

Interim statement

on the third quarter of 2012
of the board of directors for the
period 01.07.2012 to 30.09.2012



ANTWERP, 26 OCTOBER 2012

Increase of operating distributable result: 16 % for the first nine months of 2012¹; 10 % in the third quarter of 2012²

Slight decrease in fair value of the real estate portfolio: - 0,1 % for the first nine months of 2012³

Expected gross dividend for financial year 2012: between € 1,73 and € 1,78 per share (€ 1,73 for financial year 2011)

Lease contract with PwC in Woluwe Garden prolonged for 9 years till end 2021 (approximately 10 % of the rental income of the property investment fund)

Planned redevelopment of two logistics sites in 2013 for a total investment amount of approximately € 7 million for tenants Estée Lauder, UTi Belgium and Peugeot

¹ Compared to the first nine months of 2011.
² Compared to the third quarter of 2011.

³ Based on an unchanged composition of the real estate portfolio compared to 31 December 2011.

1. Operational activities for the third quarter of 2012

Prolongation of the lease contract with PwC till end 2021

Interinvest Offices & Warehouses has prolonged in October 2012 the lease contract with its largest tenant PwC for the office building Woluwe Garden, located in Sint-Stevens-Woluwe. The lease contract, for a space of 21.272 m², has been concluded for a fixed period of 9 years from 1 January 2013 till 31 December 2021. This tenant currently represents approximately 10 % of the rental income of the property investment fund.

This lease contract ensures a long term future rental income to the property investment fund in the very competitive Brussels office area Diegem-Zaventem where vacancy reaches summits of 20 % and more. As a result of this prolongation, the annual rental income of the property investment fund will decrease by approximately € 1,2 million or € 0,09 per share as from the financial year 2013.

As this prolongation is a post-balance sheet event, the effect on the fair value of investment properties is not yet recorded in the figures as at 30 September 2012. The property investment fund estimates that the fair value of this building will decrease in the fourth quarter of 2012 by € 10 to € 12 million, resulting in € 0,70 to € 0,85 per share on the net asset value (fair value).



Planned redevelopment of two logistic sites in 2013

In the third quarter of 2012 Intervest Offices & Warehouses put further steps forwards to the extension and improvement of its logistic real estate portfolio:

✓ **Agreement with Estée Lauder and UTi Belgium for the extension of the logistic site in Oevel**

The property investment fund concluded an agreement in July 2012 with Estée Lauder as well as with its logistic service provider UTi Belgium to further extend the logistic site in Oevel. An additional logistic building of 5.036 m² with parking spaces will be built between the two existing buildings. This site will be leased by UTi Belgium as from the third quarter of 2013 till 31 December 2023.

The total estimated budget for the extension amounts to € 3,3 to € 3,8 million. This transaction will generate for the property investment fund as from the third quarter of 2013 an additional annual rental income of approxi-

mately € 0,3 million. The financing of this investment will be funded from the existing credit lines of the property investment fund.

Simultaneously the existing lease contracts for the warehouses are prolonged with Estée Lauder as well as UTi Belgium till 31 December 2023, being a prolongation of respectively 4,5 and 6 years of the existing lease contracts. This prolongation of the lease contracts leads in the third quarter of 2012 to an increase in fair value of this logistic site by € 3,1 million.



✓ **Redevelopment of a part of the logistic site
Neerland 1 in Wilrijk**

In July 2012 the property investment fund obtained an agreement in principle with French car builder Peugeot (group PSA) for the renovation/conversion to a showroom and a workshop of the front part of the logistic building Neerland 1 in Wilrijk (located Boomsesteenweg next to IKEA), and this for the replacement of the current branch of Peugeot Antwerpen, located Karel Oomsstraat in Antwerp.

The transaction includes a built-up surface area of approximately 5.000 m² on a ground area of nearly 11.000 m² (including parking spaces). The other part of the building (the rear) and the building Neerland 2 maintain their logistic activities.

In this framework the property investment fund will conclude an operational lease for 15 years with Peugeot, whereby the latter will have a purchase option at market value at the end of the contract.

The total estimated budget for the renovation/conversion amounts approximately to € 3,3 million. The transaction will generate for the property investment fund as from the fourth quarter of 2013 an annual rental income of approximately € 0,6 million. The financing of this investment will be funded from the existing credit lines of the property investment fund.

The agreement is concluded under the suspending condition of obtaining the necessary permits.



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Investment properties

On 30 September 2012, the total **occupancy rate** of the real estate portfolio of Intervest Offices & Warehouses amounts to 85 % (86 % at 30 June 2012):

- ✓ the occupancy rate of the office portfolio remains unchanged at 85 % compared to 30 June 2012
- ✓ compared to 30 June 2012, the occupancy rate of the logistic portfolio decreases by 3 %, from 88 % to 85 %. This decrease is due mainly to the departure of the tenant of Merchtem Cargo Center.

In the third quarter of 2012, the **fair value of investment properties** of Intervest Offices & Warehouses has decreased by € 1 million compared to the fair value on 30 June 2012 and amounts on 30 September 2012 to € 594 million (€ 595 million on 30 June 2012). This evolution of the real estate properties in the third quarter of 2012 results from:

- ✓ the decrease in fair value of the office portfolio by € 2,7 million or 0,7 %, mainly through the adjustment of the estimated rental values for the offices in the Brussels periphery
- ✓ the sale of a non-strategic logistic building located Kaaïen 218-220 in Antwerp, with a fair value of € 1,1 million or 0,2 % of the real estate portfolio
- ✓ the increase in fair value of the logistic portfolio by € 2,9 million or 1,3 %, mainly through the prolongation of the lease contracts with Estée Lauder as well as UTi Belgium on the site in Oevel till 31 December 2023.

INVESTMENT PROPERTIES	30.09.2012	30.06.2012	31.12.2011	30.09.2011
Fair value of investment properties (€ 000)	593.980	594.824	581.305	578.696
Investment value of investment properties (€ 000)	608.829	609.773	595.919	593.245
Occupancy rate ⁴ (%)	85 %	86 %	86 %	84 %
Total leasable space (m ²)	638.720	638.720	627.096	609.475

⁴ 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.

2. Financial results

2.1. Cumulative figures for the first nine months of 2012

RESULTS in thousands €	30.09.2012	30.09.2011
Operating distributable result	18.574	16.079
Result on portfolio	-991	3.386
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-2.938	-3.185
Other non-distributable elements (subsidiaries)	0	468
Net result	14.645	16.748
Result per share		
Number of shares entitled to dividend	14.199.858	13.907.267
Net result (€)	1,03	1,20
Operating distributable result (€)	1,31	1,16

The **operating distributable result** of Intervest Offices & Warehouses has increased in the first nine months of 2012 by 16 % or € 2,5 million to € 18,6 million (€ 16,1 million for the first nine months of 2011).

This improved result comes mainly from:

- ✓ the increase in rental income as a result of acquisitions and lettings achieved in 2011 and 2012, partly offset by the lower amount of compensations received for the early termination of lease contracts (exceptionally high in the financial year 2011 due to the departure of Tibotec-Virco in Malines)
- ✓ the decrease of property charges through lower vacancy costs
- ✓ the decrease of financing costs of the property investment fund as new interest rate swaps at lower interest rates have taken effect, as well as the further reduction of the interest rates on the financial market. The average interest rate of the property investment fund for the first nine months of 2012 amounts to approximately 3,8 %, including bank margins, compared to 4,7 % for the same period of 2011 (4,6 % for financial year 2011).

This means that the **operating distributable result per share** for the first nine months of 2012 amounts to € 1,31 compared to € 1,16 for the same period of previous year. In 2011 however, an increase of the operating distributable result of € 0,17 per share has occurred due to the amended valuation rule for early terminated lease contracts.

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For the financial year 2012, this amended valuation rule still has a limited positive effect of € 0,01 per share. After adaption of the operating distributable result as shown in the statutory annual accounts of the property investment fund, this means for the first nine months of 2012 an **operating distributable result per share** of € 1,32 compared to € 1,33 for the same period of 2011.

OPERATING DISTRIBUTABLE RESULT in thousands €	30.09.2012	30.09.2011
Operating distributable result	18.574	16.079
Adjustment through the amended valuation rule	180	2.361
Adjusted operating distributable result	18.754	18.440
Per share		
Number of shares entitled to dividend	14.199.858	13.907.267
Operating distributable result (€)	1,31	1,16
Adjustment through the amended valuation rule (€)	0,01	0,17
Adjusted operating distributable result (€)	1,32	1,33

The **fair value of the real estate portfolio** of the property investment fund has increased by € 13 million in the first nine months of 2012 and amounts on 30 September 2012 to € 594 million (€ 581 million on 31 December 2011). This increase in fair value is the combined effect of:

- ✓ on the one hand, the increase in fair value of the **logistic portfolio** by € 15,4 million or 7,3 % compared to the fair value on 31 December 2011, through mainly:
 - the acquisition of a second distribution center in Oevel for € 8,0 million
 - the prolongation of lease contracts with Estée Lauder as well as UTi Belgium on the site in Oevel till 31 December 2023
 - the sale of a non-strategic logistic building located Kaaïen 218-220 in Anwerp, with a fair value of € 1,1 million
 - the delivery of a second office bloc and annex in Herentals Logistics 2
 - the renovation works carried out in Herentals Logistics 1
 - the contract for solar panels on the building Duffel Stocletlaan
- ✓ on the other hand, the decrease in fair value of the **office portfolio** by € 2,7 million or 0,7 % compared to the fair value on 31 December 2011, as a result mainly of the adjustment of the estimated rental values for the offices in the Brussels periphery, partly compensated by the increase in value of Intercity Business Park in Malines through additional lettings to Biocartis.

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KEY FIGURES PER SHARE	30.09.2012	31.12.2011	30.09.2011
Number of shares entitled to dividend	14.199.858	13.907.267	13.907.267
Net asset value (fair value) (€)	19,70	20,42	20,31
Net asset value (investment value) (€)	20,73	21,37	21,28
Share price on closing date (€)	17,55	18,15	19,51
Discount to net asset value (fair value) (%)	-11 %	-11 %	-4 %

On 30 September 2012, the **net asset value (fair value)** of the share is € 19,70. As the share price of Intervest Offices & Warehouses (INTO) on 30 September 2012 is € 17,55, the share is listed at a discount of 11 % compared to the net asset value (fair value).

The **debt ratio**⁵ of the property investment fund amounts on 30 September 2012 to 51,2 % compared to 52,1 % on 30 June 2012 (calculated in accordance with the Royal Decree of 7 December 2010).

On 30 September 2012, 85 % of the available **credit lines** of the property investment fund are long-term financings, with an average remaining period of 3,0 years. 15 % of the available credit lines are short-term financings, of which 14 % consists of financings with unlimited duration progressing each time for 364 or 30 days and 1 % being an instalment on an investment credit facility. The next maturity

date of a credit facility of the property investment fund is only in December 2013 (€ 10 million), which means that the property investment fund currently does not need to carry out any major refinancing of its credit portfolio.

On 30 September 2012, Intervest Offices & Warehouses has € 28 million non-withdrawn credit lines at financial institutions for counterbalancing the fluctuations in liquidity needs of the property investment fund.

On 30 September 2012, 63 % of the withdrawn credit lines have a fixed interest or are fixed by interest rate swaps. The interest rates of the credit facilities of the property investment fund are fixed for a remaining period of 3,3 years in average.



⁵ For the further explanation regarding the evolution of the debt ratio is referred to point 1.7 "Financial structure" of the half-yearly report on 30 June 2012.

2.2. Results of the third quarter 2012

RESULTS in thousands €	01.07 - 30.09 2012	01.07 - 30.09 2011
Rental income	10.294	9.866
Rental related expenses	-30	3
Property management costs and income	-64	846
Property result	10.200	10.715
Property charges	-1.154	-1.333
General costs and other operating costs and income	-402	-279
Operating property result before result on portfolio	8.644	9.103
Result on disposals of investment properties	140	0
Changes in fair value of investment properties	-318	-498
Other result on portfolio	-335	-195
Operating result	8.131	8.410
Financial result (excl. changes in fair value - IAS 39)	-2.850	-3.260
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-993	-3.128
Taxes	-18	-132
NET RESULT	4.270	1.890
Note:		
Operating distributable result	5.776	5.243
Result on portfolio	-513	-693
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-993	-3.128
Other non-distributable elements (subsidiaries)	0	468

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Analysis of the results of the third quarter of 2012⁶

For the third quarter of 2012, the **rental income** of Intervest Offices & Warehouses increases by € 0,4 million to € 10,3 million (€ 9,9 million) as a result mainly of the acquisition of the second distribution center in Oevel in May 2012 and the letting to Nike as from September 2011 in Herentals Logistics 2.

The **property management costs and income** are € 0,9 million lower in the third quarter of 2012 compared to the third quarter of 2011 (an income of € 0,8 million). This item included in 2011 the profit taking of compensations for rental charges (received from Tibotec-Virco) and of received refurbishment fees.

For the third quarter of 2012, the **property charges** amount to € 1,2 million (€ 1,3 million). This decrease by approximately € 0,2 million comes mainly from lower vacancy costs through the renovation of Herentals Logistics 1, partly compensated by the increase of the costs for maintenance and repair for roof renovations.

The **general costs** amount to € 0,4 million (€ 0,3 million) in the third quarter of 2012 through increased costs for personnel and advice.

In the third quarter of 2012 the **changes in fair value of investment properties** are limited to - € 0,3 million (- € 0,5 million).



The **financial result (excl. change in fair value - IAS 39)** amounts to - € 2,8 million (- € 3,3 million). Despite higher credit facility withdrawals resulting from real estate acquisitions realised in 2011 and 2012 the net interest charges of the property investment fund decrease by € 0,4 million due to new interest rate swaps at lower interest rates as well as to the further decrease of the interest rates on the financial market. The average interest rate for the property investment fund for the third quarter of 2012 is approximately 3,7 %, including bank margins (4,5 %).

The **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** include the changes 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 - € 1,0 million (- € 3,1 million).

⁶ Between brackets comparable figures of the third quarter 2011 (01.07.2011 - 30.09.2011).

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The **operating distributable result** for the third quarter of 2012 amounts to € 5,8 million (€ 5,2 million) or an increase by approximately € 0,5 million or 10 %. This result is derived primarily from an increase in rental income of the property investment fund following acquisitions and lettings realised in 2011 and 2012, from a decrease of property charges and from lower financing costs of the property investment fund.

This generates per share for the third quarter of 2012 an **operating distributable result** of € 0,41 (€ 0,38).

3. Forecast for 2012

Except for unexpected evolutions, such as important bankruptcies of tenants or unforeseen increases of interest rates, Intervest Offices & Warehouses estimates to be able to propose its shareholders a gross dividend per share between € 1,73 and € 1,78 (€ 1,73 for the financial year 2011). This represents a gross dividend yield between 9,8 % and 10,1 %, based on the closing share price on 30 September 2012 (€ 17,55).



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

INTERVEST OFFICES & WAREHOUSES SA, a public property investment fund under Belgian law,
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Annexe

Consolidated income statement (9 months)

in thousands €	30.09.2012	30.09.2011
Rental income	30.661	28.631
Rental-related expenses	- 59	-25
NET RENTAL INCOME	30.602	28.606
Property management income and costs	814	1.767
PROPERTY RESULT	31.416	30.373
Technical costs	-611	-698
Commercial costs	-208	-153
Charges and taxes on unlet properties	-706	-1.060
Property management costs	-1.707	-1.638
Other property charges	-184	-256
PROPERTY CHARGES	-3.416	-3.805
OPERATING PROPERTY RESULT	28.000	26.568
General costs	-1.112	-972
Other operating income and costs	37	21
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	26.925	25.617
Result on disposals of investment properties	140	0
Changes in fair value of investment properties	-482	3.542
Other result on portfolio	-649	-156
OPERATING RESULT	25.934	29.003

Consolidated income statement (9 months) (continued)

in thousands €	30.09.2012	30.09.2011
OPERATING RESULT	25.934	29.003
Financial income	18	52
Net interest charges	-8.333	-8.940
Other financial charges	-9	-13
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-2.938	-3.185
FINANCIAL RESULT	-11.262	-12.086
RESULT BEFORE TAXES	14.672	16.917
TAXES	-27	-169
NET RESULT	14.645	16.748
Note:		
Operating distributable result	18.574	16.079
Result on portfolio	-991	3.386
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-2.938	-3.185
Other non-distributable elements (subsidiaries)	0	468
Attributable to:		
Equity holders of the parent company	14.646	16.749
Minority interests	-1	-1

Consolidated statement of comprehensive income (9 months)

in thousands €	30.09.2012	30.09.2011
NET RESULT	14.645	16.748
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	-76	2.339
COMPREHENSIVE INCOME	14.569	19.087
Attributable to:		
Equity holders of the parent company	14.570	19.088
Minority interests	-1	-1

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Consolidated balance sheet

ASSETS in thousands €	30.09.2012	31.12.2011
Non-current assets	594.275	581.672
Intangible assets	38	37
Investment properties	593.980	581.305
Other tangible assets	243	316
Trade receivables and other non-current assets	14	14
Current assets	12.727	12.462
Assets held for sale	1.225	4.005
Trade receivables	4.454	1.687
Tax receivables and other current assets	3.210	4.520
Cash and cash equivalents	996	407
Deferred charges and accrued income	2.842	1.843
TOTAL ASSETS	607.002	594.134

Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	30.09.2012	31.12.2011
Shareholders' equity	279.738	284.018
Shareholders' equity attributable to the shareholders of the parent company	279.701	283.978
Share capital	129.395	126.729
Share premium	63.378	60.833
Reserves	72.283	78.398
Net result of the financial year	14.645	18.018
Minority interests	37	40
Liabilities	327.264	310.116
Non-current liabilities	276.261	264.426
Non-current financial debts	268.026	259.143
<i>Credit institutions</i>	193.425	184.650
<i>Bond loan</i>	74.588	74.475
<i>Financial lease</i>	13	18
Other non-current financial liabilities	7.699	4.685
Other non-current liabilities	536	598
Current liabilities	51.003	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	3.884	2.641
Other current liabilities	367	399
Accrued charges and deferred income	8.562	8.460
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	607.002	594.134