facilities, with existing and new bankers, have durations between 3 and 5 years and are concluded at conditions and covenants conform the market. The weighted average remaining duration of the long-term credit facilities is herewith 3,7 years on 31 December 2011.

Duration of the financings



Expiry calendar of financings



On 31 December 2011, the expiry calendar of the credit facilities, including the bond loan of € 75 million expiring on 29 June 2015, gives the above image. The first expiring credit facility of the property investment fund is only in December 2013 (€ 10 million) as a result of which Intervest Offices & Warehouses does not have to negotiate important refinancings of its credit facilities in the next two years.

In 2012 and 2013 Intervest Offices & Warehouses does not have to negotiate important refinancings of its credit facilities.

3. Forecast

Despite the current economic uncertainties, Interinvest Offices & Warehouses is confident regarding 2012.

On the one hand, the available spaces in the real estate portfolio of the property investment fund form a competitive position in their market segment and offer therefore an important capacity for new lettings. Also in these difficult market circumstances, Interinvest Offices & Warehouses remains a competitive partner in the market, having its own commercial team which has a thorough knowledge of the local market situation.

On the other hand, the property investment fund is optimistic regarding the termination of its lease contracts. The expiring lease contracts, which are most of the time linked to negotiations of rental conditions, are relatively limited (approximately 5 % of the rental income). Interinvest Offices & Warehouses expects that the majority of these contracts will be prolonged. In some cases rental incentives will be granted in order to extend the lease contracts. Where possible, the term of the contract will be prolonged by a six-year minimum duration. The property investment fund estimates to keep the current occupancy rate during 2012.

In 2012, Interinvest Offices & Warehouses will further profile itself as provider of turn-key housing solutions. This will be combined with purposeful initiatives regarding marketing and publicity.

In the field of sustainability, the “greening” will continuously be pursued and priority will be given to a program to optimize refrigerating systems.

Thanks to an active asset management and to the necessary flexibility, the operating management of Interinvest Offices & Warehouses achieves to respond to the expectations regarding the housing solutions of tenants and to guarantee herewith the continuity of the lease contracts.

On the level of financing Interinvest Offices & Warehouses is in a comfortable position. On short term there are hardly any refinancing obligations. The next credit facility of the property investment fund only expires in December 2013 (€ 10 million), so that the property investment fund does not have to negotiate important refinancings of its credit facilities within the coming two years.

In 2012, Interinvest Offices & Warehouses will be on the buyer's side in the investment market. When acquiring new properties the property investment fund might focus by preference on logistic real estate. Some of less strategic buildings might also be sold if the market circumstances allow so.

As a result of the change of the valuation rules of the property investment fund and because of current economic climate, Interinvest Offices & Warehouses has decided to modify the distribution policy of the dividend as from financial year 2012 (dividend to be paid in 2013). The distribution percentage will lie between 80 % and 100 % of the operating distributable result, in function of received indemnities for early termination of lease contracts and other compensations for rental damage.

The annual report for financial year 2011 will be available as from 23 March 2012 on the website of the company (www.intervestoffices.be).

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

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Jean-Paul Sols - CEO or Inge Tas - CFO, T + 32 3 287 67 87, www.intervestoffices.be

Financial statements¹⁰

Consolidated income statement

in thousands €	2011	2010 ¹¹
Rental income	38.587	41.068
Rental related expenses	-76	-94
NET RENTAL INCOME	38.511	40.974
Recovery of property charges	1.261	761
Recovery of charges and taxes normally payable by tenants on let properties	6.700	9.763
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-142	-72
Rental charges and taxes normally payable by tenants on let properties	-6.680	-9.760
Other rental related income and expenses	1.296	129
PROPERTY RESULT	40.946	41.795
Technical costs	-940	-514
Commercial costs	-263	-274
Charges and taxes on unlet properties	-1.404	-674
Property management costs	-2.184	-1.738
Other property charges	-354	-24
PROPERTY CHARGES	-5.145	-3.224
OPERATING PROPERTY RESULT	35.801	38.571
General costs	-1.274	-1.054
Other operating income and costs	30	5
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	34.557	37.522
Result on sales of investment properties	64	464
Changes in fair value of investment properties	2.294	-8.525
Other result on portfolio	-2.478	-614
OPERATING RESULT	34.437	28.847

¹⁰ The statutory auditor has confirmed that his full audit, which has been substantially completed, has not revealed material adjustments which would have to be made to the accounting information disclosed in this press release and that an unqualified auditor's report will be issued.

Press release

Annual result

2011



Consolidated income statement (continued)

in thousands €	2011	2010 ^π
OPERATING RESULT	34.437	28.847
Financial income	72	45
Net interest charges	-12.070	-9.543
Other financial charges	-20	-11
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-4.175	655
FINANCIAL RESULT	-16.193	-8.854
RESULT BEFORE TAXES	18.244	19.993
Taxes	-227	-17
NET RESULT	18.017	19.976
Note:		
Operating distributable result	21.707	27.996
Result on portfolio	-120	-8.675
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-4.175	655
Other non-distributable elements (subsidiaries)	605	0
Attributable to:		
Equity holders of the parent company	18.018	19.977
Minority interests	-1	-1
RESULT PER SHARE	2011	2010^π
Number of shares entitled to dividend	13.907.267	13.907.267
Net result(€)	1,30	1,44
Diluted net result(€)	1,30	1,44
Operating distributable result (€)	1,56	2,01

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Annual result

2011



Consolidated statement of comprehensive income

in thousands €	2011	2010 [†]
NET RESULT	18.017	19.976
Changes in the effective part of the fair value of the authorized hedging instruments for cash flow hedges	2.561	1.260
COMPREHENSIVE INCOME	20.578	21.236
Attributable to:		
Equity holders of the parent company	20.579	21.237
Minority interests	-1	-1

Press release

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2011



Consolidated balance sheet

ASSETS in thousands €	31.12.2011	31.12.2010 ^T
Non-current assets	581.672	526.959
Intangible assets	37	47
Investment properties	581.305	526.680
Other tangible assets	316	218
Trade receivables and other non-current assets	14	14
Current assets	12.462	5.644
Assets held for sale	4.005	0
Trade receivables	1.687	1.726
Tax receivables and other current assets	4.520	1.943
Cash and cash equivalents	407	816
Deferred charges and accrued income	1.843	1.159
TOTAL ASSETS	594.134	532.603

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Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	31.12.2011	31.12.2010 ^T
Shareholders' equity	284.018	288.869
Shareholders' equity attributable to the shareholders of the parent company	283.978	288.828
Share capital	126.729	126.729
Share premium	60.833	60.833
Reserves	78.398	81.289
Net result of financial year	18.018	19.977
Minority interests	40	41
Liabilities	310.116	243.734
Non-current liabilities	264.426	177.239
Provisions	0	990
Non-current financial debts	259.143	175.407
<i>Credit institutions</i>	<i>184.650</i>	<i>101.070</i>
<i>Bond loan</i>	<i>74.475</i>	<i>74.325</i>
<i>Financial lease</i>	<i>18</i>	<i>12</i>
Other non-current financial liabilities	4.685	252
Other non-current liabilities	598	590
Current liabilities	45.690	66.495
Provisions	172	426
Current financial debts	34.018	50.606
<i>Credit institutions</i>	<i>34.012</i>	<i>50.600</i>
<i>Financial lease</i>	<i>6</i>	<i>6</i>
Other current financial liabilities	0	2.819
Trade debts and other current debts	2.641	2.110
Other current liabilities	399	476
Accrued charges and deferred income	8.460	10.058
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	594.134	532.603

Statement of changes in consolidated equity

Press release
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in thousands €	Share capital	Share premium	Reserves ¹¹	Net result of financial year	Minority interests	Total shareholders' equity
Balance at 31 December 2009	126.729	60.833	112.523	-2.597	45	297.533
Comprehensive income of 2010			1.260	17.432	-1	18.691
Transfer through result allocation 2009:						
Transfer from result on portfolio to reserves			-32.270	32.270		0
Transfer of changes in fair value of financial assets and liabilities			-240	240		0
Other mutations			16	-13	-3	0
Dividend financial year 2009				-29.900		-29.900
Balance at 31 December 2010	126.729	60.833	81.289	17.432	41	286.324
Change valuation rule ^π				2.545		2.545
Balance at 31 December 2010^π	126.729	60.833	81.289	19.977	41	288.869
Comprehensive income of 2011			2.561	18.018	-1	20.578
Transfer through result allocation 2010:						
Transfer from result on portfolio to reserves			-8.675	8.675		0
Transfer of changes in fair value of financial assets and liabilities			655	-655		0
Other mutations			23	-2		21
Transfer of additional result 2010 due to change in valuation rules to accumulated results			2.545	-2.545		0
Dividend financial year 2010				-25.450		-25.450
Balance at 31 December 2011	126.729	60.833	78.398	18.018	40	284.018

¹¹ A split of the reserves is shown on next page.

Split of reserves

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in thousands €	Legal reserves	Reserve for the balance of the change in fair value of real estate		Reserve for the balance of the changes in fair value of authorized hedging instruments subjected to hedge accounting	Reserve for the balance of the changes in fair value of authorized hedging instruments which are not subjected to hedge accounting	Other reserves	Accumulated result of previous financial year	Total reserves
		Reserve for the balance of the changes of the investment value of real estate	Reserve for the impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties.					
Balance at 31 December 2009	90	126.864	-13.606	-4.746	0	650	3.271	112.523
Comprehensive income of 2010				1.260				1.260
Transfer through result allocation 2009:								
Transfer from result on portfolio to reserves		-32.270						-32.270
Transfer of changes in fair value of financial assets and liabilities					-240			-240
Other mutations							16	16
Balance at 31 December 2010	90	94.594	-13.606	-3.486	-240	650	3.287	81.289
Comprehensive income of 2011				2.561				2.561
Transfer through result allocation 2010:								
Transfer from result on portfolio to reserves		-8.675						-8.675
Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties		-193	193					0
Transfer of changes in fair value of financial assets and liabilities					655			655
Other mutations		-142	165					23
Transfer of additional result 2010 due to change in valuation rules to accumulated results							2.545	2.545
Balance at 31 December 2011	90	85.584	-13.248	-925	415	650	5.832	78.398