

Half-yearly financial report

of the board of directors
for the period
01.01.2014 to 30.06.2014



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ANTWERP, 29 JULI 2014

Intervest Offices & Warehouses knows an active first semester in 2014:

Prolongation of lease agreements for 16 % of the total annual rental income of the property investment fund, among which those with three important tenants (HP Belgium, Nike Europe and CEVA Logistics).

Occupancy rate: 85 % on 30 June 2014¹; the occupancy rate of the office portfolio has increased in the first semester of 2014 by 1 % to 83 %, the one of the logistic portfolio amounts to 90 % on 30 June 2014.

Turn-key solutions: realisation of 2.700 m² for Cochlear at Mechelen Campus in progress.

Sale of a non-strategic building (0,5 % of the real estate portfolio).

Decrease in fair value of the existing real estate portfolio by 0,4 %².

Operating distributable result per share: € 0,78 in the first semester of 2014 (€ 0,85 in the first semester of 2013³).

Successful private placement of bonds for € 60 million with a term of 5 and 7 years.

Optional dividend: 42,75 % of the shareholders has chosen for shares.

Debt ratio: 49,8 %.

Pay-out ratio of dividend of 90 %.

Expected gross dividend 2014 between € 1,33 and € 1,42 per share (€ 1,53 for financial year 2013).

① 86 % on 31 December 2013.

② Compared to the fair value of investment properties on 31 December 2013, based on an unchanged composition of the real estate portfolio.

③ Decrease resulting from the decrease of indemnities received at the departure of tenants and the increase of the general and financing costs of the property investment fund.

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1. Interim management report

1.1 Rental activity of the first semester of 2014

Rentals to new tenants in the office market as well as for logistic properties have remained limited in the first halfyear of 2014. Rental activity of the property investment fund in 2014 has mainly focused on prolongations of existing lease agreements. During the first semester of 2014 a total of approximately 16 % of the annual rental income of the property investment fund has been renewed. In total 21 lease transactions have been concluded for a rental space of 110.765 m² with new or existing tenants, compared to a rental space of 36.971 m² in 27 transactions in the first semester of 2013.

The most important transactions realised by Interinvest Offices & Warehouses in the first semester of 2014 are the prolongation of lease agreements with three of its most important tenants, representing together 14 % of the annual income of the property investment fund.

- In the office segment Hewlett-Packard Belgium, tenant of Mechelen Business Tower (13.574 m²), has concluded a lease agreement starting at the end of the existing property lease in March 2016. The new agreement runs until 2025, with break options in 2019 and 2022, and is concluded at market-conform conditions. Hewlett-Packard Belgium is the 3rd most important tenant of the property investment fund and represents approximately 6 % of the total annual rental income.
- Also in the logistic segment an agreement has been reached with CEVA Logistics Belgium in Boom Krekelenberg (24.721 m²) to cancel an interim expiry date in 2014 of the original lease agreement so that the next expiry date falls in 2016, in exchange for a market-conform discount on the annual rent. CEVA Logistics Belgium is the 10th most important tenant of the property investment fund and represents approximately 3 % of the total annual rental income.
- In the logistic segment an agreement has been concluded with Nike Europe in Herentals Logistics 2 (50.912 m²) to cancel the interim expiry date from the original lease agreement in exchange of a market-conform discount on the annual rent, so that the agreement has currently a fixed duration till 2018 (for 25.670 m²) and till 2019 (for 25.242 m²). Nike Europe is the 4th most important tenant of the property investment fund and represents approximately 5 % of the total annual rental income.

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As at 30 June 2014, the occupancy rate ⁴ of the entire real estate portfolio of Intervest Offices & Warehouses amounts to 85 %:

- The occupancy rate of the office portfolio amounts to 83 %, an increase of 1 % compared to 31 December 2013 resulting from five lettings, mainly in the office buildings in Malines.
- The occupancy rate of the logistic portfolio amounts to 90 % which is a decrease of 1 % compared to 31 December 2013, mainly through the sale of a semi-industrial building in Meer which had an occupancy rate of 100 %.

Turn-key solutions

After the successful interior design of the additional let space in the summer of 2013, Cochlear has decided to continue calling on Intervest Offices & Warehouses for their renovation of the entire let space in their offices at Mechelen Campus.

The plans have been elaborated in the autumn of 2013 by the interior designer of Intervest Offices & Warehouses and since February 2014 the interior works are realised in phases. Cochlear does not wish to interrupt its activities during the works, so a very strict planning has to be respected. People in their workplace have to be moved internally by branch to a section where the renovation

works have been completed in order to liberate herewith the vacant space for renovation. Cochlear has chosen for an open-space working environment aiming a maximum connection between the branches whereby the chosen colours and pictures for the new interior radiate towards employees and visitors.

Meanwhile the 2nd floor has nearly been entirely renovated and works will start on the 1st floor in August. The full completion of the ground floor, floors 1 & 2 (± 2.700 m²) will probably be at the beginning of 2015.

“When collaborating with Intervest Offices & Warehouses, the frankness with which business could be discussed, and the transparency offered for the management and cost-control is essential for us. Intervest Offices & Warehouses permanently succeeds to respect the agreements and the deadlines, giving us the possibility to fulfil the promises towards our clients.”

Benny Gers - Consultant & Project Lead Procurement EMEA

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.

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1.2 Operational activities

In the first semester of 2014 the operating distributable result of Intervest Offices & Warehouses amounts to € 11,5 million compared to € 12,2 million in the first semester of 2013. The decrease results mainly from the decrease of indemnities received at the departure of tenants. In the first semester of 2013 several tenants of the property investment fund left the premises and paid hereby indemnities of approximately € 0,5 million.

This means that the operating distributable result for the first semester of 2014 amounts to € 0,78 per share compared to € 0,85 in the first semester of 2013.

On the basis of the half-yearly results and the forecast on 30 June 2014 the gross dividend for financial year 2014 will be lower than previous year. The property investment fund expects that the operating distributable result for financial year 2014 will be between € 1,48 and € 1,58 per share (€ 1,70 for financial year 2013). Taking into account a pay-out ratio of 90 % a gross dividend between € 1,33 and € 1,42 per share (€ 1,53 for financial year 2013) will be proposed to the shareholders for financial year 2014. Based on the closing share price on 30 June 2014 (€ 22,11) this represents a gross dividend yield between 6,0 % and 6,4 %.

1.3 Divestments of investment properties

In the first halfyear of 2014 Intervest Offices & Warehouses sold a non-strategic semi-industrial building located in Meer, Riyadhstraat, for an amount of € 2 million to the tenant/user of the property. The building is a small semi-industrial building consisting of storage space (7.431 m²) and a limited office space (283 m²). The sales price is approximately 22 % below the carrying amount on 31 December 2013 which amounted to € 2,6 million (fair

value as determined by the independent property expert of the property investment fund). The building which is structurally of lower quality compared to the other properties of the property investment fund and requires in the medium term considerable maintenance works, only represents 0,5 % of the total fair value of the real estate portfolio of the property investment fund. The transaction is subject to registration rights.



WOLUWE GARDEN
24.460 m²

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1.4 Real estate portfolio on 30 June 2014

Composition of the portfolio

| REAL ESTATE PATRIMONY | 30.06.2014 | 31.12.2013 | 30.06.2013 |
|---|------------|------------|------------|
| Fair value of investment properties (€ 000) | 577.803 | 580.709 | 577.895 |
| Investment value of investment properties (€ 000) | 592.248 | 595.226 | 592.215 |
| Occupancy rate (%) | 85 % | 86 % | 86 % |
| Total leasable space (m ²) | 596.714 | 604.428 | 603.356 |
| Yield on investment value (%) | 7,3 % | 7,3 % | 7,4 % |
| Yield if fully let on investment value (%) | 8,6 % | 8,5 % | 8,6 % |

In the first semester of 2014, the **fair value of the real estate portfolio** of the property investment fund has decreased by € 3 million and amounts on 30 June 2014 to € 578 million compared to € 581 million on 31 December 2013. This decrease mainly results from the sale of the semi-industrial building located in Meer (with a fair value of € 2,6 million on 31 December 2013).

SHELLE
8.324 m²



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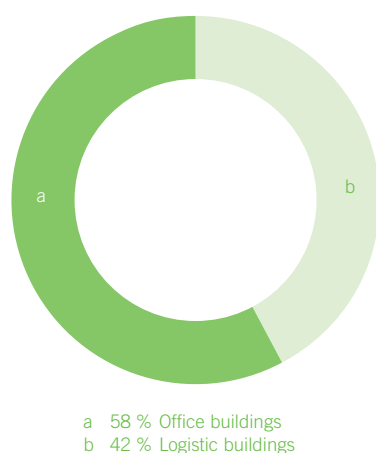


Risk spread of the portfolio

Intervest Offices & Warehouses focuses its strategy 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.

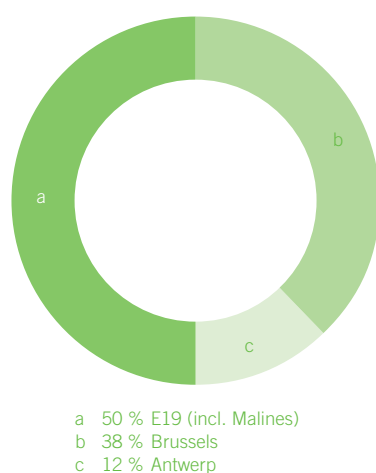
On 30 June 2014 the risk spread is as follows:

Nature of the portfolio



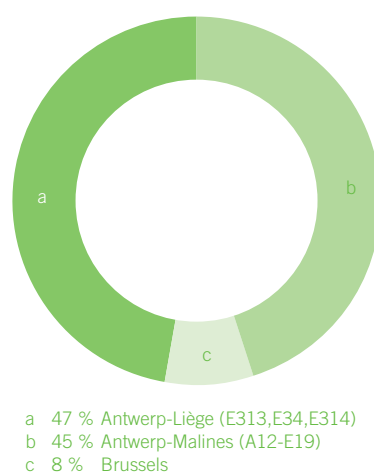
On 30 June 2014, the real estate portfolio of Intervest Offices & Warehouses consists of 58 % offices and 42 % logistic properties. The composition remains herewith unchanged compared to 31 December 2013.

Geographic spread offices



The strategic focus of the property investment fund for the office portfolio is located on the Antwerp-Brussels axis, which 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.

Geographic spread logistic real estate



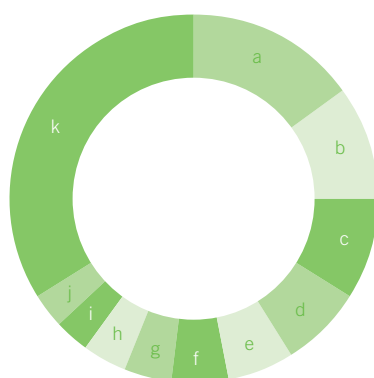
92 % of the logistic portfolio is located on the Antwerp-Malines axis (primarily the E19 and A12) and Antwerp-Liège (primarily the E313) which are the most important logistic axes in Belgium. Only 8 % of the properties are in the centre of the country, in the area of Brussels.

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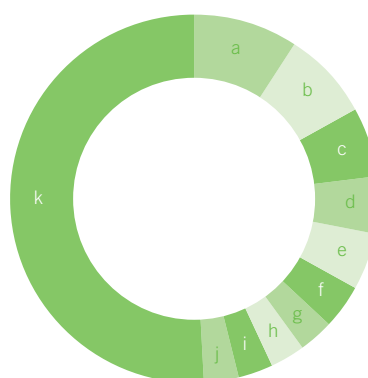
Risk spread of buildings by size⁵



- a 15 % Mechelen Campus
- b 10 % Intercity Business Park
- c 9 % Herentals Logistics 1,2 & 3
- d 7 % Woluwe Garden
- e 6 % Oevel 1, 2 & 3
- f 5 % Puurs Logistic Center
- g 4 % Mechelen Business Tower
- h 4 % Wilrijk Neerland 1 & 2
- i 3 % Gateway House
- j 3 % Wommelgem Koralehoeve
- k 34 % Other

Intervest Offices & Warehouses has 17 office locations and 19 logistic properties in portfolio. Intervest Offices & Warehouses aims to obtain an optimal risk spread and tries to limit the size of the buildings and complexes.

Risc spread by tenants⁶



- a 9 % Deloitte
- b 8 % PricewaterhouseCoopers
- c 6 % Hewlett-Packard Belgium
- d 5 % Nike Europe
- e 5 % Fiege
- f 4 % UTi Belgium
- g 3 % Pharma Logistics
- h 3 % PGZ Retail Concept
- i 3 % Biocartis
- j 3 % Ceva Logistics Belgium
- k 51 % Other

Tenants a, b, c and i (26 %) are part of the office segment. Tenant d till h included and j (23 %) are part of the logistic segment.

Rental income of Intervest Offices & Warehouses is spread over 175 different tenants, limiting the debtor's risk and improving the stability of rental income. The ten most important tenants represent 49 % of the rental income and are all prominent companies in their sector and part of international groups.

⁵ Classification according to the value of the buildings.

⁶ Classification according to the annual rental income.

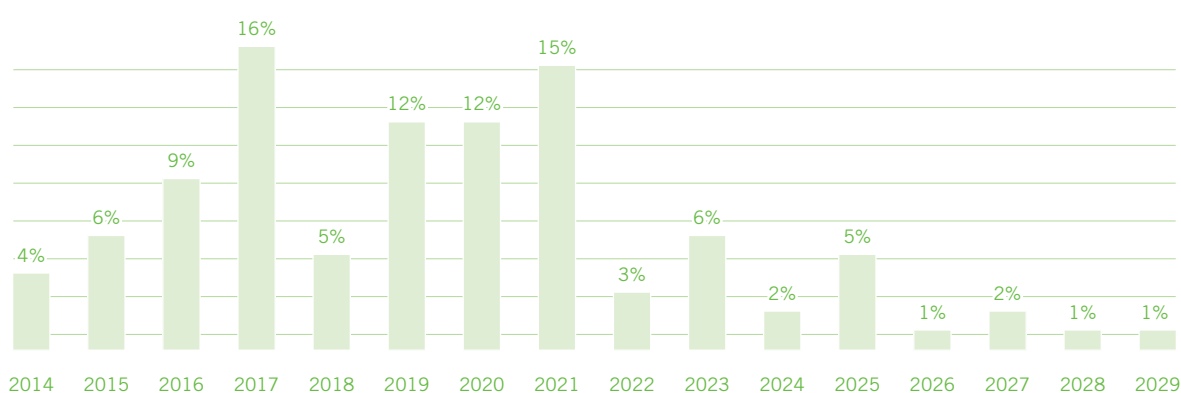
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Evolution of the portfolio

Expiry date of the lease contracts of the entire portfolio

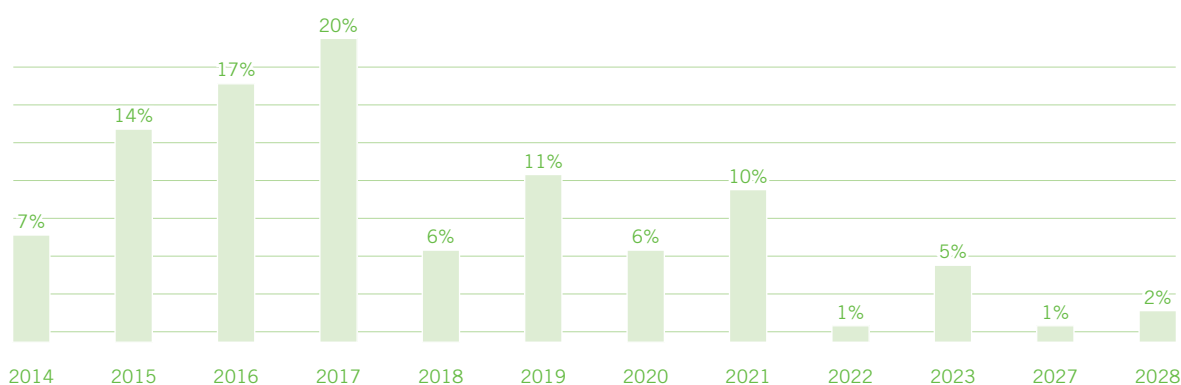


The expiry dates are well spread over the coming years. On 30 June 2014 a number of lease contracts, representing together 4 % of the rental income of the property investment fund, reaches an expiry date in 2014. Only 19 % of the lease contracts have an expiry date in the coming 3 years.

In 2016, 9 % of rental income reaches the expiry date, mainly through the termination of one of the contracts of Deloitte in Diegem (4 %) and through the termination of Neovia in Houthalen (3 %).

In 2017, 16 % of rental income reaches an expiry date as a result of the termination of the other contracts of Deloitte in Diegem (5 %) and through the termination of Fiege in Puurs (5 %) and PGZ in Wommelgem (3 %).

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



As most contracts are of the type 3/6/9, 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.

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On 31 December 2013, approximately 13 % of the rental income had a lease contract with first expiry date in 2014. On 30 June 2014 this already has decreased to 7 % through the prolongation of a number of lease contracts (a.o. Hewlett-Packard Belgium in Malines, Nike Europe in Herentals and CEVA Logistics Belgium in Boom, Fanuc Robotics and Endemol in Malines and EURid in Diegem).

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

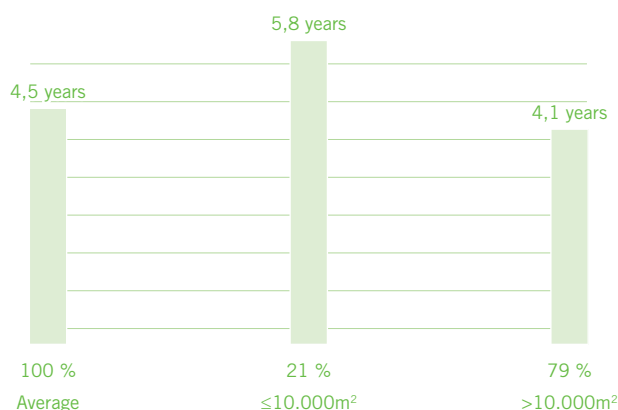
“On 30 June 2014, the average remaining duration of lease contracts in the office portfolio is 3,8 years (3,8 on 31 December 2013). For spaces above 2.000 m², it is 4,4 years (4,4 years on 31 December 2013).”



For offices, the average rental period (starting from 1 July 2014) until the next expiry date remains stable at 3,8 years compared to 31 December 2013 through the prolongation of the contract with Hewlett-Packard Belgium in Mechelen Business Tower. For large office tenants (above 2.000 m²) comprising 69 % of the office portfolio and having a great impact on the recurring rental income, the next expiry date (starting from 1 July 2014) is only within about 4,4 years (4,4 years on 31 December 2013).

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

“For the logistic portfolio, the average remaining duration of the lease contracts is 4,5 years (4,1 years on 31 December 2013).”



For the logistic properties the average duration of the lease contracts until the next expiry date is 4,5 years on 30 June 2014, which is an increase compared to the 4,1 years on 31 December 2013. This increase is due mainly to the prolongations of the agreements with Nike Europe and CEVA Logistics Belgium. For important tenants (above 10.000 m² in storage halls) the next expiry date is only within 4,1 years (3,6 years on 31 December 2013).

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Valuation of the portfolio

Valuation of the portfolio by the property experts on 30 June 2014:

| PROPERTY EXPERT | Valued properties | Fair value (€ 000) | Investment value (€ 000) |
|---------------------|---------------------|-----------------------|-----------------------------|
| Cushman & Wakefield | Office buildings | 336.751 | 345.170 |
| Stadim | Logistic properties | 241.052 | 247.078 |
| TOTAL | | 577.803 | 592.248 |

1.5 Market situation of professional real estate in 2014⁷

Office market

The take-up of office space on the Belgian office market amounts for the first semester of 2014 to approximately 370.000 m². This represents an increase of approximately 100.000 m² compared to the first semester of 2013. Prime rents remain almost stable, but net rents, namely in regions with a great deal of vacancy such as the Brussels periphery, still remain under pressure. The office market remains as previous years mostly a rental market, but there are also signs of a slight recovery, also due to the lack of new important development projects. A recovery in the coming years will however go along with the revival of the development market, and consequently with the further broadening of the offer.

At the end of the first semester of 2014 investments in office real estate have reached € 900 million, which is in line with the volume of the first semester of 2013 and also above the average of the total of the last four previous years. For core products (location, quality, term) yields remain stable. They could even slightly decrease in the near future due to the important demand for this kind of products and the limited offer. For non-core products the market still remains difficult, although first signs of recovery are perceptible.

Market of logistic real estate

During the first semester of 2014, the rental market of semi-industrial and logistic buildings has performed very well. The total take-up lies in the first semester of 2014 (depending on the source) between 730.000 and 785.000 m², which is considerably better than the take-up of the first semester of 2013, which was already a strong semester.

The increase is mainly related to logistic properties which are almost exclusively located in the Flemish region. This increase indicates that the economy is slowly improving and the expectation is that this trend will be pursued in the coming period.

The investment market for logistic and semi-industrial real estate has reached a volume of approximately € 130 million during the first semester of 2014, which is slightly lower than in the first semester of 2013. Despite the large interest from investors for logistic properties, few good products are currently offered for sale. It is expected that the important demand versus the limited offer will lead in the near future to a sharpening of the yields.

⁷ Sources: Belgium Q2 2014 Marketbeat Country Snapshot Belgium - Cushman & Wakefield and Expertise nr. 480 dd. 11 July 2014.

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1.6 Analysis of the results⁸

For the first semester of 2014, **rental income** of the property investment fund amounts to € 19,8 million and remains herewith almost stable compared to the first semester of 2013 (€ 19,9 million), for the office portfolio as well as for the logistic portfolio.

The **recovery of property charges** shows in the first semester of 2014 an income of € 0,4 million compared to € 0,8 million in the same period of previous year. In 2013 the recovery of property charges comprised refurbishment fees received at the departure of tenants. In the first semester of 2013 several tenants of the property investment fund left the premises and paid hereby indemnities of approximately € 0,5 million.

On 30 June 2014, **property charges** of the property investment fund amount to € 2,2 million (€ 2,1 million). This increase comes mainly from a larger maintenance program for the logistics buildings of the property investment fund.

General costs amount to € 0,8 million in the first semester of 2014 and have thus slightly increased through higher advice costs, compared to the first semester of 2013 (€ 0,6 million).

The decrease in indemnities received at the departure of tenants causes the **operating result before result on portfolio** to decrease by 3 %, or € 0,5 million to € 17,2 million (€ 17,7 million).

The **result on disposals of investment properties** comprises in the first semester of 2014 the loss of € 0,6 million realised on the sale of the non-strategic semi-industrial building in Meer.

The **changes in fair amount of investment properties** in the first semester of 2014 amount to - € 2,6 million (€ 6,2 million). This decrease in fair value is mainly due to the adjustment of the estimated rental value of offices as well as the necessary adaptation works to the HVAC system of the office buildings in order to replace non-environmentally friendly refrigerants such as R22, as their use will be severely restricted as from 2015. Simultaneously the efficiency of the equipment will be optimised.

HERENTALS LOGISTICS 1
17.346 m²



⁸ Between brackets comparable figures of the first semester of 2013.

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The **financial result (excl. changes in fair value – IAS 39)** for the first semester of 2014 amounts to - € 5,7 million compared to - € 5,5 million in the first semester of 2013. The average interest rate of the property investment fund for the first semester of 2014 amounts to approximately 4,1 % including bank margins (3,8 %). The increase in financing costs results mainly from the issue of the bond loan in March 2014 for € 60 million for the refinancing of the existing bond loan of € 75 million which expires in June 2015 and has to be repaid.

The **changes in fair value of financial assets and liabilities (ineffective hedges – IAS 39)** include the increase 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 - € 0,7 million (€ 1,9 million).

For the first semester of 2014 the **net result** of Intervest Offices & Warehouses amounts to € 7,9 million (€ 22,8 million) and may be divided into:

- the **operating distributable result** of € 11,5 million (€ 12,2 million) or a decrease of € 0,7 million or 6 %, mainly through the decrease of indemnities received at the departure of tenants and the increase of the general and financing costs of the property investment fund.

- The **result on portfolio** for an amount of - € 2,9 million (€ 8,6 million).
- Changes in fair value of financial assets and liabilities (ineffective hedges – IAS 39)** for an amount of - € 0,7 million (€ 1,9 million).

This generates per share an **operating distributable result** of € 0,78 (€ 0,85) for the first semester of 2014.

On the consolidated balance sheet **non-current assets** comprise mainly the investment properties of the property investment fund. On 30 June 2014, the fair value of these investment properties amounts to € 578 million (€ 581 million on 31 December 2013).

Current assets amount to € 7 million (€ 8 million on 31 December 2013) and consist of € 3 million in trade receivables, mainly advance billing of rents for the 3rd quarter of 2014, of € 2 million in tax receivables and other current assets and of € 2 million in deferred charges and accrued income.

| KEY FIGURES PER SHARE | 30.06.2014 | 31.12.2013 | 30.06.2013 |
|--|------------|------------|------------|
| Number of shares entitled to dividend | 14.777.342 | 14.424.982 | 14.424.982 |
| Weighted average number of shares | 14.487.974 | 14.335.677 | 14.243.877 |
| Net result per share (6 months/1 year/6 months) (€) | 0,54 | 2,41 | 1,60 |
| Operating distributable result (6 months/1 year/6 months) (€) | 0,78 | 1,70 | 0,85 |
| Net asset value (fair value) (€) | 18,91 | 19,86 | 19,02 |
| Net asset value (investment value) (€) | 19,90 | 20,87 | 20,02 |
| Market capitalisation (million €) | 327 | 281 | 258 |
| Share price on closing date (€) | 22,11 | 19,48 | 17,89 |
| Premium (+) / discount (-) to net asset value (fair value) (%) | 17 % | -2 % | -6 % |
| Debt ratio (max. 65 %) (%) | 49,8 % | 48,7 % | 51,1 % |

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On 30 June 2014, after payment of the dividend over 2013, the **net asset value (fair value)** of the share is € 18,91 (€ 19,86 on 31 December 2013). The share price on 30 June 2014 of the Intervest Offices & Warehouses share (INTO) is € 22,11. Herewith the share is quoted with a premium of 17 % compared to the net asset value (fair value).

For the dividend distribution of financial year 2013, the shareholders of Intervest Offices & Warehouses have chosen for 42,75 % 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 28 May 2014 to a strengthening of the **shareholders' equity** of Intervest Offices & Warehouses by € 7,1 million (capital increase and share premium) through the creation of 352.360 new shares, bringing the total number of Intervest Offices & Warehouses' shares as from 28 May 2014 to 14.777.342 units. The new shares participate in the result of the property investment fund as of 1 January 2014.

Non-current liabilities mainly consist of non-current financial liabilities for an amount of € 172 million (€ 221 million on 31 December 2013). These comprise mainly

€ 112 million long-term bank financings of which the expiry date is situated after 30 June 2015 and the bond loans issued in March 2014 with a net revenue of € 59 million. On the other hand the non-current liabilities also comprise the other long-term financial liabilities representing the negative market value of € 5 million of the cash flow hedges concluded by the property investment fund to hedge the variable interest rate on the non-current financial debts.

Current liabilities amount to € 128 million (€ 76 million on 31 December 2013) and consist of € 117 million in current financial debts (bank loans with an expiry date before 30 June 2015 and the bond loan issued in June 2010 for an amount of € 75 million), of € 2 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 amounts to 49,8 % on 30 June 2014 (48,7 % 31 December 2013). This increase of 1,1 % compared to 31 December 2013 is due mainly to payment of the dividend for financial year 2013.

| EPRA - KEY FIGURES ⁹ | 30.06.2014 | 31.12.2013 | 30.06.2013 |
|--|------------|------------|------------|
| EPRA Earnings (€) per share | 0,79 | 1,71 | 0,86 |
| EPRA NAV (€) per share | 19,28 | 20,20 | 19,40 |
| EPRA NNNNAV (€) per share | 18,48 | 19,64 | 18,74 |
| EPRA <i>Net Initial Yield</i> (NIY) (%) | 6,2 % | 6,2 % | 6,1 % |
| EPRA <i>Topped-up</i> NIY (%) | 6,7 % | 6,7 % | 6,7 % |
| EPRA Vacancy rate (%) | 16,3 % | 16,1 % | 15,6 % |
| EPRA Cost Ratio (including direct vacancy costs) (%) | 13,8 % | 13,8 % | 15,6 % |
| EPRA Cost Ratio (excluding direct vacancy costs) (%) | 11,9 % | 11,9 % | 13,3 % |

⁹ The auditor has verified if the "EPRA Earnings", "EPRA NAV" and "EPRA NNNNAV" ratios are calculated according to the EPRA BPR definitions of August 2011, and if the financial data used for the calculation of these ratios correspond to the accounting data of the consolidated financial statement.

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1.7 Financial structure on 30 June 2014

Successful private placement of bonds of € 60 million

On 19 March 2014 property investment fund Intervest Offices & Warehouses realised the successful private placement of bonds for a total amount of € 60 million. The bonds have a term of respectively 5 years (€ 25 million) and 7 years (€ 35 million) and expire respectively on 1 April 2019 and 1 April 2021. The bonds with expiry date 1 April 2019 generate a fixed annual gross return of 3,430 %, the bonds with expiry date on 1 April 2021 a fixed annual gross return of 4,057 %.

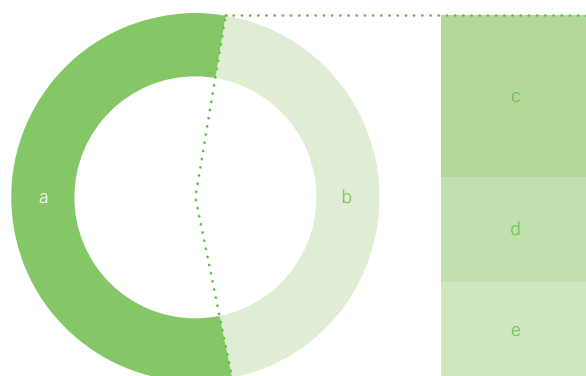
The issue price of the bonds was equal to their nominal amount, being € 100.000. The bonds were placed with institutional investors.

The net proceeds of the bond issue will be used to contribute to the diversification of the financial resources and to support the further growth of the real estate portfolio. With terms of 5 and 7 years the bonds contribute to an increase of the average duration of the total debt of the property investment fund.

The financial means from this issue were received on 1 April 2014.

Most important characteristics of the financial structure on 30 June 2014

- Amount of financial debts: € 289 million (excluding the market value of financial derivatives).
- 56 % long-term financings with an average remaining duration of 3,6 years.
- 44 % short-term financings, consisting of 13 % financings with an unlimited duration (€ 47 million), of 20 % bond loan which expires on 29 June 2015 (€ 75 million) and of 12 % a credit facility expiring at the beginning of 2015 (€ 40 million).



- a 56 % Long-term credit facilities
- b 44 % Short-term credit facilities
- c 12% Credit facilities with unlimited duration
- d 20% Bond loan 29 June 2015
- e 12 % Credit facilities which expire within the year or have to be refinanced

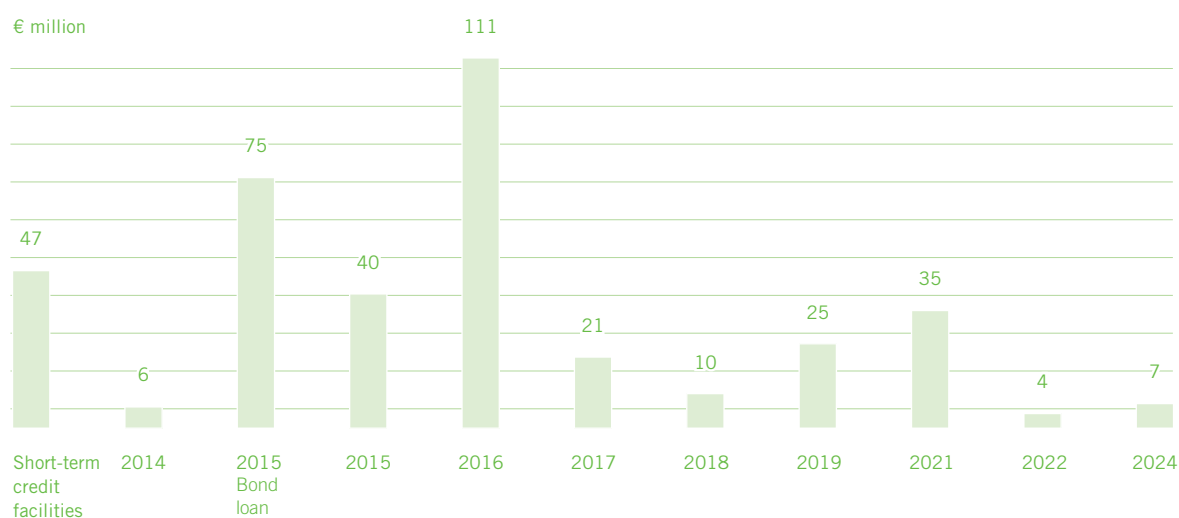
- € 91 million non-withdrawn credit lines at financial institutions to absorb the fluctuations in liquidity needs of the property investment fund and the repayment of the bond loan of € 75 million in June 2015.

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- Spread of expiry dates of credit facilities between 2014 and 2024.



- Spread of financial debts over 6 European financial institutions and bondholders.
- 69 % of the credit lines have a fixed interest rate or are fixed by interest rate swaps, 31 % have a variable interest rate. On 30 June 2014, 90 % of the withdrawn financings have a fixed interest rate or are fixed by interest rate swaps and have 10 % a variable interest rate.
- Interest rates are fixed for a remaining average period of 3,1 years.
- Average interest rate for the first semester of 2014: 4,1 % including bank margins (3,8 % for the first semester of 2013).
- Market value of financial derivatives: € 5,5 million negative.
- Debt ratio of 49,8 % (legal maximum: 65 %) (48,7 % on 31 December 2013).
- In the first semester of 2014 there have been no amendments to the existing contractual covenants and on 30 June 2014 the property investment fund complies with these covenants.

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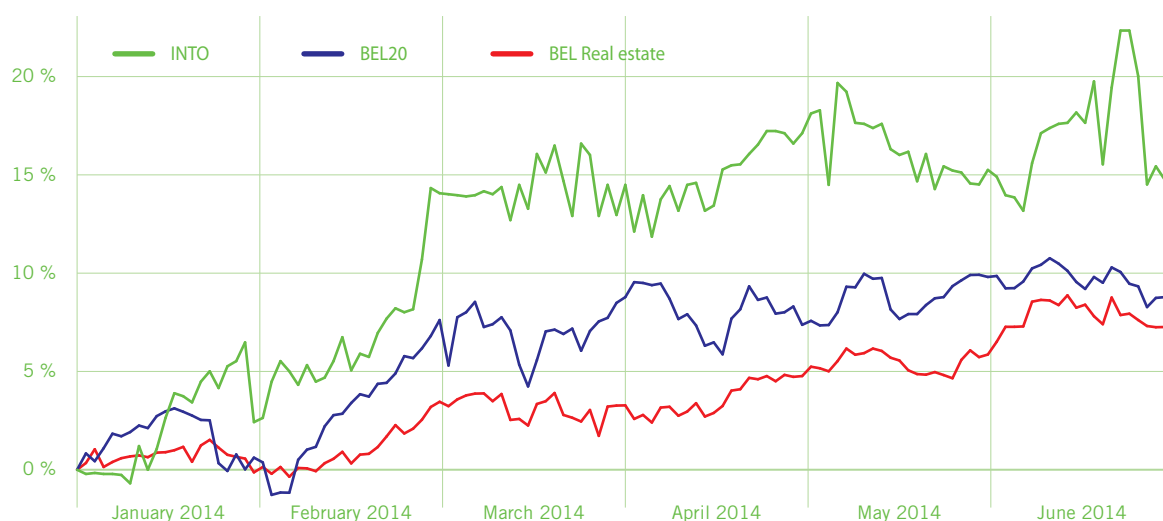


1.8 Intervest Offices & Warehouses share: 15 years on the Brussels Stock Exchange

INTO
LISTED
EURONEXT

Intervest Offices & Warehouses is quoted since 1999 as property investment fund on the Brussels Stock Exchange. For the occasion of this 15th anniversary the Opening bell was rung on 8 July 2014 at Euronext Brussels.

The share of Intervest Offices & Warehouses (INTO) closed on 30 June 2014 the first semester of 2014 at € 22,11 compared to € 19,48 on 31 December 2013. Consequently, the share price of the property investment fund increased by approximately 14 %. The share quotes with a premium of 17 % on 30 June 2014.



The share of Intervest Offices & Warehouses has performed better in the first semester of 2014 than the BEL 20 and the BEL Real Estate.

On 30 June 2014 the number of shares amount to 14.777.342 and the market capitalisation to € 327 million.

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1.9 Risks for the remaining months of 2014

Intervest Offices & Warehouses estimates the main risk factors and uncertainties for the remaining months of the financial year 2014 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 recognised that can fundamentally influence the results of financial year 2014. 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 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 2014, 90 % of the withdrawn credit facilities consists of financings with a fixed interest rate or fixed through interest rate swaps. Only 10 % of the credit facilities portfolio has a variable interest rate which is subject to unforeseen rises of the currently low interest rates.

MECHELEN BUSINESS TOWER
13.574 m²



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1.10 Forecast for 2014

In the annual report of 2013 Interinvest Offices & Warehouses formulated certain targets for 2014 of which some have already been realised in the first semester of 2014:

- Realisation of lease transactions through a proactive asset management in the office segment as well as for logistic buildings: due to the lease transactions of the first semester of 2014 (see paragraph 1.1. of the interim management report) 16% of the total annual rental income of the property investment fund has been prolonged or renewed and the average remaining duration of the lease contracts remains stable compared to 31 December 2013 at 3,9 years.
- Interinvest Offices & Warehouses aims to maintain a stable occupancy rate in 2014: on 30 June 2014 the occupancy rate of the entire portfolio amounts to 85 %; the occupancy rate of the office portfolio has increased in the first semester of 2014 by 1 % to 83 %, the one of the logistic portfolio amounts to 90 % on 30 June 2014.
- Sale of some atypical buildings in the logistic segment: a non-strategic building in Meer is sold in the first semester of 2014.
- Research of alternative sources of financing and analysis of the possibility of refinancing the bond loan which expires in June 2015: a private placement of bonds for an amount of € 60 million has been realised in the first semester of 2014. As this financing has interest rates of 3,430 % (5 years) and 4,057 % (7 years) the financing cost of the property investment fund will increase temporary for financial year 2014 which will have a negative effect on the operating distributable result. On 29 June 2015 the existing bond loan of € 75 million with a coupon of 5,1 % will be reimbursed and replaced by this new financing.



MECHELELE CAMPUS
58.109 m²

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Interinvest Offices & Warehouses will continue to pursue its investment strategy unabated in the second semester of 2014, the aim of which is to increase the percentage of logistics buildings in its portfolio. Efforts are being made to substantially increase the percentage of high-quality logistics buildings via new acquisitions or developments within the existing portfolio.

If market circumstances permit it, the property investment fund will divest some buildings in the office market. However offices remain an interesting investment allowing the realisation of good returns. Some office buildings will be renovated and adapted to the current expectations on the rental market.

Based on the half-yearly results and the forecast on 30 June 2014 the gross dividend for financial year 2014 will be lower than previous year. The property investment fund expects that the operating distributable result for financial year 2014 will be between € 1,48 and € 1,58 per share (€ 1,70 for financial year 2013). Taking into account a pay-out ratio of 90 % a gross dividend between € 1,33 and € 1,42 per share (€ 1,53 for financial year 2013) will be proposed to the shareholders. Based on the closing share price on 30 June 2014 (€ 22,11) this represents a gross dividend yield between 6,0 % and 6,4 %.

Pursuant to the publication of the Act of 12 May 2014 regarding B-REITS and the Royal Decree of 16 July 2014 on B-REITS, Interinvest Offices & Warehouses considers to change its status and to apply for the one of B-REIT.

In the first place Interinvest Offices & Warehouses aims to position itself as a REIT in order to improve its visibility and concept towards new international investors and to avoid to fall under the regime of "Alternative investment fund", a qualification which will apply from now on to property investment funds. This would signify that the economic model of an alternative investment fund, subject to the Act of 19 April 2014 regarding alternative funds for collective property investment and their managers, whereby the AIFM rule is transposed, has to be respected.

Consequently Interinvest Offices & Warehouses will introduce its demand for changing its status by the FSMA and convoke an extraordinary general meeting in view of the modification of its status (under certain suspending conditions, among which the licence as public B-REIT by the FSMA and the condition that the total number of shares exited is less than the still pre-defined percentage).



INTERCITY
BUSINESS PARK
42.112 m²

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2. Condensed consolidated half-yearly figures

2.1 Condensed consolidated income statement

| in thousands € | 30.06.2014 | 30.06.2013 |
|--|---------------|---------------|
| Rental income | 19.844 | 19.882 |
| Rental-related expenses | -9 | -31 |
| NET RENTAL INCOME | 19.835 | 19.851 |
| Recovery of property charges | 369 | 848 |
| Recovery of rental charges and taxes normally payable by tenants on let properties | 2.997 | 3.241 |
| Costs payable by tenants and borne by the landlord for rental damage and refurbishment | -81 | -262 |
| Rental charges and taxes normally payable by tenants on let properties | -2.997 | -3.241 |
| Other rental-related income and expenses | 77 | 43 |
| PROPERTY RESULT | 20.200 | 20.480 |
| Technical costs | -531 | -392 |
| Commercial costs | -80 | -82 |
| Charges and taxes on unlet properties | -393 | -383 |
| Property management costs | -1.197 | -1.214 |
| Other property charges | -21 | -56 |
| PROPERTY CHARGES | -2.222 | -2.127 |
| OPERATING PROPERTY RESULT | 17.978 | 18.353 |
| General costs | -789 | -630 |
| Other operating income and costs | 27 | 23 |
| OPERATING RESULT BEFORE RESULT ON PORTFOLIO | 17.216 | 17.746 |
| Result on disposals of investment properties | -589 | 2.115 |
| Changes in fair value of investment properties | -2.572 | 6.245 |
| Other result on portfolio | 247 | 257 |
| OPERATING RESULT | 14.302 | 26.363 |

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| in thousands € | 30.06.2014 | 30.06.2013 |
|---|---------------|---------------|
| Financial income | 37 | 100 |
| Net interest charges | -5.767 | -5.612 |
| Other financial charges | -3 | -2 |
| Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) | -695 | 1.937 |
| FINANCIAL RESULT | -6.428 | -3.577 |
| RESULT BEFORE TAXES | 7.874 | 22.786 |
| TAXES | -18 | -9 |
| NET RESULT | 7.856 | 22.777 |
| Note: | | |
| Operating distributable result | 11.465 | 12.223 |
| Result on portfolio | -2.914 | 8.617 |
| Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) | -695 | 1.937 |
| Attributable to: | | |
| Equity holders of the parent company | 7.857 | 22.778 |
| Minority interests | -1 | -1 |

| RESULTS PER SHARE | 30.06.2014 | 30.06.2013 |
|---------------------------------------|------------|------------|
| Number of shares entitled to dividend | 14.777.342 | 14.424.982 |
| Weighted average number of shares | 14.487.974 | 14.243.877 |
| Net result (€) | 0,54 | 1,60 |
| Diluted net result (€) | 0,54 | 1,60 |
| Operating distributable result (€) | 0,78 | 0,85 |

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2.2 Condensed consolidated statement of comprehensive income

| in thousands € | 30.06.2014 | 30.06.2013 |
|--|--------------|---------------|
| NET RESULT | 7.856 | 22.777 |
| Other components of comprehensive income (recyclable through income statement) | | |
| Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting | 128 | 293 |
| COMPREHENSIVE INCOME | 7.984 | 23.070 |
| Attributable to: | | |
| Equity holders of the parent company | 7.985 | 23.071 |
| Minority interests | -1 | -1 |

2.3 Condensed consolidated balance sheet

| ASSETS in thousands € | 30.06.2014 | 31.12.2013 |
|--|----------------|----------------|
| NON-CURRENT ASSETS | 578.013 | 580.986 |
| Intangible assets | 24 | 34 |
| Investment properties | 577.803 | 580.709 |
| Other tangible assets | 171 | 228 |
| Trade receivables and other non-current assets | 15 | 15 |
| CURRENT ASSETS | 7.032 | 7.876 |
| Trade receivables | 3.282 | 3.800 |
| Tax receivables and other current assets | 1.653 | 1.654 |
| Cash and cash equivalents | 346 | 691 |
| Deferred charges and accrued income | 1.751 | 1.731 |
| TOTAL ASSETS | 585.045 | 588.862 |

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| SHAREHOLDERS' EQUITY AND LIABILITIES in thousands € | 30.06.2014 | 31.12.2013 |
|---|----------------|----------------|
| SHAREHOLDERS' EQUITY | 279.498 | 286.521 |
| Shareholders' equity attributable to the shareholders of the parent company | 279.462 | 286.484 |
| Share capital | 134.657 | 131.447 |
| Share premium | 69.054 | 65.190 |
| Reserves | 67.894 | 55.265 |
| Net result of the financial year | 7.857 | 34.582 |
| Minority interests | 36 | 37 |
| LIABILITIES | 305.547 | 302.341 |
| Non-current liabilities | 177.587 | 226.171 |
| Non-current financial debts | 171.679 | 221.251 |
| <i>Credit institutions</i> | 112.450 | 146.467 |
| <i>Bond loan</i> | 59.224 | 74.775 |
| <i>Financial lease</i> | 5 | 9 |
| Other non-current financial liabilities | 5.365 | 4.384 |
| Other non-current liabilities | 543 | 536 |
| Current liabilities | 127.960 | 76.170 |
| Provisions | 172 | 172 |
| Current financial debts | 116.841 | 61.720 |
| <i>Credit institutions</i> | 41.983 | 61.712 |
| <i>Bond loan</i> | 74.850 | 0 |
| <i>Financial lease</i> | 8 | 8 |
| Other current financial liabilities | 103 | 517 |
| Trade debts and other current debts | 2.388 | 2.921 |
| Other current liabilities | 188 | 173 |
| Accrued charges and deferred income | 8.268 | 10.667 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 585.045 | 588.862 |

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2.4 Condensed consolidated cash flow statement

| in thousands € | 30.06.2014 | 30.06.2013 |
|---|---------------|----------------|
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | 691 | 753 |
| 1. Cash flow from operating activities | 10.114 | 13.244 |
| Operating result | 14.302 | 26.363 |
| Interests paid | -7.071 | -7.391 |
| Other non-operating elements | -679 | 2.025 |
| Adjustment of result for non-cash flow transactions | 3.914 | -10.216 |
| Depreciations on intangible and other tangible assets | 70 | 81 |
| Result on disposals of investment properties | 589 | -2.115 |
| Changes in fair value of investment properties | 2.572 | -6.245 |
| Other result on portfolio | -247 | -257 |
| Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) | 695 | -1.937 |
| Spread of rental discounts and rental benefits granted to tenants | 247 | 257 |
| Other non-cash flow transactions | -12 | 0 |
| Change in working capital | -352 | 2.463 |
| Movement of assets | 270 | 1.195 |
| Movement of liabilities | -622 | 1.268 |
| 2. Cash flow from investment activities | -913 | 12.548 |
| Investments in existing investment properties | -2.808 | -6 |
| Extensions of existing investment properties | -139 | -2.766 |
| Income from disposal of investment properties | 2.038 | 15.430 |
| Acquisitions of intangible and other tangible assets | -4 | -110 |
| 3. Cash flow from financing activities | -9.546 | -25.412 |
| Repayment of loans | -60.746 | -4.208 |
| Drawdown of loans | 7.000 | 0 |
| Issue bond loan | 59.190 | 0 |
| Repayment of financial lease liabilities | -4 | -3 |
| Receipts/repayments from non-current liabilities as guarantee | 9 | -72 |
| Dividend paid | -14.995 | -21.129 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE SEMESTER | 346 | 1.133 |

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 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 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 authorised hedging instruments not subject to hedge accounting | | | -3.128 | 3.128 | | 0 |
| Allocation to other reserves | | | -23 | 23 | | 0 |
| Issue of shares for optional dividend financial year 2012 | 2.051 | 1.812 | | | | 3.863 |
| Dividend 2012 | | | -142 | -24.850 | | -24.992 |
| Balance at 30 June 2013 | 131.447 | 65.190 | 54.846 | 22.778 | 37 | 274.298 |
| Balance at 31 December 2013 | 131.447 | 65.190 | 55.265 | 34.582 | 37 | 286.521 |
| Comprehensive income of the first semester 2014 | | | 128 | 7.857 | -1 | 7.984 |
| Transfers through result allocation 2013: | | | | | | |
| Transfer to the reserves for the balance of changes in investment value of real estate properties | | | 7.827 | -7.827 | | 0 |
| Transfer of impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties | | | 14 | -14 | | 0 |
| Transfer of changes in fair value of financial assets and liabilities to the reserve for the balance of changes in fair value of authorised hedging instruments not subject to hedge accounting | | | 2.166 | -2.166 | | 0 |
| Allocation to results carried forward from previous years | | | 2.505 | -2.505 | | 0 |
| Allocation to other reserves | | | -12 | | | -12 |
| Issue of shares for optional dividend financial year 2013 | 3.211 | 3.864 | | | | 7.075 |
| Dividend 2013 | | | | -22.070 | | -22.070 |
| Balance at 30 June 2014 | 134.657 | 69.054 | 67.894 | 7.857 | 36 | 279.498 |

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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 | |
|--|---------------|---------------|---------------------|---------------|---------------|---------------|---------------|---------------|
| | 30.06.2014 | 30.06.2013 | 30.06.2014 | 30.06.2013 | 30.06.2014 | 30.06.2013 | 30.06.2014 | 30.06.2013 |
| Rental income | 12.139 | 12.352 | 7.705 | 7.530 | | | 19.844 | 19.882 |
| Rental-related expenses | 1 | -13 | -10 | -18 | | | -9 | -31 |
| Property management costs and income | 335 | 449 | 30 | 180 | | | 365 | 629 |
| PROPERTY RESULT | 12.475 | 12.788 | 7.725 | 7.692 | | | 20.200 | 20.480 |
| OPERATING RESULT BEFORE RESULT ON PORTFOLIO | 11.855 | 12.151 | 7.381 | 7.457 | -2.020 | -1.862 | 17.216 | 17.746 |
| Result on disposals of investment properties | 0 | 0 | -589 | 2.115 | | | -589 | 2.115 |
| Changes in fair value of investment properties | -2.126 | -14.193 | -446 | 20.438 | | | -2.572 | 6.245 |
| Other result on portfolio | -62 | -60 | 309 | 317 | | | 247 | 257 |
| OPERATING RESULT OF THE SEGMENT | 9.667 | -2.102 | 6.655 | 30.327 | -2.020 | -1.862 | 14.302 | 26.363 |
| Financial result | | | | | -6.428 | -3.577 | -6.428 | -3.577 |
| Taxes | | | | | -18 | -9 | -18 | -9 |
| NET RESULT | 9.667 | -2.102 | 6.655 | 30.327 | -8.466 | -5.448 | 7.856 | 22.777 |

| BUSINESS SEGMENT: KEY FIGURES in thousands € | Offices | | Logistic properties | | TOTAL | |
|---|------------|------------|---------------------|------------|------------|------------|
| | 30.06.2014 | 30.06.2013 | 30.06.2014 | 30.06.2013 | 30.06.2014 | 30.06.2013 |
| Fair value of investment properties | 336.751 | 337.825 | 241.052 | 240.070 | 577.803 | 577.895 |
| Investment value of investment properties | 345.170 | 346.270 | 247.078 | 245.945 | 592.248 | 592.215 |
| Total leasable space (m²) | 229.669 | 231.109 | 367.045 | 372.247 | 596.714 | 603.356 |
| Occupancy rate of investment properties (%) | 83 % | 82 % | 90 % | 93 % | 85 % | 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 2013.

New or amended standards and interpretations effective for financial year taking effect on 1 January 2014

The following amended standards by the IASB and published standards and interpretations by the IFRIC are effective for the current period, but do not affect the disclosure, notes or financial results of the property investment fund: IFRS 10 Consolidated Financial Statements; IFRS 11 Joint Arrangements; IFRS 12 Disclosures of Interests in Other Entities; IAS 27 Separate Financial Statements; IAS 28 Investments in Associates and Joint Ventures; Amendments to IFRS 10, IFRS 12 and IAS 27 – Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities; Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities; Amendments to IAS 36 – Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Asset; Amendments to IAS 39 – Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting.

Disclosed standards and interpretations not yet effective in 2014

Following amendments are applicable as of next year or later are not expected to have an impact on the presentation, notes or financial results of the property investment fund: IFRS 9 Financial Instruments and subsequent amendments; IFRS 14 Regulatory Deferral Accounts (1/1/2016); IFRS 15 Revenue from Contracts with Customers (1/1/2017); Improvements to IFRS (2010-2012) (1/7/2014); Improvements to IFRS (2011-2013) (1/7/2014); Amendments to IFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (1/1/2016); Amendments to IAS 16 and IAS 38 Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation (1/1/2016); Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants (1/1/2016); Amendments to IAS 19 Employee Benefits – Employee Contributions (1/7/2014); IFRIC 21 – Levies (1/7/2014).

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Evolution of investment properties

| in thousands € | 30.06.2014 | | | 30.06.2013 | | |
|--|----------------|---------------------|----------------|----------------|---------------------|----------------|
| | Offices | Logistic properties | Total | Offices | Logistic properties | Total |
| Balance sheet on 1 January | 337.503 | 243.206 | 580.709 | 351.854 | 229.426 | 581.280 |
| Investments in existing investment properties | 1.374 | 779 | 2.153 | 164 | -158 | 6 |
| Extensions of existing investment properties | 0 | 139 | 139 | 0 | 2.766 | 2.766 |
| Disposals of investment properties | 0 | -2.627 | -2.627 | 0 | -12.402 | -12.402 |
| Changes in fair value of investment properties | -2.126 | -445 | -2.571 | -14.193 | 20.438 | 6.245 |
| Balance sheet on 30 June | 336.751 | 241.052 | 577.803 | 337.825 | 240.070 | 577.895 |
| OTHER INFORMATION | | | | | | |
| Investment value of real estate properties | 345.170 | 247.078 | 592.248 | 346.270 | 245.945 | 592.215 |

The disposals of investment properties comprise in the first semester of 2014 the sale of a non-strategic semi-industrial building located in Meer, Riyadstraat, with a fair value of € 2,6 million on 31 December 2013.

Investment properties are recognised at fair value. The fair value is determined on the basis of one of the following levels of the hierarchy:

- Level 1: measurement is based on quoted market prices in active markets
- Level 2: measurement is based on (externally) observable information, either directly or indirectly
- Level 3: measurement is based either fully or partially on information that is not (externally) observable

IFRS 13 classifies investment properties as Level 3.

Overview of future minimum rental income

For an update of the future minimum rental income as at 30 June 2014 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

In the first semester of 2014 a new credit facility agreement for an amount of € 7 million with a term of 10 years has been concluded at a fixed interest rate. Furthermore Intervest Offices & Warehouses completed a private placement of bonds of € 60 million with terms of 5 and 7 years (see paragraph 1.7 Financial structure on 30 June 2014).

No new hedging agreements/interest rate swaps have been concluded by the property investment fund in the first semester of 2014.

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Financial instruments

The major financial instruments of Intervest Offices & Warehouses consist of financial and commercial receivables and debts, cash and cash equivalents as well as financial instruments of the interest rate swap type (IRS).

| Summary financial instruments in thousands € | Categories | Level | 30.06.2014 | | 31.12.2013 | |
|---|------------|-------|--------------------|------------|--------------------|------------|
| | | | Carrying amount | Fair value | Carrying amount | Fair value |
| FINANCIAL INSTRUMENTS: ASSETS | | | | | | |
| Non-current assets | | | | | | |
| Trade receivables and other non-current assets | A | 2 | 15 | 15 | 15 | 15 |
| Current assets | | | | | | |
| Trade receivables | A | 2 | 3.282 | 3.282 | 3.800 | 3.800 |
| Tax receivables and other current assets | A | 2 | 1.653 | 1.653 | 1.654 | 1.654 |
| Cash and cash equivalents | B | 2 | 346 | 346 | 691 | 691 |
| FINANCIAL INSTRUMENTS: LIABILITIES | | | | | | |
| Non-current liabilities | | | | | | |
| Non-current financial debts (interest-bearing) | A | 2 | 171.679 | 175.513 | 221.251 | 224.498 |
| Other non-current financial liabilities | C | 2 | 5.365 | 5.365 | 4.384 | 4.384 |
| Other non-current liabilities | A | 2 | 543 | 543 | 536 | 536 |
| Current liabilities | | | | | | |
| Current financial debts (interest-bearing) | A | 2 | 116.841 | 119.435 | 61.720 | 61.720 |
| Other current financial liabilities | C | 2 | 103 | 103 | 517 | 517 |
| Trade debts and other current debts | A | 2 | 2.388 | 2.388 | 2.921 | 2.921 |
| Other current liabilities | A | 2 | 188 | 188 | 173 | 173 |

The categories correspond to the following financial instruments:

- A. Financial assets or liabilities (including receivables and loans) held to maturity and measured at amortised cost.
- B. Investments held to maturity and measured at amortised cost.
- C. Assets and liabilities held at fair value through the income statement, with the exception of financial instruments defined as hedging instruments.

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Financial instruments are recognised at fair value. The fair value is determined based on one of the following levels of the fair value hierarchy:

- Level 1: measurement is based on quoted market prices in active markets
- Level 2: measurement is based on (externally) observable information, either directly or indirectly
- Level 3: measurement is based either fully or partially on information that is not (externally) observable

The financial instruments of Intervest Offices & Warehouses correspond to Level 2 of the fair value hierarchy. The following techniques are used to measure the fair value of Level 2 financial instruments:

- For the items 'Other non-current financial liabilities' and 'Other current financial liabilities', which apply to the interest rate swaps, the fair value is determined by means of observable data, namely the forward interest rates that apply to active markets, which are generally supplied by financial institutions.
- The fair value of the remaining Level 2 financial assets and liabilities is practically the same as their carrying amount, either because they have a short-term maturity (such as trade receivables and debts) or because they carry a variable interest rate.
- When the fair value of the interest-bearing financial liabilities is calculated, the financial liabilities with a fixed interest rate are taken into account, and the future cash flows (interest and capital redemption) are discounted with a market-based yield. Financial debts that carry a variable interest rate or which are hedged by a financial derivative are not taken into account for this calculation.

Related parties

No modifications has occurred during the first semester of 2014 regarding the type of transactions with related parties compared to the description in note 22 of the Financial report of the Annual report 2013.

Off-balance sheet obligations

In the first semester of 2014, 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 2013.

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 2014.

Half-yearly financial report

of the board of directors for the period
01.01.2014 to 30.06.2014



2.7 Statutory auditor's report

INTERVEST OFFICES & WAREHOUSES SA,
PUBLIC PROPERTY INVESTMENT FUND UNDER BELGIAN LAW

REPORT ON REVIEW OF THE CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed balance sheet as at 30 June 2014, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the period of six months then ended, as well as selective notes.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Intervest Offices & Warehouses SA, public property investment fund under Belgian law ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standard IAS 34 – Interim Financial Reporting as adopted by the European Union.

The consolidated condensed statement of financial position shows total assets of 585.045 (000) EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the year then ended of 7.857 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – Review of interim financial information performed by the independent auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Half-yearly financial report

of the board of directors for the period
01.01.2014 to 30.06.2014



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Intervest Offices & Warehouses SA, public property investment fund under Belgian law has not been prepared, in all material respects, in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union.

Antwerp, 28 July 2014

The statutory auditor
DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by

A handwritten signature in black ink, which appears to read 'Kathleen De Brabander', is shown above a horizontal line.

Kathleen De Brabander

Half-yearly financial report

of the board of directors for the period
01.01.2014 to 30.06.2014



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 srl, 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 28 July 2014.

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

INTERVEST OFFICES & WAREHOUSES SA, public property investment fund under Belgian law,
Jean-Paul Sols - CEO or Inge Tas - CFO, tel: + 32 3 287 67 87, <http://corporate.intervest.be/en/offices>