

Oevel 3 - 5.000 m²

Half-yearly financial report

of the board
of directors

for the period
01.01.2013

to
30.06.2013

bow INTERVEST
OFFICES &
WAREHOUSES

Half-yearly financial report



ANTWERP, 30 JULY 2013

Sale non-strategic building with a gain of 15 %

Extension logistic site in Oevel delivered in June 2013

Higher rental activity in the first semester of 2013 and active pipeline

Stable occupancy rate: 86 % on 30 June 2013
(86 % on 31 December 2012)

Increase in fair value of existing real estate portfolio of 1 %¹ in the
first semester of 2013

Operating distributable result per share: € 0, 85 in the first semester
of 2013 (- 5 %²)

Change to 90 % dividend pay-out ratio

Expected gross dividend 2013 between € 1,44 and € 1,53 per share
(pay-out ratio of 90 %) (€ 1,76 for financial year 2012 pay-out ratio
of 100 %)

¹ Compared to the fair value of investment properties on 31 December 2012, based on an unchanged composition of the real estate portfolio.
² Compared to the operating distributable result of the first semester of 2012 which amounted to € 0,90 per share.

1. Interim management report

1.1 Operational activities

The **operating distributable result** of Intervest Offices & Warehouses has decreased in the first semester of 2013 to € 12,2 million or a decline of 5 % compared to the first semester of 2012. This result derives primarily from the decrease in rental income through the start of the new lease contract with PwC in Woluwe Garden at lower rental prices (with a fixed duration of 9 years).

This means that the operating distributable result for the first semester of 2013 amounts to € 0,85 per share, compared to € 0,90 in the first semester of 2012. On the basis of the half-yearly results and the forecast on 30 June 2013 the gross dividend for financial year 2013 will be lower than previous year.

The property investment fund expects that the operating distributable result for financial year 2013 will be between € 1,60 and € 1,70 per share. In the

currently competitive environment it is essential that Intervest Offices & Warehouses can pursue the realization of its strategy. Investments in quality and herewith in the lettability of its buildings is crucial to exploit in the long run the valuepotential of the property investment fund. Therefore Intervest Offices & Warehouses has concluded that it is essential to lower the current pay-out ratio of 100 % to keep enough liquidity for investments in the portfolio. Compensations and refurbishment fees, received from terminated lease contracts, will therefore not be distributed but used for later refurbishment works as well as future investments in the real estate portfolio. Taking into account a pay-out ratio of 90 %, a gross dividend between € 1,44 and € 1,53 per share (€ 1,76 for financial year 2012) will be proposed to the shareholders. Based on the closing share price on 30 June 2013 (€ 17,89) this represents a gross dividend yield between 8,0 % and 8,6 %.

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In the first semester of 2013 Intervest Offices & Warehouses has pursued the **development projects** in its existing logistic portfolio:

- ✓ In **Oevel** the construction has been completed of the extension of approximately 5.000 m² of the distribution centre of Estée Lauder and its logistic service provider UTi Belgium. The site has been delivered on 26 June 2013 and is leased by means of a lease agreement by UTi Belgium as from 1 July 2013 till 31 December 2023. The total budget for the extension amounts to € 3,0 million. This extension generates for the property investment fund approximately € 0,3 million additional annual rental income. The financing of this investment is funded from the existing credit lines of the property investment fund.
- ✓ In **Herentals**, on the not yet renovated part of **Herentals Logistics 1**, preparations are made for the potential construction of a highly qualitative logistic warehouse with a space of approximately 20.000 m² (including mezzanine and offices) that can be subdivided. The building permit has been received in the second quarter of 2013.
- ✓ For the logistic building **Neerland 1** in **Wilrijk** a building permit has been obtained in the second quarter of 2013 for the conversion/renovation into a showroom and garage of the front part of the building (located Boomsesteenweg next to Ikea) for the French car builder Peugeot (group PSA). 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). Meanwhile the works have started. The total estimated budget for the conversion/renovation amounts to approximately € 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 (during 15 years). The financing of this investment will be funded from the existing credit lines of the property investment fund.



Oevel 3 - 5.000 m²

1.2 Rental activity of the first semester of 2013

As at 30 June 2013, the occupancy rate of Intervest Offices & Warehouses amounts to 86 %, remaining unchanged compared to 31 December 2012:

- ✓ The occupancy rate of the office portfolio amounts to 82 %, a decrease of 3 % compared to the situation on 31 December 2012 resulting from the departure of some tenants (among which BDO in Sky Building).
- ✓ The occupancy rate of the logistic portfolio amounts to 93 % which is an increase of 4 % compared to the situation on 31 December 2012, when the occupancy rate reached 89 %. This increase is due mainly to the letting to Sofidel in Duffel Stocletlaan and the extension of Pharma Logistics in Intercity Industrial Park in Malines.



Intercity Industrial Park - 15.252 m²

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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Already 27 lease contracts have been concluded with new or existing tenants in the first semester of 2013, which is more than in the first semester of 2012. Furthermore, there is still a very active pipeline, namely regarding extensions for existing tenants. The occupancy rate of the office portfolio remains nevertheless under pressure through the remaining difficult situation on the Belgian office market.

Rental activity of the office portfolio

New lease contracts

During the first semester of 2013 new lease contracts have been signed for a total surface of 2.511 m² in 7 transactions, compared to the 3.200 m² in the first semester of 2012.

In 2013, the most important transactions are:

- ✓ letting to Hammer Belgium on Mechelen Intercity Business Park for 880 m²
- ✓ letting to Kofax on Mechelen Campus for 405 m²



contracts

In the office portfolio in the first semester of 2013, current lease contracts have been renegotiated or prolonged for a surface of 10.187 m² in 16 transactions (on a total office portfolio of approximately 231.000 m²). For the same period in 2012, 18 transactions for a surface of 14.571 m² were renegotiated.

In 2013, the most important transactions are:

- ✓ prolongation and extension of Cochlear on Mechelen Campus for 4.013 m² (offices and archives)
- ✓ prolongation of Euromex in De Arend in Edegem for 1.903 m²
- ✓ prolongation of Haskoning on Mechelen Campus for 1.047 m²
- ✓ prolongation and extension of Mitiska in Dilbeek in Inter Access Park for 584 m²
- ✓ prolongation and extension of Crossroad Consulting on Mechelen Campus for 528 m²

De Arend - 7.424 m²

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✓ DUE TO THE GROWTH OF COCHLEAR WE NEEDED ADDITIONAL SPACE FOR OUR OFFICES ON MECHELEN CAMPUS. GIVEN THE CONSTRUCTIVE PARTNERSHIP WITH INTERVEST OFFICES & WAREHOUSES WE DECIDED TO EXTEND THE SPACE BY APPROXIMATELY 1.000 M² AND TO PROLONG OUR CONTRACT IN ITS ENTIRETY. INTERVEST OFFICES & WAREHOUSES THINKS ALONG WITH US AND OFFERS THEREFORE AN IMPORTANT ADDED VALUE THROUGH THE PROFESSIONAL ELABORATION OF THE COMPLETE DESIGN OF THE EXTENSION ✓

CARL VAN HIMBEECK, GENERAL MANAGER, COCHLEAR TECHNOLOGY CENTER BELGIUM

Mechelen Campus - 60.768 m²



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Rental activity of the logistic portfolio

New lease contracts

In the logistic portfolio, 3 new lease contracts have been concluded in first semester of 2013 for a total surface of 16.885 m². For the same period in 2012, only 1 transaction was concluded for a space of 1.482 m².

In 2013 these transactions are:

- ✓ letting of 15.232 m² to Sofidel in Duffel Stocletlaan
- ✓ letting of 976 m² to Jiholabo in Berchem-Sainte-Agathe
- ✓ letting of 677 m² to Point-Conseil Eco-Habitat in Berchem-Sainte-Agathe

Renewals or extensions of current lease contracts

In the logistic portfolio, one lease contract for a surface of 7.088 m² has been prolonged with ThyssenKrupp Otto Wolff in the first semester of 2013 for the Raghen building located Dellingsstraat in Malines. For the first semester of 2012, 2 transactions were concluded for a space of 9.517 m².

THANKS TO INTERVEST OFFICES & WAREHOUSES' FLEXIBLE ATTITUDE WE MANAGE TO ASSURE OUR ACTIVITIES IN MALINES IN THE LONG RUN

PETER SWINKELS, MANAGING DIRECTOR,
THYSSENKRUPP OTTO WOLFF



Raghen - 7.088 m²

1.3 Disinvestments of investment properties

Intervest Offices & Warehouses has sold its semi-industrial building located in **Kortenberg**, Jan-Baptist Vinkstraat 2 for an amount of € 14,2 million.

The property is a semi-industrial building consisting of storage space for archives (8.297 m² on ground level, comprising a mezzanine on 2 floors with a total surface area of 11.419 m²) with limited office space (724 m²). The entire building is let to the European Commission for a fixed period till 2022 at an indexed rent of € 1,1 million a year.

As the building is not intended for large-scale logistic activities, it fits insufficiently into the property investment fund's policy of investing in modern logistic buildings. With its specific function as storage space for archives, the building can rather be considered as a semi-industrial building and is consequently not strategic for the property investment fund. Furthermore, it is assumed that given the high rental price combined with the decreasing remaining rental period, the value of the building will probably evolve negatively in the coming years.

The transaction offers an opportunity for the property investment fund to sell the building for an attractive price. The sales price is namely 15 % above the carrying amount on 31 December 2012 which amounted to € 12,4 million. The building represents approximately 2 % of the total fair value of the real estate portfolio of the property investment fund on 31 December 2012.

The transaction was subject to registration rights. Herewith, the sale provided a gross initial yield of 7,1 %. The final transfer took place at the end of May 2013.



Guldendelle - 11.419 m²

1.4 Real estate portfolio on 30 June 2013

Composition of the portfolio

REAL ESTATE PATRIMONY	30.06.2013	31.12.2012	30.06.2012
Fair value of investment properties (€ 000)	577.895	581.280	594.824
Investment value of investment properties (€ 000)	592.215	595.812	609.773
Occupancy rate (%)	86 %	86 %	86 %
Total leasable space (m ²)	603.356	614.308	638.720

In the first semester of 2013, the **fair value of the real estate portfolio** of the property investment fund has decreased by € 3 million and amounts on 30 June 2013 to € 578 million (€ 581 million on 31 December 2012). This decrease is mainly the combined effect of:

- ✓ The decrease of the office portfolio of € 14,2 million resulting from the general adjustment of the estimated rental values for offices in the Brussels periphery (mainly those let to Deloitte).
- ✓ The rise of fair value of the logistic portfolio of € 23,0 million, consisting of € 2,6 million investments in logistic projects and of € 20,4 million increase in fair value of the existing portfolio through the growing demand for qualitative investment real estate.
- ✓ The sale of a semi-industrial building located in Kortenberg with a fair value of € 12,4 million on 31 December 2012.

In the second quarter of 2013, the property investment fund has changed its property expert for the valuation of its logistic portfolio, whereby Stadim has been appointed as new expert instead of Jones Lang LaSalle. This change results from the termination of the current contract with Jones Lang LaSalle. Stadim has been chosen for its large expertise and important position regarding valuations of logistic properties⁴.

⁴ Source: Annex to Expertise News 458 of 14 June 2013.

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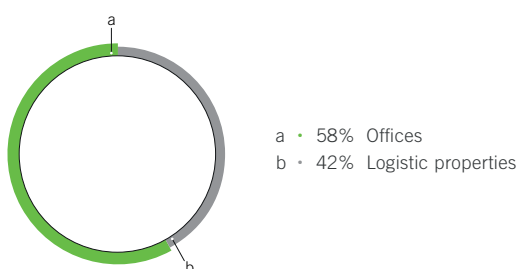


Risk spread of the portfolio

Intervest Offices & Warehouses focuses its investment policy on high-quality professional real estate respecting the principles of risk diversification in the real estate portfolio based on building type as well as geographic spread. On 30 June 2013 the risk spread is as follows.

Nature of the portfolio

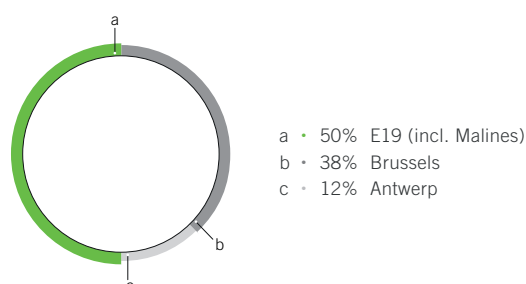
On 30 June 2013, the real estate portfolio of Intervest Offices & Warehouses consists of 58 % offices and 42 % logistic properties (on 31 December 2012: 61 % offices and 39 % logistic properties).



Geographic spread

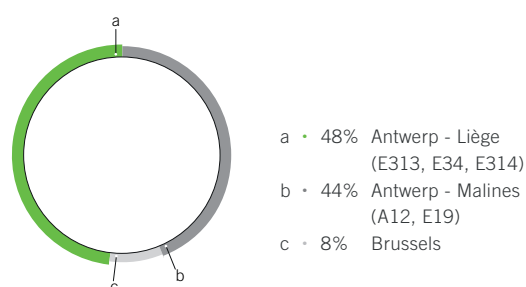
Offices

The Antwerp-Brussels axis is still the most important and most liquid office region of Belgium. The entire office portfolio of Intervest Offices & Warehouses is located in this region.



Logistic properties

92 % of the logistic portfolio is located on the Antwerp-Malines axis (primarily the E19 and A12) and Antwerp-Liège (primarily the E313) which are the most important logistic axes in Belgium. Only 8 % of the properties are in the centre of the country, in the area of Brussels.

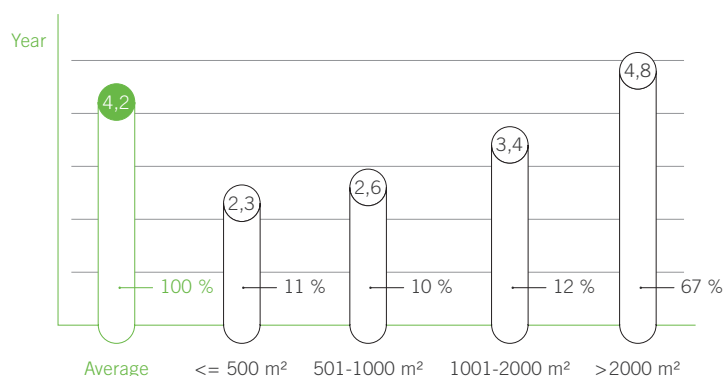


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Evolution of the portfolio

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

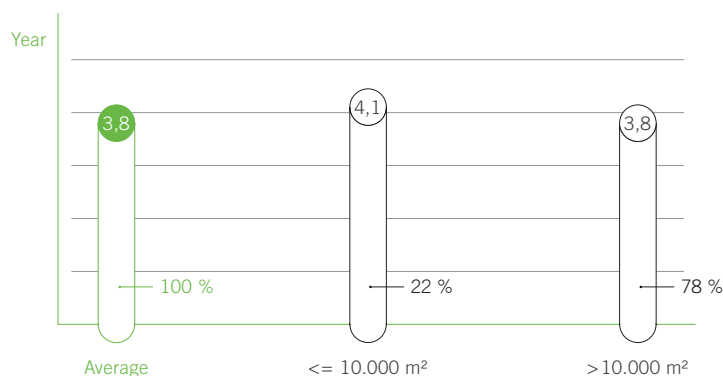
ON 30 JUNE 2013, THE AVERAGE REMAINING DURATION OF THE LEASE CONTRACTS IN THE OFFICE PORTFOLIO IS 4,2 YEARS, WHICH IS ALMOST STABLE COMPARED TO THE SITUATION ON 31 DECEMBER 2012 (4,3 YEARS). FOR SPACES ABOVE 2.000 M² IT IS 4,8 YEARS (5,0 YEARS ON 31 DECEMBER 2012).



For offices, the average rental period (starting from 1 July 2013) until the next expiry date is 4,2 years compared to 4,3 years on 31 December 2012. For large office tenants (above 2.000 m²) comprising 67 % of the office portfolio and having a great impact on the recurring rental income, the next expiry date (starting from 1 July 2013) is only within about 4,8 years (5,0 years on 31 December 2012). The lease contracts, expiring in the period 2013 - 2015, are thus mainly smaller spaces, representing a more limited risk to the total rental income of Intervest Offices & Warehouses.

Average duration of the logistic lease contracts until the next expiry date

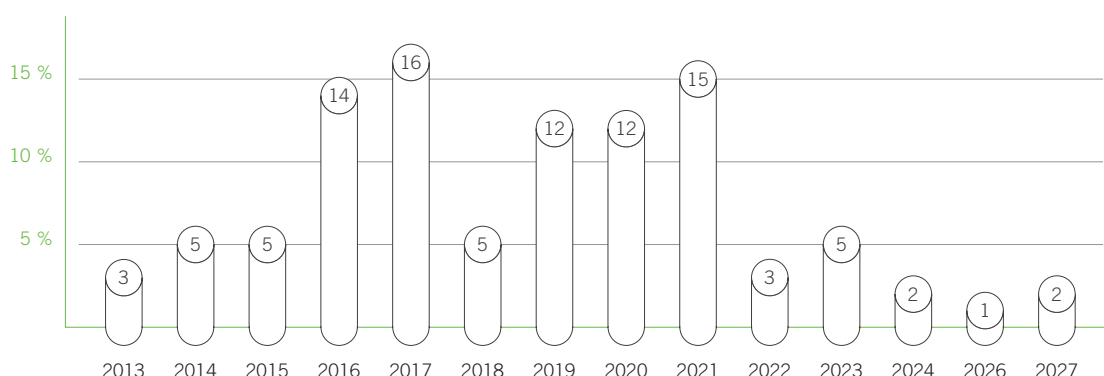
FOR THE LOGISTIC PORTFOLIO, THE AVERAGE REMAINING DURATION OF THE LEASE CONTRACTS WITH A SURFACE ABOVE 10.000 M² IS 3,8 YEARS.



For logistic properties the average duration of the lease contract until the next expiry date is 3,8 years on 30 June 2013, which is a decrease compared to 31 December 2012 when it reached 4,7 years. This decrease is due mainly to the sale of the building in Kortenbergh of which the lease contract had a remaining duration till 2022. For important tenants (above 10.000 m² in storage halls) the next expiry date is only within 3,8 years (4,9 years on 31 December 2012).

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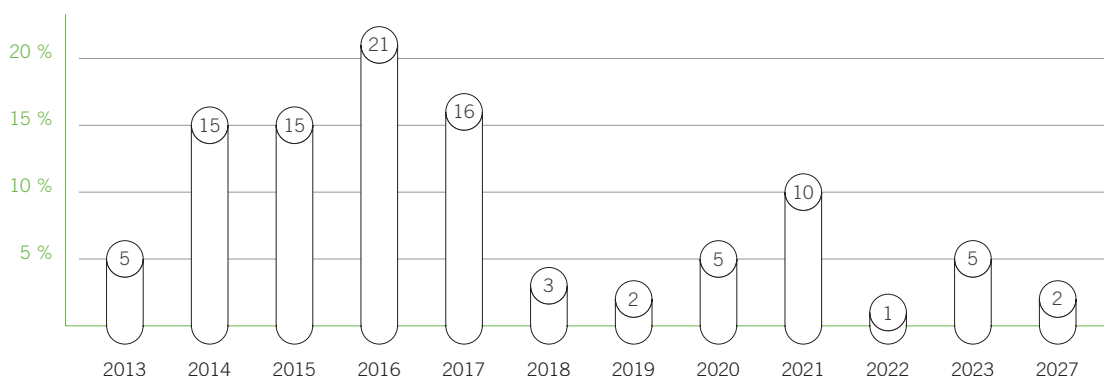
Expiry date of the lease contracts of the entire portfolio



The expiry dates are well spread over the coming years. On 30 June 2013, 3 % of the contracts have their expiry date in 2013. Only 13 % of the lease contracts have an expiry date in the coming 3 years.

The peak for 2016 comprises 7 % for tenant Deloitte of whom the departure to another location is already certain.

First interim expiry date of the lease contracts of the entire portfolio



As most contracts are of the type 3/6/9, these tenants have the possibility to end their lease contracts every three years. Because Intervest Offices & Warehouses has several long-term agreements, not all lease contracts can be terminated after three years. This graph gives the first expiry dates of all lease contracts (this can be the end expiry date or an interim expiry date) and shows the hypothetical scenario whereby every tenant would terminate his lease contract by the first interim expiry date.

On 31 December 2012, approximately 13 % of the lease contracts had their expiry date in 2013. On 30 June 2013 this has decreased to 5 % through the prolongation of a number of lease contracts. On the basis of contacts with tenants the property investment fund expects that at least half of the them will prolong the lease contract after the interim expiry date.

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Valuation of the portfolio

Valuation of the portfolio by the property experts on 30 June 2013:

Property expert	Valued properties	Fair value (€ 000)	Investment value (€ 000)
Cushman & Wakefield	Office buildings	337.825	346.270
Stadim	Logistic properties	240.070	245.945
TOTAL		577.895	592.215



Intercity Business Park - 42.112 m²

1.5 Market situation of professional real estate in 2013⁵

Office market

In the first semester of 2013 take-up of office space on the Belgian office market has reached approximately 271.000 m² (of which approximately 199.000 m² in Brussels (including the periphery)). This is slightly lower than the average of the last five years.

Prime rents are currently stable. Net rents, namely in the Brussels periphery, are still under pressure and certainly on secondary locations. Owners still have to grant considerable incentives, rental discounts and/or rent free periods to attract new tenants. On the other hand moving decisions are often postponed due to the economic uncertainty.

At the end of the first semester of 2013 investments in office real estate have reached already € 900 million, which is largely above the average of the total of the last four previous years. Top yields remain largely stable. A lower volume of office transactions is expected for the second semester of 2013 as less important sales are projected.

Market of logistic real estate

During the first semester of 2013, the rental market of semi-industrial and logistic buildings has performed properly. The total take-up amounts in the first semester of 2013 to approximately 626.000 m², which is a reasonably level considering the fragile economic situation and the limited economic growth. The activity is mainly concentrated on the axis Antwerp-Brussels. Prime rents are showing an upward trend through the limited vacancy and the absence of speculative projects. The expectation is that this trend will be pursued next months as the demand for qualitative logistic real estate will not decrease.

The investment market for logistic and semi-industrial real estate has reached a volume of € 153 million during the first semester. The major transaction is the purchase by WDP of a 75.000 m² distribution centre on Cargovil Vilvorde for € 46,1 million. Prime yields are slightly sharpening due to the limited offer and the growing attention of investors for this segment.

⁵ Source: Belgium Q2 Marketbeat Country Snapshot Belgium - Cushman & Wakefield.

1.6 Analysis of the results⁶

For the first semester of 2013, **rental income** of the property investment fund amounts to € 19,9 million. This is a decrease of € 0,5 million or 2 % compared to the first semester of 2012 (€ 20,4 million), as a result mainly of the new lease contract with PwC at lower rental prices with a fixed duration till end 2021 in the office building Woluwe Garden.

The **recovery of property charges** shows in the first semester of 2013 an income of € 0,8 million (€ 0,9 million) and comprises for € 0,5 million refurbishment fees received from leaving tenants.

On 30 June 2013, **property charges** of the property investment fund amount to € 2,1 million (€ 2,3 million). This decrease of € 0,2 million comes mainly from lower vacancy costs and less other property charges.

General costs amount to € 0,6 million in the first semester of 2013 and have thus slightly decreased compared to the first semester of 2012 (€ 0,7 million).

The decrease in rental income ensures that the **operating result before result on portfolio** decreases by 3 %, or € 0,5 million to € 17,7 million (€ 18,3 million).

The **result on disposals of investment properties** comprises in the first semester of 2013 the gain of € 1,5 million realized on the sale of the semi-industrial building in Kortenberg (after deduction of sales costs and VAT revision) and a gain of € 0,6 million on the sale of parcel of land located in Merchtem.

The **changes in fair value of investment properties** amount in the first semester of 2013 to € 6,2 million (- € 0,2 million). This increase in fair value is the combined effect of:

- ✓ The decrease in fair value of the office portfolio of € 14,2 million or 4 % compared to the fair value on 31 December 2012, mainly through the adjustment of the estimated rental value for offices in the Brussels periphery (mainly those let to Deloitte).
- ✓ The increase in fair value of the logistic portfolio of € 20,4 million or 9 % compared to the fair value on 31 December 2012, mainly through the demand for qualitative investment real estate.

The **financial result (excl. changes in fair value - IAS 39)** for the first semester of 2013 amounts to - € 5,5 million and remains herewith stable compared to the first semester of 2012 (- € 5,5 million). The average interest rate of the property investment fund for the first semester of 2013 amounts to approximately 3,8 %, including bank margins (3,8 %).

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

⁶ Between brackets comparable figures of the first semester of 2012.

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The **net result** of Intervest Offices & Warehouses for the first semester of 2013 amounts to € 22,8 million (€ 10,4 million) and may be divided into:

- ✓ The **operating distributable result** of € 12,2 million (€ 12,8 million) or a decrease of € 0,6 million or 5 %. This result comes mainly from the decrease in rental income.
- ✓ The **result on portfolio** for an amount of € 8,6 million (- € 0,5 million) comprising the gain on disposals of investment properties and the increase in value of the real estate portfolio.
- ✓ **Changes in fair value of the financial assets and liabilities (ineffective hedges - IAS 39)** for an amount of € 1,9 million (- € 1,9 million).

This generates per share for the first semester of 2013 an **operating distributable result** of € 0,85 (€ 0,90).

On the consolidated balance sheet **non-current assets** comprise mainly the investment properties of the property investment fund. On 30 June 2013, the fair value of these investment properties amounts to € 578 million (€ 581 million on 31 December 2012).

Current assets amount to € 11 million (€ 12 million on 31 December 2012) and consist of € 4 million in trade receivables, mainly advance billing of rents for the third quarter of 2013 and invoicing of service charges and property tax to tenants, executed in June 2013, of € 3 million in tax receivables and other current assets and of € 2 million in deferred charges and accrued income.

KEY FIGURES PER SHARE	30.06.2013	31.12.2012	30.06.2012
Number of shares entitled to dividend	14.424.982	14.199.858	14.199.858
Net result per share (6 months/1 year/6 months) (€)	1,58	0,51	0,73
Operating distributable result (6 months/1 year/6 months) (€)	0,85	1,75	0,90
Net asset value (fair value) (€)	19,02	19,18	19,40
Net asset value (investment value) (€)	20,02	20,21	20,43
Net asset value EPRA (€)	19,40	19,73	19,87
Share price on closing date (€)	17,89	20,12	19,40
Premium (+) / discount (-) to net asset value (fair value) (%)	-6 %	5 %	0 %
Debt ratio (max. 65 %) (%)	51,1 %	51,2 %	52,1 %

On 30 June 2013, after payment of the dividend over 2012, the **net asset value (fair value)** of the share is € 19,02 (€ 19,18 on 31 December 2012). The share price on 30 June 2013 of the Intervest Offices &

Warehouses share (INTO) is € 17,89. Herewith the share is quoted with a discount of 6 % compared to the net asset value (fair value).

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For the dividend distribution of financial year 2012, the shareholders of Intervest Offices & Warehouses have chosen for 20,6 % of their shares for a contribution of their dividend rights in return for new shares instead of payment of the dividend in cash. This led on 23 May 2013 to a strengthening of the **shareholders' equity** of Intervest Offices & Warehouses by € 3,9 million (capital increase and share premium) through the creation of 225.124 new shares, bringing the total number of Intervest Offices & Warehouses' shares as from 23 May 2013 to 14.424.982 units. The new shares participate in the result of the property investment fund as of 1 January 2013.

Non-current liabilities mainly consist of non-current financial liabilities for an amount of € 234 million (€ 252 million on 31 December 2012). These comprise mainly € 160 million long-term bank financings of which the expiry date is situated after 30 June 2014 and of the bond loan issued in June 2010 for an amount of € 75 million.

Current liabilities amount to € 74 million (€ 61 million on 31 December 2012) and consist of € 62 million in current financial debts (bank loans with an expiry date before 30 June 2014), of € 4 million in trade debts and other current debts, and of € 8 million in accrued charges and deferred income.

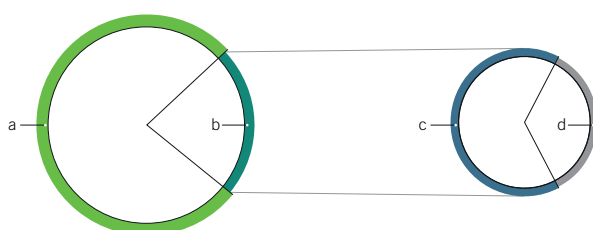
The **debt ratio** of the property investment fund remains on 30 June 2013 almost stable compared to 31 December 2012 and amounts to 51,1 %⁷ (calculated in accordance with the Royal Decree of 7 December 2010).

⁷ For the further explanation regarding the evolution of the debt ratio is referred to punt 1.7 Financial structure on 30 June 2013.

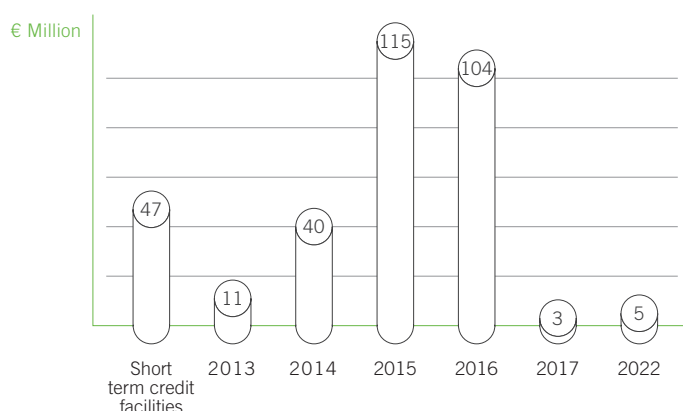
1.7 Financial structure on 30 June 2013

The most important characteristics of the financial structure of Intervest Offices & Warehouses on 30 June 2013 are:

- ✓ Amount of financial debts: € 296 million (excluding the market value of financial derivatives).
- ✓ 77 % long-term financings with an average remaining duration of 2,4 years.
- ✓ 23 % short-term financings, consisting of financings with an unlimited duration and of 2 credit facilities for a total amount of € 25 million expiring within the year (December 2013 and January 2014) and which have to be refinanced.
- ✓ Spread of financial debts over 5 European financial institutions and bondholders.
- ✓ 60 % of the credit lines have a fixed interest rate or are fixed by interest rate swaps, 40 % have a variable interest rate. On 30 June 2013, 66 % of the withdrawn financings have a fixed interest rate or are fixed by interest rate swaps and 34 % a variable interest rate.
- ✓ Interest rates are fixed for a remaining average period of 2,5 years.
- ✓ Average interest rate for the first semester of 2013: 3,8 % including bank margins (3,8 % for the first semester of 2012).
- ✓ Value of financial derivatives: € 5,5 million negative.
- ✓ Debt ratio of 51,1 % (legal maximum: 65 %) (51,2 % on 31 December 2012).
- ✓ In the first semester of 2013 there have been no amendments to the existing contractual covenants and on 30 June 2013 the property investment fund complies with these covenants.
- ✓ € 28 million non-withdrawn credit lines at financial institutions to absorb the fluctuations in liquidity needs of the property investment fund.
- ✓ Spread of expiry dates of credit facilities between 2013 and 2022.



- a • 77% Long-term credit facilities
- b • 23% Short-term credit facilities
- c • 15% Credit facilities with indefinite duration
- d • 8% Credit facilities expiring within the year or having to be refinanced



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Details on the evolution of the debt ratio

In order to guarantee a proactive policy of the debt ratio, a public property investment fund having a debt ratio higher than 50 %, should prepare a financial plan, pursuant to article 54 of the Royal Decree of 7 December 2010 relating to property investment funds. This plan contains an implementation scheme describing the measures to be taken to avoid that the debt ratio would exceed 65 % of the consolidated assets.

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

On 30 June 2013 the consolidated debt ratio of Intervest Offices & Warehouses amounts to 51,1 %, exceeding herewith the threshold of 50 %. Such exceeding occurred the first time on 30 June 2012 with a debt ratio of 52,1 %. During its history the debt ratio of Intervest Offices & Warehouses has never transcended the threshold of 65 %.

The decrease of the debt ratio from 51,2 % on 31 December 2012 to 51,1 % on 30 June 2013 comes from the sale of a semi-industrial property in Kortenbergh, the increase in value of the portfolio in the first semester of 2013 and the payment of the dividend of financial year 2012 in May 2013. The shareholders' equity of the property investment fund

has at the moment of the dividend distribution been strengthened with approximately € 3,9 million as 20,6 % of the shareholders reinvested in new shares by means of the optional dividend.

On the basis of the current debt ratio of 51,1 % on 30 June 2013, Intervest Offices & Warehouses still has an additional investment capacity of approximately € 235 million⁸, without exceeding herewith the maximum debt ratio of 65 %. The capacity for further investments amounts to approximately € 131 million before exceeding the debt ratio of 60 %.

Valuations of the real estate portfolio also have an impact on the debt ratio. Taking into account the current capital structure, the maximum debt ratio of 65 % would only be transcended in case of a possible decrease in value of the investment properties by approximately € 126 million or 22 % compared to the real estate portfolio of € 578 million on 30 June 2013. In case of unchanged current rents, it means an increase of the yield, used for the valuation of the properties, of 2,1 % on average (from 7,4 % on average to 9,4 % on average). In case of unchanged yield used for the valuation of investment properties, it means a decrease of current rents of € 9,5 million or 22 %.

Wilrijk Neerland 1 and 2
29.168 m²



⁸ For this calculation the potentially realized investments are taken into account in the denominator of the fraction (debts for the calculation debt ratio/total assets).

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Herentals Logistics 1
17.320 m²



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

On the basis of the current financial plan it is supposed that the debt ratio of Intervest Offices & Warehouses will fluctuate in the course of 2013 and 2014 between 49 % and 52 %, compared to 51,1 % on 30 June 2013.

This assessment takes into account the following elements:

- ✓ The achievement of the remaining part of the ongoing investment program of approximately € 6 million in the second semester of 2013 (extension in Oevel and redevelopment of Neerland 1 in Wilrijk and investments in the existing real estate portfolio).
- ✓ No planned investments and disinvestments in the second semester of 2013, neither in 2014.
- ✓ Profit allocation which takes into account the expected profit for financial year 2013 and the dividend payment for financial year 2013.
- ✓ A stable value of the real estate portfolio of the investment property fund.

This forecast can be influenced by unforeseen circumstances. In this respect reference is made specifically to the chapter “Major risk factors and internal control and risk management systems” of the Report of the board of directors of the Annual Report 2012.

The board of directors of Intervest Offices & Warehouses is of the opinion that the debt ratio will not exceed 65 % and that presently, given the current economic and real estate trend, the planned investments and the expected evolution of the shareholders' equity of the property investment fund, no additional measures have to be taken.

The property investment fund will follow the evolution of the debt ratio scrupulously, take necessary measures if an unforeseen event should occur having a relatively important impact on the forecast formulated in this plan and will if necessary communicate immediately.

1.8 Risks for the remaining months of 2013

Interinvest Offices & Warehouses estimates the main risk factors and uncertainties for the remaining months of the financial year 2013 as follows:

- ✓ **Rental risks:** Given the nature of the buildings which are mainly let to national and international companies, the real estate portfolio is to a certain degree sensitive to the economic situation. On the short term no direct risks are recognized that can fundamentally influence the results of financial year 2013. Furthermore, within the property investment fund, there are clear and efficient internal control procedures to limit the debtors' risk.
- ✓ **Evolution of the value of the real estate portfolio:** Given the evolution of the value of buildings that largely depends on the rental situation of the buildings (occupancy rate, rental income) the persisting difficult economic circumstances could have a possible negative influence on the valuation of buildings on the Belgian real estate market.
- ✓ **Evolution of the interest rates:** Due to the financing with borrowed capital, the return of the property investment fund depends on the evolution of the interest rate. To limit this risk an appropriate ratio between borrowed capital with a variable interest rate and borrowed capital with a fixed interest rate is pursued at the composition of the credit facilities portfolio. On 30 June 2013, 66 % of the withdrawn credit facilities consists of financings with a fixed interest rate or fixed through interest rate swaps. Only 34 % of the credit facilities portfolio has a variable interest rate which is subject to unforeseen rises of the currently low interest rates.

1.9 Forecast for 2013

As formulated in the Annual report 2012, the early prolongation of a number of important lease contracts in 2012 has resulted in increased guaranteed rental income in the long term. Many of these prolongations have been paired with lowering the rental price.

The property investment fund continues to focus in 2013 on keeping the stability of the occupancy rate (86 % on 31 December 2012) by prolonging existing lease contracts and attracting new tenants, however this being difficult due the precarious economic climate. Through the oversupply on the office market (certainly in the Brussels periphery) the number of transactions remains very limited and rents are still under pressure, whereby the occupancy rate of the office segment has decreased on 30 June 2013 to 82 %. Last months improvement has been observed in the number of demands and visits. In the logistic segment, the more limited offer of qualitative products is reflected in the occupancy rate of 93 % on 30 June 2013.

Besides the occupancy rate the property investment fund focusses on logistic developments in the existing portfolio. The extension project in Oevel has been delivered in the second quarter of 2013; meanwhile works in Wilrijk for the group PSA have started after obtaining the building permit in the second quarter of 2013 and will normally be finished in the fourth quarter of 2013. The commercialisation of the potential new construction in Herentals has started, for which the building permit has been obtained in the second quarter of 2013.

Furthermore, the property investment fund analyses investment opportunities for the expansion of its logistic portfolio and the sale of non-strategic buildings, namely in the office portfolio.

On the basis of the half-yearly results and the forecast on 30 June 2013 the gross dividend for financial year 2013 will be lower than previous year. The property investment fund expects that the operating distributable result for financial year 2013 will be between € 1,60 and € 1,70 per share. In the currently competitive environment it is essential that Intervest Offices & Warehouses can pursue the realization of its strategy. Investments in quality and herewith in the lettability of its buildings is crucial to exploit in the long run the valuepotential of the property investment fund. Therefore Intervest Offices & Warehouses has concluded that it is essential to lower the current pay-out ratio of 100 % to keep enough liquidity for investments in the portfolio. Compensations and refurbishment fees, received from terminated lease contracts, will therefore not be distributed but used for later refurbishment works as well as future investments in the real estate portfolio. Taking into account a pay-out ratio of 90 % a gross dividend between € 1,44 and € 1,53 per share (€ 1,76 for financial year 2012) will be proposed to the shareholders. Based on the closing share price on 30 June 2013 (€ 17,89) this represents a gross dividend yield between 8,0 % and 8,6 %.

2. Condensed consolidated half-yearly figures

2.1 Condensed consolidated income statement

in thousands €	30.06.2013	30.06.2012
Rental income	19.882	20.367
Rental-related expenses	-31	-29
NET RENTAL INCOME	19.851	20.338
Recovery of property charges	848	856
Recovery of rental charges and taxes normally payable by tenants on let properties	3.241	4.513
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-262	-221
Rental charges and taxes normally payable by tenants on let properties	-3.241	-4.514
Other rental-related income and expenses	43	244
PROPERTY RESULT	20.480	21.216
Technical costs	-392	-293
Commercial costs	-82	-136
Charges and taxes on unlet properties	-383	-507
Property management costs	-1.214	-1.174
Other property charges	-56	-152
PROPERTY CHARGES	-2.127	-2.262
OPERATING PROPERTY RESULT	18.353	18.954
General costs	-630	-700
Other operating income and costs	23	27
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	17.746	18.281
Result on disposals of investment properties	2.115	0
Changes in fair value of investment properties	6.245	-165
Other result on portfolio	257	-314
OPERATING RESULT	26.363	17.802

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2.1 Condensed consolidated income statement (continued)

in thousands €	30.06.2013	30.06.2012
OPERATING RESULT	26.363	17.802
Financial income	100	5
Net interest charges	-5.612	-5.472
Other financial charges	-2	-7
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	1.937	-1.945
FINANCIAL RESULT	-3.577	-7.419
RESULT BEFORE TAXES	22.786	10.383
TAXES	-9	-9
NET RESULT	22.777	10.374
Note:		
Operating distributable result	12.223	12.798
Result on portfolio	8.617	-479
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	1.937	-1.945
Attributable to:		
Equity holders of the parent company	22.778	10.375
Minority interests	-1	-1
RESULT PER SHARE	30.06.2013	30.06.2012
Number of shares entitled to dividend	14.424.982	14.199.858
Net result (€)	1,58	0,73
Diluted net result (€)	1,60	0,74

2.2 Condensed consolidated statement of comprehensive income

in thousands €	30.06.2013	30.06.2012
NET RESULT	22.777	10.374
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	293	-58
COMPREHENSIVE INCOME	23.070	10.316
Attributable to:		
Equity holders of the parent company	23.071	10.317
Minority interests	-1	-1

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2.3 Condensed consolidated balance sheet

ASSETS in thousands €	30.06.2013	31.12.2012
Non-current assets	578.232	581.588
Intangible assets	40	45
Investment properties	577.895	581.280
Other tangible assets	282	248
Trade receivables and other non-current assets	15	15
Current assets	10.761	12.489
Assets held for sale	312	1.225
Trade receivables	3.941	4.860
Tax receivables and other current assets	3.427	3.211
Cash and cash equivalents	1.133	753
Deferred charges and accrued income	1.948	2.440
TOTAL ASSETS	588.993	594.077

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2.3 Condensed consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	30.06.2013	31.12.2012
Shareholders' equity	274.298	272.356
Shareholders' equity attributable to the shareholders of the parent company	274.261	272.318
Share capital	131.447	129.395
Share premium	65.190	63.378
Reserves	54.846	72.389
Net result of the financial year	22.778	7.156
Minority interests	37	38
Liabilities	314.695	321.721
Non-current liabilities	240.520	260.659
Non-current financial debts	234.417	252.253
<i>Credit institutions</i>	159.709	177.617
<i>Bond loan</i>	74.700	74.625
<i>Financial lease</i>	8	11
Other non-current financial liabilities	5.549	7.780
Other non-current liabilities	554	626
Current liabilities	74.175	61.062
Provisions	172	172
Current financial debts	61.719	48.018
<i>Credit institutions</i>	61.713	48.012
<i>Financial lease</i>	6	6
Trade debts and other current debts	3.853	2.822
Other current liabilities	190	354
Accrued charges and deferred income	8.241	9.696
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	588.993	594.077

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2.4 Condensed consolidated cash flow statement

in thousands €	30.06.2013	30.06.2012
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	753	407
1. Cash flow from operating activities	13.244	10.458
Operating result	26.363	17.802
Interests paid	-7.391	-6.814
Other non-operating elements	2.025	-1.956
Adjustment of result for non-cash flow transactions	-10.216	2.186
✓ Depreciations on intangible and other tangible assets	81	77
✓ Result on disposals of investment properties	-2.115	0
✓ Changes in fair value of investment properties	-6.245	165
✓ Other result on portfolio	-257	314
✓ Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-1.937	1.946
✓ Spread of rental discounts and rental benefits granted to tenants	257	-314
✓ Other non-cash flow transactions	0	-2
Change in working capital	2.463	-760
Movement of assets	1.195	-3.609
Movement of liabilities	1.268	2.849
2. Cash flow from investment activities	12.548	-9.657
Acquisitions of investment properties	0	-7.966
Investments in existing investment properties	-6	-5.718
Extensions of existing investment properties	-2.766	0
Income from disposal of investment properties	15.430	4.005
Acquisitions of intangible and other tangible assets	-110	22
3. Cash flow from financing activities	-25.412	-804
Repayment of loans	-4.208	-27.042
Drawdown of loans	0	45.000
Repayment of financial lease liabilities	-3	-3
Receipts/repayments from non-current liabilities as guarantee	-72	90
Dividend paid	-21.129	-18.849
CASH AND CASH EQUIVALENTS AT THE END OF THE SEMESTER	1.133	404

2.5 Condensed statement of changes in consolidated equity

in thousands €	Share capital	Share premium	Reserves	Net result of the financial year	Minority interests	Total shareholders' equity
Balance at 31 December 2011	126.729	60.833	78.398	18.018	40	284.018
Comprehensive income of the first semester 2012			-58	10.375	-1	10.316
Transfers through result allocation 2011:						
Transfer from the result on portfolio to the reserves for the balance of changes in investment value of real estate properties			1.245	-1.245		0
Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties			-1.365	1.365		0
Transfer of changes in fair value of financial assets and liabilities to the reserve for the balance of changes in fair value of authorized hedging instruments not subject to hedge accounting			-4.175	4.175		0
Allocation to results carried forward from previous years			605	-605		0
Allocation to other reserves and minority interests			13	-12	-1	0
Issue of shares for optional dividend financial year 2011	2.666	2.545				5.211
Dividend financial year 2011			-2.364	-21.696		-24.060
Balance at 30 June 2012	129.395	63.378	72.299	10.375	38	275.485
Balance at 31 December 2012	129.395	63.378	72.389	7.156	38	272.356
Comprehensive income of the first semester 2013			293	22.778	-1	23.070
Transfers through result allocation 2012:						
Transfer from the result on portfolio to the reserves for the balance of changes in investment value of real estate properties			-14.625	14.625		0
Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties			82	-82		0
Transfer of changes in fair value of financial assets and liabilities to the reserve for the balance of changes in fair value of authorized hedging instruments not subject to hedge accounting			-3.128	3.128		0
Allocation to other reserves and minority interests			-23	23		0
Issue of shares for optional dividend financial year 2012	2.051	1.812				3.863
Dividend financial year 2012			-142	-24.850		-24.992
Balance at 30 June 2013	131.447	65.190	54.846	22.778	37	274.298

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2.6 Notes to the condensed consolidated half-yearly figures

Condensed consolidated income statement by segment

BUSINESS SEGMENT in thousands €	Offices		Logistic properties		Corporate		Total	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012
Rental income	12.352	13.041	7.530	7.326			19.882	20.367
Rental-related expenses	-13	1	-18	-30			-31	-29
Property management costs and income	449	505	180	373			629	878
PROPERTY RESULT	12.788	13.547	7.692	7.669			20.480	21.216
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	12.151	12.922	7.457	7.262	-1.862	-1.903	17.746	18.281
Result on disposals of investment properties	0	0	2.115	0			2.115	0
Changes in fair value of investment properties	-14.193	-3.162	20.438	2.997			6.245	-165
Other result on portfolio	-60	-123	317	-191			257	-314
OPERATING RESULT OF THE SEGMENT	-2.102	9.637	30.327	10.068	-1.862	-1.903	26.363	17.802
Financial result					-3.577	-7.419	-3.577	-7.419
Taxes					-9	-9	-9	-9
NET RESULT	-2.102	9.637	30.327	10.068	-5.448	-9.331	22.777	10.374

BUSINESS SEGMENT: KEY FIGURES in thousands €	Offices		Logistic properties		Total	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012
Fair value of investment properties	337.825	370.459	240.070	224.365	577.895	594.824
Investment value of investment properties	346.270	379.720	245.945	230.053	592.215	609.773
Total leasable space (m²)	231.109	231.109	372.247	407.611	603.356	638.720
Occupancy rate of investment properties (%)	82 %	85 %	93 %	88 %	86 %	86 %

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Principles for preparation of half-yearly figures

The consolidated condensed half-yearly figures are prepared on the basis of the principles of financial reporting in accordance with IAS 34 "Interim financial reporting". In these condensed half-yearly figures the same principles and calculation methods are used as those used for the consolidated annual accounts as at 31 December 2012.

IFRS 13 - Fair Value Measurement is applicable on financial years starting from 1 January 2013 or later. This standard will modify the disclosure commitment of the property investment fund, depending on the classification of investment properties in level 1, 2 of 3. These disclosures will be recorded in the annual report regarding financial year 2013. IFRS 9 - Financial instruments is applicable on financial years starting from 1 January 2015 and will require additional disclosures in the annual report regarding financial year 2015.

Evolution of investment properties

	Investment properties	
in thousands €	30.06.2013	30.06.2012
Amount at the end of the preceding financial year	581.280	581.305
Extensions of existing investment properties	2.766	0
Purchases of investment properties	0	7.966
Investments in existing investment properties	6	5.718
Disposals of investment properties	-12.402	0
Changes in fair value of investment properties (+/-)	6.245	-165
Amount at the end of the semester	577.895	594.824

Extensions of existing investment properties in the first quarter of 2013 are related mainly to the extension of the logistic site in Oevel (€ 2,4 million). Disposals of investment properties comprise in the first semester of 2013 the sale of the semi-industrial building in Kortenbergh, Jan-Baptist Vinkstraat 2.

Overview of future minimum rental income

For an update of the future minimum rental income as at 30 June 2013 is referred to the description of the evolution of the portfolio in paragraph 1.1. and 1.4 (supra) of the Interim management report.

Non-current and current liabilities

An update of the financial structure of Intervest Offices & Warehouses as at 30 June 2013 is provided in paragraph 1.7. (supra) of the interim management report.

No new credit agreements or new hedging instruments/interest rate swaps have been concluded in the first semester of 2013.

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Off-balance sheet obligations

In the first semester of 2013, there have been no changes in the off-balance sheet obligations of the property investment fund as described in note 25 of the Financial report of the Annual report 2012. In the case of the disputed assessments regarding the levy of exit tax on securisation premiums, the tax authorities have rejected one of the claims and the property investment fund prepares an appeal to the Court of First Instance. It is expected that this case can be pleaded in the course of 2014. Intervest Offices & Warehouses is currently waiting for the other claims to be processed further by the tax authorities.

Events after the balance sheet date

There are no significant events to be mentioned that occurred after the closing of the accounts as at 30 June 2013.

2.7 Statutory auditor's report

INTERVEST OFFICES & WAREHOUSES SA,
PUBLIC PROPERTY INVESTMENT FUND UNDER BELGIAN LAW
LIMITED REVIEW REPORT ON THE CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2013

To the board of directors

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed statement of comprehensive income, condensed cash flow statement, condensed statement of changes in equity and selective notes (jointly the "interim financial information") of Intervest Offices & Warehouses SA, public property investment fund under Belgian law ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2013.

The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with international financial reporting standard IAS 34 - *Interim Financial Reporting* as adopted by the European Union.

Our limited review of the interim financial information was conducted in accordance with international standard ISRE 2410 - *Review of interim financial information performed by the independent auditor of the entity*. A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on the interim financial information.

Based on our limited review, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2013 is not prepared, in all material respects, in accordance with IAS 34 - *Interim Financial Reporting* as adopted by the European Union.

Antwerp, 29 July 2013

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by



Kathleen De Brabander

3. Statement to the half-yearly financial report

In accordance with article 13 § 2 of the Royal Decree of 14 November 2007, the board of directors, composed of Paul Christiaens (chairman), Nick van Ommen, EMSO sprl, permanently represented by Chris Peeters, Johan Buijs, Daniel van Dongen and Thomas Dijksman, declares that according to its knowledge,

- a) the condensed half-yearly figures, prepared in accordance with the principles of financial information in accordance with IFRS and in accordance with IAS 34 "*Interim Financial Information*" as accepted by the European Union, give a true and fair view of the equity, the financial position and the results of Intervest Offices & Warehouses sa and the companies included in the consolidation
- b) the interim management report gives a true statement of the main events which occurred during the first six months of the current financial year, their influence on the condensed half-yearly figures, the main risk factors and uncertainties regarding the remaining months of the financial year, as well as the main transactions between related parties and their possible effect on the condensed half-yearly figures if these transactions should have a significant importance and were not concluded at normal market conditions.

These condensed half-yearly figures have been approved for publication by the board of directors of 29 July 2013.

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

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