

INTERIM STATEMENT ON THE THIRD QUARTER OF 2011



INTERVEST
RETAIL
Feel Real Estate

of the board of directors
for the period
01.07.2011 to 30.09.2011

Interim statement

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ANTWERP, 28 OCTOBER 2011

Operating distributable result for the first nine months of 2011 increases by 1 % (4 % in Q3 2011)

Increase in fair value of the real estate portfolio by 5,5 %¹ for the first nine months of 2011 (1,4 %² in Q3 2011)

Expected gross dividend in 2011 between € 2,45 and € 2,50 per share (gross dividend yield 5,6 % to 5,7 % based on the share price on 30 September 2011)

1. OPERATING ACTIVITIES OF THE THIRD QUARTER OF 2011

In the third quarter of 2011, the property investment fund Interinvest Retail has known a positive evolution in its operating results as well as in the valuation of its real estate portfolio.

The operating distributable result increases in the third quarter of 2011 by 4 %, resulting in € 0,64 per share compared to € 0,62 in the third quarter of 2010. For the first nine months of the financial year 2011 the property investment fund realizes an operating distributable result of € 1,89 per share or an increase by 2 eurocent compared to € 1,87 for the first nine months of the financial year 2010. This increase comes mainly from the improved net rental result.

In the third quarter of 2011, the fair value of the real estate portfolio of Interinvest Retail increases by € 4,8 million or 1,4 %. For the first nine months of the financial year 2011 this increase in fair value (based on an unchanged composition of the real estate portfolio) amounts to € 18,2 million. This increase represents 5,5 % for the total retail portfolio. The fair value of the retail warehouses increases globally by 4,8 %. The increase in value of the inner-city shops amounts globally to 6,2 %.

On 30 September 2011 the fair value of the real estate portfolio amounts to € 346 million (€ 329 million on 31 December 2010).

REAL ESTATE PATRIMONY	30.09.2011	31.12.2010	30.09.2010
Fair value of investment properties (€ 000)	346.079	329.142	328.690
Investment value of investment properties (€ 000)	354.731	337.371	336.908
Total leasable space (m ²)	158.992	159.581	159.467
Occupancy rate (%)	97,5 %	98,8 %	98,7 %

The occupancy rate³ of the portfolio is 97,5 % on 30 September 2011. The decrease compared to 31 December 2010 results a.o. from a vacant property in Turnhout.

¹ Based on an unchanged composition of the real estate portfolio.

² Based on the value of the real estate portfolio on 30 June 2011.

³ The occupancy rate is calculated as the ratio of the rental income to the same rental income plus the estimated rental value of the vacant locations for rent.

2. FINANCIAL RESULT

2.1. The third quarter of 2011

RESULTATS in thousands €	01.07 - 30.09 2011	01.07 - 30.09 2010
NET RENTAL RESULT	5.388	5.251
Property management costs and income	14	0
Property charges	-531	-590
General costs and other operating income and costs	-229	-240
OPERATING PROPERTY RESULT BEFORE RESULT ON PORTFOLIO	4.642	4.421
Result on sales of investment properties	4	60
Changes in fair value of investment properties	4.265	1.072
OPERATING RESULT	8.911	5.553
Financial result (excl. change in fair value - IAS 39)	-1.347	-1.253
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-302	611
Taxes	-9	-28
NET RESULT	7.253	4.883
Operating distributable result	3.260	3.142
Result on portfolio	4.269	1.132
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	-276	609

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Analysis of the results⁴

In the third quarter of 2011, the **net rental income** of Interinvest Retail amounts to € 5,4 million (€ 5,3 million). This increase results from indexations and rental renewals in the existing real estate portfolio and from the recovery of a receivable from a doubtful debtor.

The **property charges** of the property investment fund slightly decrease in the third quarter of 2011 to - € 0,5 million (- € 0,6 million). This decrease comes mainly from lower commercial costs.

In the third quarter of 2011, the positive **changes in fair value of the investments properties** amount to € 4,3 million (€ 1,1 million) or approximately 1,4 % (on the value of the real estate portfolio on 30 June 2011). This positive effect is due to the increase in rental value and the lowering of yields as a result of the positive developments on the Belgian commercial real estate investment market during the first nine months of 2011.

The **financial result (excl. changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39))** of the third quarter of 2011 amounts to - € 1,3 million (- € 1,3 million). In the third quarter of 2011, the average interest rate of the property investment fund is approximately 4,4 % including bank margins (4,0 %).

On 30 September 2011, 54 % of the credit lines are long-term financings with an average remaining duration of 3,4 years. 46 % of the credit lines are short-term financings whereby 13 % consists of financings with an unlimited duration progressing each time for 364 days (€ 17,4 million) and 33 % consists of two bilateral credit facilities which must be extended or repaid within the year (€ 45 million). A proposal regarding the refinancing of a credit facility of € 25 million at market rates has already been received from the same financial institution as the original banker.

On 30 September 2011, 58 % of the credit lines has a fixed interest rate or is fixed by interest rate swaps. The interest rates on the credit facilities of the property investment fund are fixed for a remaining duration of 3,3 years.

The **debt ratio** of the property investment fund decreases by 2 % compared to 31 December 2010 and amounts to 35 % on 30 September 2011 (calculated in accordance with the Royal Decree of 7 December 2010) as a result of the increase in fair value of the real estate portfolio.

In the third quarter of 2011, the **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** comprise the decrease of the market value of the interest rate swaps which in accordance with IAS 39 cannot be classified as cash flow hedge instrument, for an amount of - € 0,3 million (€ 0,6 million).

In the third quarter of 2011, the **net result** of Interinvest Retail amounts to € 7,3 million (€ 4,9 million) and can be divided in:

- ▶ the **operating distributable result** of € 3,3 million (€ 3,1 million). This represents for the third quarter of 2011 an operating distributable result per share of € 0,64 (€ 0,62) or an increase by approximately 4 % per share compared to the third quarter of 2010, which results mainly from the improved net rental result
- ▶ the **result on portfolio** of € 4,3 million (€ 1,1 million) due to the increase in rental value and through the lowering of yields as a result of favourable developments on the Belgian investment market for commercial real estate
- ▶ the **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements** for an amount of - € 0,3 million (€ 0,6 million).

⁴ Between brackets comparable figures of the third quarter 2010 (01.07.2010 - 30.09.2010).

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2.2. Cumulative figures for the first nine months of 2011

RESULTS in thousands €	30.09.2011	30.09.2010
Operating distributable result	9.583	9.508
Result on portfolio	17.772	4.681
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	530	-483
NET RESULT	27.885	13.706
Result per share		
Number of shares entitled to dividend	5.078.525	5.078.525
Net result (€)	5,49	2,70
Operating distributable result (€)	1,89	1,87

For the first nine months of 2011, the **operating distributable result** of Intervest Retail increases to € 9,6 million (€ 9,5 million). This increase by 1 % gives an operating distributable result per share of € 1,89 for the first nine months of 2011 compared to € 1,87 for the same period of prior year.

The **result on portfolio** for the first nine months of 2011 shows a considerable higher positive change in fair value than during the same period of prior year due to the increase in rental value and through the lowering of yields.

KEY FIGURES PER SHARE	30.09.2011	31.12.2010	30.09.2010
Number of shares entitled to dividend	5.078.525	5.078.525	5.078.525
Net asset value (fair value) (€)	43,39	40,41	39,52
Net asset value (investment value) (€)	45,01	42,00	41,11
Share price on closing date (€)	43,60	43,00	40,50
Premium to net asset value (fair value) (%)	1 %	6 %	2 %

On 30 September 2011, the **net asset value (fair value)** of the share is € 43,39 (€ 40,41 on 31 December 2010). As the share price of Intervest Retail on 30 September 2011 is € 43,60, the share is quoted on 30 September 2011 with a premium of 1 % compared to the net asset value (fair value).

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3. FORECAST FOR 2011

On 30 June 2011, Intervest Retail acquired the commercial complex Jardin d'Harscamp, with a total built-on surface area of 2.596 m², located Place de l'Ange 4 on the prime commercial location of Namur. The transaction was concluded under the subsequent condition of suspension of obtaining a fiscal ruling by which the transfer, by means of the establishment of a long lease right followed by the transfer of the bare ownership, is not susceptible to requalification. Intervest Retail obtained this fiscal ruling on 11 October 2011. On 13 October 2011 the long lease right has been signed. Meanwhile initiatives are taken to optimize the rental income of the building.

Based on the results of the third quarter of 2011 and in absence of the expected increase of the financing costs, Intervest Retail expects that the gross dividend per share for the financial year 2011 will only slightly decrease compared to the gross dividend of 2010 which amounted to € 2,50.

Except for unexpected evolutions, such as important bankruptcies of tenants or unforeseen rental increases, Intervest Retail expects to be able to propose its shareholders for the financial year 2011 a gross dividend between € 2,45 and € 2,50 per share. Based on the closing share price on 30 September 2011 (€ 43,60) this represents a gross dividend yield between 5,6 % and 5,7 %.



JARDIN D'HARSCAMP - PLACE DE L'ANGE 4 - NAMUR - SPACE 2.596 M²

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

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ANNEXES

Consolidated income statement (9 months)

<i>in thousands €</i>	30.09.2011	30.09.2010
Rental income	15.923	15.835
Rental-related expenses	-34	-21
NET RENTAL RESULT	15.889	15.814
Property management costs and income	13	-12
PROPERTY RESULT	15.902	15.802
Technical costs	-524	-552
Commercial costs	-126	-187
Charges and taxes on unlet properties	14	-76
Property management costs	-914	-835
Other property charges	-38	-3
PROPERTY CHARGES	-1.588	-1.653
OPERATING PROPERTY RESULT	14.314	14.149
General costs	-793	-773
Other operating income and costs	30	19
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	13.551	13.395
Result on sales of investment properties	415	154
Changes in fair value of investment properties	17.356	4.527
OPERATING RESULT	31.322	18.076
Financial income	10	4
Interest charges	-3.895	-3.764
Other financial charges	-13	-11
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	485	-496
FINANCIAL RESULT	-3.413	-4.267
RESULT BEFORE TAXES	27.909	13.809
TAXES	-24	-103
NET RESULT	27.885	13.706

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Consolidated income statement (9 months) (continuation)

<i>in thousands €</i>	30.09.2011	30.09.2010
NET RESULT	27.885	13.706
Note:		
Operating distributable result	9.583	9.508
Result on portfolio	17.772	4.681
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	530	-483
Attributable to:		
Equity holders of the parent company	27.885	13.706
Minority interests	0	0

Consolidated statement of comprehensive income (9 months)

<i>in thousands €</i>	30.09.2011	30.09.2010
NET RESULT	27.885	13.706
Changes in fair value of financial assets and liabilities (effective hedges - IAS 39)	-54	-219
COMPREHENSIVE INCOME	27.831	13.487
Attributable to:		
Equity holders of the parent company	27.831	13.487
Minority interests	0	0

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Consolidated balance sheet

ASSETS <i>in thousands €</i>	30.09.2011	31.12.2010
Non-current assets	346.241	329.341
Intangible assets	15	16
Investment properties	346.079	329.142
Other tangible assets	129	165
Trade receivables and other non-current assets	18	18
Current assets	3.867	3.915
Assets held for sale	301	287
Trade receivables	376	376
Tax receivables and other current assets	1.178	2.249
Cash and cash equivalents	1.172	766
Deferred charges and accrued income	840	237
TOTAL ASSETS	350.108	333.256

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Consolidated balance sheet (continuation)

SHAREHOLDERS' EQUITY AND LIABILITIES <i>in thousands €</i>	30.09.2011	31.12.2010
Shareholders' equity	220.340	205.206
Shareholders' equity attributable to the shareholders of the parent company	220.340	205.206
Share capital	97.213	97.213
Share premium	4.183	4.183
Reserves	104.301	99.119
Net result of the financial year	27.885	17.632
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-8.229	-8.108
Changes in fair value of financial assets and liabilities	-5.013	-4.833
Minority interests	0	0
Liabilities	129.768	128.050
Non-current liabilities	79.746	75.544
Provisions	0	195
Non-current financial debts	79.540	75.193
<i>Credit institutions</i>	79.529	75.179
<i>Financial lease</i>	11	14
Other non-current liabilities	46	48
Deferred taxes - liabilities	160	108
Current liabilities	50.022	52.506
Provisions	0	56
Current financial debts	45.431	46.548
<i>Credit institutions</i>	45.427	46.545
<i>Financial lease</i>	4	3
Trade debts and other current debts	2.930	4.079
Other current liabilities	457	632
Accrued charges and deferred income	1.204	1.191
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	350.108	333.256