

Interim statement

by the board of directors
for the first quarter of 2012



ANTWERP, 7 MAY 2012

Improved operating distributable result per share:

€ 0,48 (+ 35 %)

Slight increase in fair value of the real estate portfolio

96 % of the space previously occupied by Tibotec-Virco has again been rented

1. Operational activities for the first quarter of 2012

Operating result

The operating distributable result of Interinvest Offices & Warehouses has increased to € 6,6 million in the first quarter of 2012, an increase of 35 % compared to the first quarter of 2011 (€ 4,9 million)¹. This result derives primarily from the increase in rental income from the acquisitions and leases achieved in 2011, from stable property charges and from reduced borrowing costs of the property investment fund as new interest rate swaps at lower interest rates take effect. The average interest rate of the real estate investment fund for the first quarter of 2012 is approximately 3,7 %, including bank margins, compared with 4,9 % in the same period of 2011 (4,6 % for financial year 2011).

This means that there is an operating distributable result for the first quarter of 2012 of € 0,48 per share, compared to € 0,35^π in the first quarter of 2011. This is an increase of 20 % in comparison to the fourth quarter of 2011, when € 0,40 per share was achieved.



3T Estate - Vilvorde - 8.757 m²

¹ Comparative figures for the first quarter of 2011 have been adjusted in line with the amended valuation rule for compensation received as a result of early termination of lease contracts, as described in the 2011 Annual Report and in the press release on the annual results dated 14 February 2012. The effect on the comparative figures for the first quarter of 2011 is a reduction of rental income and, as a result, a reduction of the net result and distributable operating result of the property investment fund, amounting to € 184.000, in comparison with the published figures for the first quarter of 2011 (see press release Interim statement by the board of directors for the first quarter of 2011 dated 26 April 2011). To improve the readability of this press release, it has been decided to place the symbol ^π next to all comparative figures for financial year 2011 that have been adjusted with respect to the amended valuation rule and that appear in the published press release.

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Rental activities

In March 2012, property investment fund Intervest Offices & Warehouses has concluded two additional leases with the biotechnology company Biocartis for 1.254 m² of office space and 1.415 m² of laboratory space in Intercity Business Park in Malines. The two lease contracts have a fixed term of 15 years, with a termination option after 9 years. This further expansion of Biocartis' leasing commitments represents an annual gross rental income of approximately € 420.000². With a total surface of 6.639 m² of offices and laboratories, under long-term lease, Biocartis is now the largest tenant of Intervest Offices & Warehouses at Intercity Business Park. As a result of this lease transaction, Intervest Offices & Warehouses has included a portion of the compensation received in 2010 from Tibotec-Virco as profit, in the amount of € 0,5 million for the first quarter of 2012.

A lease contract has also been concluded in the first quarter of 2012 with Verhaeren & Co (road construction) for a surface area of 2.149 m² of office and storage space in Mechelen Campus (building F, formerly leased by Tibotec-Virco). The lease contract has a duration of 9 years, with an option to terminate after 6 years.

As a result of the above-mentioned transactions with Biocartis and Verhaeren & Co, 96 % of the space previously leased by Tibotec-Virco has been re-leased as on 31 March 2012 to tenants within or outside the existing portfolio of Intervest Offices & Warehouses (being 18.725 m² out of a total of 19.526 m²).

Other important rental transactions in the first quarter of 2012 concern the agreement with Galy Sport for 1.482 m² of office and storage space in the Berchem Technology Center building in Berchem-Sainte-Agathe and the agreement with Tempo Team for 636 m² of office space in Vilvoorde 3T Estate, building A.

At 31 March 2012, the occupancy rate³ of Intervest Offices & Warehouses NV was 86 %, remaining unchanged in comparison to 31 December 2011:

- ✓ The occupancy rate of the office portfolio amounts to 84 %, which is stable relative to 31 December 2011. In terms of absolute figures, there is even a slight increase amounting to € 0,5 million in annual rental payments, as a result of the expanded occupancy of Biocartis in Malines.
- ✓ Occupancy in the logistics portfolio is 88 %, a slight decrease compared to the situation at 31 December 2011, when the occupancy rate was 91 %. This decrease is mainly due to the departure of the tenant Distri-Log from the building located on the Stocletlaan in Duffel.

² For the period February 2012 to November 2013 / October 2014, half of the net rental income from these lease contracts will be shared with Tibotec-Virco, in keeping with the 2010 agreement regarding retrocession of rental income (see press release dated 3 June 2010).

³ 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 and the rental income of already signed lease contracts regarding locations which are contractually vacant on balance sheet date.

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Evolution of the investment properties

Real estate patrimony	31.3.2012	31.12.2011	31.3.2011
Fair value of investment properties (€ 000)	583.294	581.305	534.194
Investment value of investment properties (€ 000)	597.958	595.919	547.631
Occupancy rate (%)	86 %	86 %	82 %
Total leasable space (m ²)	627.096	627.096	553.221

The fair value of the investment properties of Intervest Offices & Warehouses amounts to € 583 million at 31 March 2012, compared to € 581 million at 31 December 2011. This increase in fair value of € 2 million is mainly due to the increase in the value of the logistics portfolio as a result of a new contract for solar panels on the Duffel Stocletlaan building and a prolongation of the lease contract for 9 years for a building in Aartselaar, Dijkstraat.



Berchem Technology Center - Berchem-Sainte-Agathe
Storage hall 3.703 m² - Offices 2.760 m²

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2. Financial results

Consolidated income statement

in thousands €	31.3.2012	31.3.2011 ^π
Rental income	10.348	8.819
Rental related expenses	-83	-34
Property management costs and income	595	398
Property result	10.860	9.183
Property charges	-1.176	-1.195
General costs and other operating income and costs	-379	-291
Operating result before result on portfolio	9.305	7.697
Changes in fair value of investment properties	1.550	-461
Other result on portfolio	-131	6
Operating result	10.724	7.242
Financial result (excl. change in fair value - IAS 39)	-2.671	-2.770
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-854	1.561
Taxes	-4	-5
NET RESULT	7.195	6.028
Note:		
Operating distributable result	6.630	4.922
Result on portfolio	1.419	-455
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-854	1.561

Result per share	31.3.2012	31.3.2011 ^π
Number of shares entitled to dividend	13.907.267	13.907.267
Net result (€)	0,52	0,43
Operating distributable result (€)	0,48	0,35

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Commentary on the figures⁴

The **rental income** of Intervest Offices & Warehouses has increased by € 1,5 million to € 10,3 million (€ 8,8 million) in the first quarter of 2012, mainly as a result of acquisitions and leases achieved in 2011.

Property management costs and income shows a return of € 0,6 million (€ 0,4 million) in the first quarter of 2012 and includes compensations (received from Tibotec-Virco) received for rental charges following the additional rentals to Biocartis in Intercity Business Park, as well as refurbishment fees received.

Property charges amount to € 1,2 million for the first quarter of 2012, thus maintaining the level of the same period in 2011 (€ 1,2 million).

In the first quarter of 2012, **general costs and other operating income and costs** of the investment fund are € 0,4 million, a slight increase compared to the first quarter of 2011, mainly due to expansion of the workforce.

The increase in rental income and of the property management income ensures that the **operating result before result on portfolio** increases by 21 %, or € 1,6 million, to € 9,3 million (€ 7,7 million).

Changes in fair value of investment properties are positive in the first quarter of 2012 in the amount of € 1,6 million (- € 0,5 million), mainly due to the increase in the value of the logistics portfolio as a result of a new contract for solar panels on the Duffel Stocletlaan building and a prolongation of the lease contract for 9 years for a building in Aartselaar, Dijkstraat.

The **financial result (excl. change in fair value - IAS 39)** for the first quarter of 2012 amounts to - € 2,7 million (- € 2,8 million). This slight decrease is caused, on the one hand, by the introduction of new interest rate swaps at lower interest rates, and on the other hand, is partly offset by the increased use of credit facilities as a result of real estate acquisitions made in 2011 (for an amount of approximately € 52 million). The average interest rate for the property investment fund for the first quarter of 2012 is approximately 3,7 %, including bank margins (4,9 %).

As at 31 March 2012, 85 % of the credit lines are **long-term financings**, with an average remaining term of 3,5 years. 15 % of the credit lines are short-term financings with unlimited duration progressing each time for 364 or 30 days. The next date of maturity for a credit facility of the property investment fund is only in December 2013 (€ 10 million), which means that Intervest Offices & Warehouses does not need to carry out any major refinancing of its credit portfolio in 2012 and 2013.

At 31 March 2012, 66 % of the utilised credit lines had a fixed interest rate, or the rate is fixed by means of interest rate swaps. The interest rates on the credit facilities of the property investment fund remain fixed for a remaining average duration of 3,8 years.

The **changes in fair value of financial assets and liabilities (non-effective hedges - IAS 39)** include the decrease in market value of interest rate swaps that, in line with IAS 39, cannot be classified as cash flow hedging instruments, in the amount of - € 0,9 million (€ 1,6 million).

⁴ Comparative first quarter 2011 figures, adjusted in line with the amended valuation rule for compensation received as a result of early termination of rental contracts, are shown in brackets.

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The **net result** of property investment fund Interinvest Offices & Warehouses for the first quarter of 2012 amounts to € 7,2 million (€ 6,0 million) and may be divided into:

- ✓ the **operating distributable result** of € 6,6 million (€ 4,9 million), an increase of € 1,7 million or 35 %. This result is derived primarily from an increase in the rental income of the property investment fund.
- ✓ the **result on portfolio** of € 1,4 million (- € 0,5 million) includes the increase in value of the real estate portfolio.
- ✓ **changes in fair value of financial assets and liabilities (non-effective hedges - IAS 39)** in the amount of - € 0,9 million (€ 1,6 million).

This results in an **operating distributable result** of € 0,48 per share (€ 0,35) for the first quarter of 2012.

The **debt ratio** of the property investment fund is 48,1 % at 31 March 2012, a decrease of 1,8 % compared to 31 December 2011 (49,9 %).



Herentals Logistics 2 - Herentals -
Storage hall 40.540 m² + 8.248 m² (mezzanine)
Offices 2.206 m²

Balance sheet data per share	31.3.2012	31.12.2011
Number of shares entitled to dividend	13.907.267	13.907.267
Net asset value (fair value) (€)	20,94	20,42
Net asset value (investment value) (€)	21,89	21,37
Share price on closing date (€)	20,40	18,15
Discount to net asset value (fair value) (%)	- 3 %	- 11 %
Debt ratio (max. 65 %) (%)	48,1 %	49,9 %

On 31 March 2012, the **net asset value** (fair value) of the share is € 20,94 (€ 20,42 at 31 December 2011). As the share price at 31 March 2012 is € 20,40, this means that the share is listed at the end of the first quarter of 2012 at a discount of 3 % compared to the net asset value (fair value).

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3. Optional dividend

The board of directors of Intervest Offices & Warehouses has decided to offer the property fund's shareholders a choice between receiving the dividend for 2011, in the form of either new ordinary shares, cash or a combination of these two payment methods. The terms of the optional dividend have been published in the press release dated 26 April 2012 and can be found on the website at www.intervestoffices.be.



Mechelen Campus - Malines - 60.768 m²

4. Forecast

Despite the current economic uncertainties, Intervest Offices & Warehouses looks forward to the rest of 2012 with confidence.

Rental transactions with Biocartis and Verhaeren & Co show that Intervest Offices & Warehouses can achieve significant rental transactions, despite the competitive nature of the market. In particular, it should be noted that the fund succeeded in re-leasing practically all of premises formerly used by Tibotec-Virco at current market terms - in less than 18 months.

In addition, the property investment fund is optimistic regarding the expiry of current rental contracts. A number of agreements were already extended in the first quarter 2012. In forthcoming quarters, particular attention will be paid to the extension of rental agreements with optional or final termination dates in 2012 and 2013. The fund, accordingly, expects continuation of the 86 % occupancy rate.

As a result of the amended valuation rules of the property investment fund and due to the current economic climate, Intervest Offices & Warehouses has decided to adjust its dividend distribution policy with effect from financial year 2012 (i.e. dividend payable in 2013), so that the pay-out ratio will be between 80 % and 100 % of the operating distributable profit, depending on the compensation received for early termination of rental contracts and other compensation for rental damages.

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

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Annexe



Financial statements

Consolidated income statement

in thousands €	31.3.2012	31.3.2011 [†]
Rental income	10.348	8.819
Rental related expenses	-83	-34
NET RENTAL INCOME	10.265	8.785
Recovery of property charges	554	427
Recovery of charges and taxes normally payable by tenants on let properties	2.224	1.662
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-113	-31
Rental charges and taxes normally payable by tenants on let properties	-2.226	-1.664
Other rental related income and expenses	156	4
PROPERTY RESULT	10.860	9.183
Technical costs	-183	-342
Commercial costs	-32	-47
Charges and taxes on unlet properties	-376	-214
Property management costs	-510	-511
Other property charges	-75	-81
PROPERTY CHARGES	-1.176	-1.195
OPERATING PROPERTY RESULT	9.684	7.988
General costs	-393	-296
Other operating income and costs	14	5
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	9.305	7.697
Changes in fair value of investment properties	1.550	-461
Other result on portfolio	-131	6
OPERATING RESULT	10.724	7.242

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Consolidated income statement (continued)

in thousands €	31.3.2012	31.3.2011 ¹
OPERATING RESULT	10.724	7.242
Financial income	5	25
Net interest charges	-2.670	-2.790
Other financial charges	-6	-5
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-854	1.561
FINANCIAL RESULT	-3.525	-1.209
RESULT BEFORE TAXES	7.199	6.033
Taxes	-4	-5
NET RESULT	7.195	6.028
Attributable to:		
Equity holders of the parent company	7.195	6.028
Minority interests	0	0
Note:		
Operating distributable result	6.630	4.922
Result on portfolio	1.419	-455
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-854	1.561
Result per share	31.3.2012	31.3.2011¹
Number of shares entitled to dividend	13.907.267	13.907.267
Net result (€)	0,52	0,43
Diluted net result (€)	0,52	0,43
Operating distributable result (€)	0,48	0,35

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Consolidated statement of comprehensive income

in thousands €	31.3.2012	31.3.2011 ^π
NET RESULT	7.195	6.028
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	-28	1.591
COMPREHENSIVE INCOME	7.167	7.619
Attributable to:		
Equity holders of the parent company	7.167	7.619
Minority interests	0	0

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Consolidated balance sheet

ASSETS in thousands €	31.3.2012	31.12.2011
Non-current assets	583.626	581.672
Intangible assets	31	37
Investment properties	583.294	581.305
Other tangible assets	286	316
Trade receivables and other non-current assets	15	14
Current assets	9.545	12.462
Assets held for sale	0	4.005
Trade receivables	2.875	1.687
Tax receivables and other current assets	3.207	4.520
Cash and cash equivalents	1.398	407
Deferred charges and accrued income	2.065	1.843
TOTAL ASSETS	593.171	594.134

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Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	31.3.2012	31.12.2011
Shareholders' equity	291.185	284.018
Shareholders' equity attributable to the shareholders of the parent company	291.145	283.978
Share capital	126.729	126.729
Share premium	60.833	60.833
Reserves	78.370	78.398
Net result of financial year 2011	18.018	18.018
Net result of financial year - first quarter 2012	7.195	0
Minority interests	40	40
Liabilities	301.986	310.116
Non-current liabilities	250.459	264.426
Non-current financial debts	244.395	259.143
<i>Credit institutions</i>	169.867	184.650
<i>Bond loan</i>	74.512	74.475
<i>Financial lease</i>	16	18
Other non-current financial liabilities	5.567	4.685
Other non-current liabilities	497	598
Current liabilities	51.527	45.690
Provisions	172	172
Current financial debts	38.018	34.018
<i>Credit institutions</i>	38.012	34.012
<i>Financial lease</i>	6	6
Trade debts and other current debts	2.303	2.641
Other current liabilities	276	399
Accrued charges and deferred income	10.758	8.460
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	593.171	594.134