

INTERVEST OFFICES & WAREHOUSES FORESEES STRONG GROWTH DURING THE NEXT 3 YEARS.

Additional expansion in logistics real estate and re-orientation in the offices portfolio hereby form the general principles, founded on adequate policy choices on financing resources and management.

Interinvest Offices & Warehouses, regulated real estate company, announces strong growth in its look ahead. The company wants to **expand its real estate portfolio to approximately € 800 million** during the next 3 years, to **represent € 500 million in logistics real estate and approximately € 300 million in offices** by the end of 2018. In so doing, the strategic shift to a ratio of approximately 60% in logistic real estate and 40% in office buildings will continue to be maintained. There will be further investments in logistics real estate in strategic locations, which will parallel re-orientation of the office portfolio by divestment of non-strategic buildings and re-investment in buildings with special character when it comes to multi-functionality, architecture, sustainability and quality.

For example, Interinvest Offices & Warehouses will prioritise the **redevelopment of the Diegem Campus**, as an innovative, inspiring and service-targeted concept where working is a pleasant experience.

All of this, combined with the active asset management already in existence, will improve the **foundations of the real estate portfolio** with regard to the occupancy rate, yield, average duration of lease agreements, tenants' risk spread and rental income stability.

The growth strategy is underpinned by financial **policy choices**. From a strategic point of view, Interinvest Offices & Warehouses will keep sufficient liquid assets from operational activities available in the company. That is why Interinvest Offices & Warehouses has decided to provide a **gross dividend** of a minimum of €1,40 per share for financial years 2016, 2017 and 2018¹. This amounts to an average pay-out ratio between 80% and 90%² of the expected operating distributable result for these 3 years together.

Furthermore, with regard to its financing sources, Interinvest Offices & Warehouses has opted to ensure that the **debt ratio** during the following 3 years will fluctuate within the range of 45% and 50%.

As a result of the changed shareholder structure and for the purposes of implementing these growth plans, Interinvest Offices & Warehouses provides for a reshuffling of its **board of directors**³, with Jean-Pierre Blumberg as chairman.

With regard to the **management committee**, the current ceo, Jean-Paul Sols and the cfo, Inge Tas, will terminate their cooperation with the regulated real estate company Vastned Retail Belgium and be at the full disposal of Interinvest Offices & Warehouses. The management committee will also expand to include a chief investment officer.

1 Subject to approval by the annual general meetings to be held in 2017, 2018 and 2019.

2 Interinvest Offices & Warehouses is a regulated real estate company with a legal pay-out obligation of at least 80% of the distributable operating profit, adjusted to non-cash flow elements. The gross dividend will always amount to a minimum of 80% of this sum, which means that the RREC will always fulfil its legal obligations.

3 Subject to the approval of the annual general meeting of 27 April 2016.

In 2016-2018 Intervest Offices & Warehouses will boost its real estate portfolio and will continue to develop market segments in which the company is already involved, namely offices and logistics real estate.

The real estate portfolio of Intervest Offices & Warehouses is founded on 2 fundamental pillars: logistics real estate and office buildings

The rental markets and the investment markets of logistics real estate and office buildings are subject to a distinct dynamic. The office rental market is late-cyclical, whereas the logistics real estate reacts quicker to economic trends. This causes the value developments of offices and logistics real estate to experience different movements based upon structural social trends.

In the past the combination of both segments had already proven that they generate a high dividend yield. This, in addition to creating long-term value in both the office and logistics real estate segments, will continue to be one of the focus areas of Intervest Offices & Warehouses in the future.



▲ Above: offices - Mechelen Campus.
Below: logistics - Puurs

1. Logistics real estate portfolio: growth in logistics corridors within a 150 km radius around Antwerp, focused on Belgium

With large major European ports in the Rhine Delta and proximity to an affluent service area within a radius of 500 km, the geographical location of Belgium and its neighbouring countries in Europe is ideal for a logistics home base. This has also led to significant development of the logistics real estate market. The demand for logistics real estate will continue to grow in the future as a result of the general growth of the European economy and e-commerce.

Intervest Offices & Warehouses focuses on logistics real estate situated in strategic locations within a radius of 150 km around Antwerp and it aims to expand its **logistics real estate portfolio** by approximately 50%, in order to reach approximately € 500 million by the end of 2018.

With regard to new acquisitions, the priority focus of Intervest Offices & Warehouses in Belgium will remain on the **two most important logistics axes in Belgium**: Antwerp-Brussels-Nivelles and Antwerp-Limburg-Liège. The company already has a markedly strong presence on these two axes, which makes it an important business partner for its customers in these market segments. By continuing to further develop the positions on these

axes it is possible to tap into the changing surface area and location needs of both current and new customers.

Intervest Offices & Warehouses aims to acquire **building clusters**, i.e. various locations at close proximity, so that it can offer customers efficient and optimum service provision. Not only does such clustering apply to current locations but it will also play a role in the geographical growth of the portfolio and thus logically supplement the current core areas.

The growth of Intervest Offices & Warehouses in this area will be achieved by acquiring high-quality real estate, developments of land positions on multimodal accessible locations and by developing its own portfolio. In this way, the company also has development options on its own grounds in Herentals and Liège at its disposal, and there are possibilities to expand its partnership potential with third parties on various logistics sites, including Opglabbeek and Liège. After all, such extensions offer both Intervest Offices & Warehouses and the current tenant important synergy benefits, by which additional added value can be realised.

“The strategy of Intervest Offices & Warehouses for the logistics segment is aimed at investing in modern logistics cluster sites on locations that can be accessed in many different ways. This is still oriented widely, i.e. within a 150 km radius of Antwerp, so that the synergy benefits are maximised for both customers and Intervest Offices & Warehouses alike.”

JEAN-PAUL SOLS, CEO



2. Real estate portfolio offices: efficiently tapping into a changing rental market and re-orienting the types of buildings

Working has increasingly become a localised experience where people feel good. In addition to being traditionally functional spaces, offices are increasingly becoming **meeting places and places of inspiration** in which collaboration is encouraged and corporate culture is reinforced. The 'look and feel' of offices, the services available, and flexibility combined with strategic partnerships with customers, are crucial factors for offering added value and to creating value on the current office market. Thus the role of office supplier moves increasing towards that of a "producer" of an inspiring work environment compared to lessor of merely square metres.

The market approach and knowledge of Intervest Offices & Warehouses undoubtedly offers opportunities to tap into these developments in order to guide its customers in their accommodation. In this regard, the current customer base with its worthwhile growth companies in a number of sectors such as life sciences in Mechelen, will form the basis of a successful approach to the office market.

With its **turn-key solutions**, Intervest Offices & Warehouses offers a comprehensive, customised interior design solution, ranging from furnishing plans and site supervision, to relocation coordination, all within a pre-set deadline and budget, both for new leases and for the changing needs of the current lessees. In addition, Intervest Offices & Warehouses offers a vast range of services aimed at 'unburdening' the customer where possible.

With **RE:flex**, Intervest Offices & Warehouses provides low threshold and flexible access to an inspiring office environment. RE:flex targets both small, start-up companies and large companies which need meeting rooms or workplaces for temporary projects. Furthermore, RE:flex is a practical and stimulating environment for workshops, seminars and events. A second RE:flex will be opened shortly in the Sky Building in Berchem in addition to the RE:flex in Mechelen, and the possibilities of even more RE:flex centres are being research.



▲ Biocartis, Intercity Business Park



▲ FIVE 4 U, Mechelen Campus



▲ RE:flex, Mechelen Campus



▲ RE:flex, Mechelen Campus

These capacities are also being displayed in the fact that the **Diegem Campus** is being repositioned as an innovative, inspiring and service-oriented concept, which Intervest Offices & Warehouses sees as one of its priorities to be put on the market in 2016. Given the site's proximity to Diegem station and the quality of the buildings, this office campus offers an excellent opportunity for meeting potential demand for larger office space. Intervest Offices & Warehouses is working on a concept whereby Diegem Campus will clearly distinguish itself from the traditional supply of offices. This concept is aimed at stimulating meeting and interaction. It will have a professional aura, stimulate cross-fertilisation, allow for a high level of flexibility, offer an air of tranquillity, focus on service, be energy-efficient and aim for accessibility. A patio still to be constructed will serve as a lively meeting place with the potential for organising events. The 'new concept of working' will be integrated in the complex by combining a co-working lounge and areas of inspiration. The interior fittings will also aim to mutually encourage interaction between visitors and users. For example, a Grand Café, a restaurant, larger meetings rooms and an auditorium have been provided. Users can also rely on a service desk, which will

ensure that there is a personal approach within the scope of the customer's needs.

With regard to re-orientation of the portfolio, Intervest Offices & Warehouses will focus on **strategic locations, both in the inner city and on campuses on the outskirts of cities**, mainly on the Antwerp-Mechelen-Brussels axis in the future. New investments in the office market will target buildings with unique character, more specifically with regard to multi-functionality, architecture, sustainability and quality.

In the high-yielding office segment, Intervest Offices & Warehouses wants to keep a minimum critical mass of € 300 million, which it will further expand in the long term. The current office portfolio will hereby be rearranged, in which case the company will gradually withdraw investments from the offices that do not adequately meet the rental market expectations of the future. These are to be found mainly in the Brussels periphery. The strongly expanded market position in Mechelen will be maintained in light of the growing mobility issue which has led to Mechelen's increasingly recognized status as an alternative location for Brussels.

“The strategy of Intervest Offices & Warehouses on the office market targets investment in inspiring multi-tenant offices in easily accessible locations in large urban centres in Flanders where working and experiencing go hand in hand with a service-oriented and flexible approach towards the tenants.”

JEAN-PAUL SOLS, CEO



▲ Diegem Campus



▲ Diegem Campus

Policy choices with regard to financing resources

Because of the challenges and opportunities to be faced in the next 3 years with regard to improving quality of the office portfolio by rearranging the portfolio and redeveloping the Diegem Campus, there will be a decrease in the possible pay-out of the **distributable operating profit of Interinvest Offices & Warehouses** compared to the result of the 2015¹ financial year.

The contemplated growth of the logistics portfolio will only partly compensate for this reduced offices portfolio income.

Interinvest Offices & Warehouses has planned a minimum of € 1,40 **gross dividend**² per share for the purposes of keeping sufficient financial resources available and providing the shareholders with stability regarding the expected dividend yield. This means a gross dividend yield of 5,6%, based on the closing rate of the share as at 23 March 2016, amounting to € 25,03, and giving an average pay-out ratio of 80% and 90%³ of the expected operating distributable result for the 3 years collectively.

The gross dividend can be increased if the conditions of the financing resources and additional rentals leading to an increase in the rental income, allow such increase.

When financing the growth of the real estate portfolio, care will be taken that the **debt ratio**⁴ of Interinvest Offices & Warehouses fluctuates within a range of 45% and 50% (except in the case of exceptional temporary deviations) for the next 3 years. This debt ratio level is regarded as sufficient in view of the economic and real estate trends in the segments in which Interinvest Offices & Warehouses operates, the planned investments and the expected fluctuations of the real estate values.

The debt ratio of Interinvest Offices & Warehouses was 48,2% as at 31 December 2015. The legally authorised debt ratio for RRECs is 65%.

Interinvest Offices & Warehouses is convinced that it has chosen the adequate policies regarding the type of real estate, financing and management and, consequently, it looks forward to successfully implementing its growth plan during the next 3 years.

- 1 A one-off refurbishment fee of € 2,5 million was taken into profit from leaving tenant Deloitte in financial year 2015. This had a one-off positive effect of 16 euro cents per share in financial year 2015.
- 2 Subject to approval by the annual general meetings to be held in 2017, 2018 and 2019.
- 3 Interinvest Offices & Warehouses is a regulated real estate company with a legal pay-out obligation of at least 80% of the operating distributable result, adjusted to non-cash flow elements. The gross dividend will always amount to a minimum of 80% of this sum, which means that the RREC will always fulfil its legal obligations.
- 4 The debt ratio is calculated as being the ratio of all the obligations (excluding the provisions and deferred charges and accrued income), excluding the actual value of the hedging instruments as compared to the total assets.

Renewed shareholder structure and managerial body

The **shareholder structure** of Intervest Offices & Warehouses altered significantly during 2015 and at the start of 2016. The free float of the company rose from 45% at the start of 2015 to 82% today, pursuant to the systematic sale of the share participation held by NSI (previously majority shareholder holding 55%). The shares were placed among a broad basis of institutional investors. These changes increased the liquid assets of the share and they provide the company with better access to the capital markets and debt financing.

As a result of the changed shareholder structure, Intervest Offices & Warehouses has proposed a **board of directors** reshuffle, which will be submitted to the general meeting of shareholders as at 27 April 2016. The directors are selected according to the prerequisite gender diversity, other diversity and complementarity relating to competence, experience and knowledge. In particular, the search has been for directors who are familiar with running the type of real estate in which Intervest Offices & Warehouses invests and for directors who are experienced in the commercial, financial and legal aspects of investing and managing real estate.

The following composition of the board of directors will be submitted to the general meeting of shareholders on 27 April 2016:

- Jean-Pierre Blumberg, independent director, Chairman;
- Chris Peeters, independent director;
- Marleen Willekens, independent director;
- Jacqueline de Rijk, independent director;
- Gunther Gielen
- Johan Buijs

The curriculae vitae of the directors are available on the website <http://corporate.intervest.be/en/offices/investorrelations/shareholderinfo/shareholdersmeeting>

With regard to the **management committee**, the current ceo, Jean-Paul Sols and the cfo, Inge Tas, will terminate their cooperation with the regulated real estate company Vastned Retail Belgium during the course of the third quarter of 2016 and, from then on, they will be at the full disposal of Intervest Offices & Warehouses.

Marco Hengst, currently Head of Transactions & Warehouses of Intervest Offices & Warehouses, will join the management committee as from 1 May 2016 as chief investment officer/Head of Warehouses¹. Marco Hengst has over 16 years of experience in commercial real estate and, after his architecture training at the TU Delft, he completed a Master's degree in Real Estate at the Antwerp Management School. Since 2007, he has been responsible for matters such as the logistics segment at Intervest Offices & Warehouses, as a result of which he has accumulated extensive expertise on logistics real estate.

The management committee of the company will therefore be composed as follows:

- Jean Paul Sols bvba, the permanent representative of which is Jean-Paul Sols, ceo;
- Inge Tas, cfo;
- Luc Feyaerts bvba, the permanent representative of which is Luc Feyaerts, coo/Head of Offices and
- Marco Hengst, cio/Head of Warehouses.

About Intervest Offices & Warehouses: Intervest Offices & Warehouses nv is a public regulated real estate company (RREC) founded in 1996, of which shares have been listed on Euronext Brussels (INTO) since 1999.

Interinvest Offices & Warehouses invests in high-quality Belgian office buildings and logistics properties that are leased to first-rate tenants. The properties in which the company invests consist primarily of up-to-date buildings that are strategically located outside city centres. The office segment of the real estate portfolio focuses on the Antwerp-Mechelen-Brussels axis, and the logistic segment is concentrated on the Antwerp-Brussels-Nivelles and Antwerp-Limburg-Liège axes. Intervest Offices & Warehouses distinguishes itself in leasing office space by offering "turn-key solutions", a global solution ranging from planning, designing and works coordination to budget monitoring.

For more information, please contact:

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1 Suspect to the approval of the FSMA.