

# Press release

## Annual results 2008

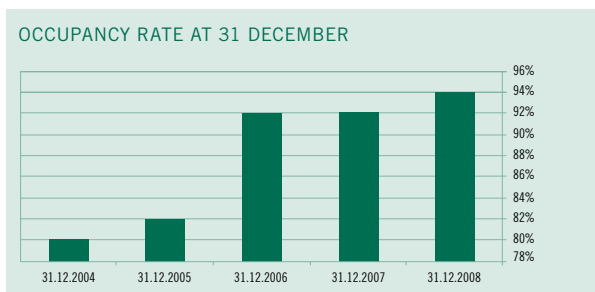
**Gross dividend per share: € 2,01 (+ 4 %)**  
**Increased operating distributable result with almost 4 %**  
**Limited decrease value real estate portfolio with 2 %**  
**Low debt ratio: 42 %**

Antwerp, 17 February 2009 – Property investment fund **Intervest Offices<sup>1</sup>** releases today its results for the financial year 2008.

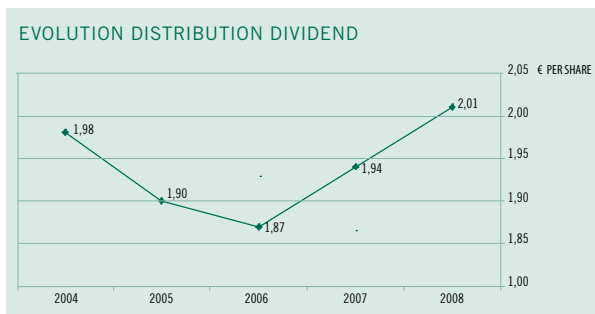
### 1. Operating activities of 2008

In spite of the fast economic regression during the second half-year of 2008, the demand for office space and warehouses has well resisted.

Thanks to the important rental activity of Investest Offices, the occupancy rate<sup>2</sup> of the property investment fund at year-end amounts to 94 %. For the segment of semi-industrial buildings the occupancy rate even reaches 98 %.



For the financial year 2008, the operating distributable result (excluding the result on portfolio) amounts to € 28 million, which allows Investest Offices to offer its shareholders a gross dividend<sup>3</sup> of € 2,01 per share, compared to € 1,94 per share in 2007 (+ 4 %), based on the share price on 31 December 2008. The gross dividend yield of the property investment fund herewith amounts to 11 % based on the share price on 31 December 2008.



These good operating results of Investest Offices contrast sharply with the inactivity on the investment market. The first signs of the financial crisis have already become perceptible in the autumn of 2007. The impact on the investment market became obvious as from the second quarter of 2008. Credit shortage, higher interest rate margins and economic uncertainty have been leading to the year-end to a nearly stagnation of activities on the investment market.

Since the third quarter of 2008 these market circumstances have been reflected in the valuation of the buildings of the property investment fund but the impact for the entire year remains limited to a value decrease of 2 %.

<sup>1</sup> Investest Offices is a public property investment fund listed on NYSE Euronext Brussels.

<sup>2</sup> 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.

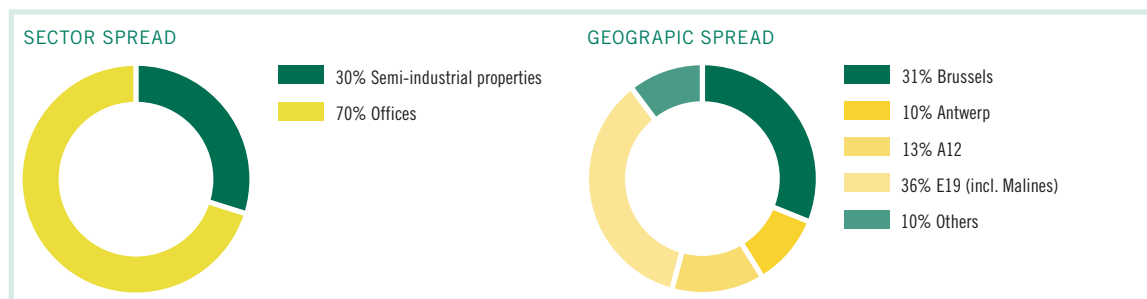
<sup>3</sup> As legally the profit of the statutory annual accounts can be distributed and not the consolidated profit, the current profit distribution is based on the statutory profit figures.



## Evolution of the real estate portfolio

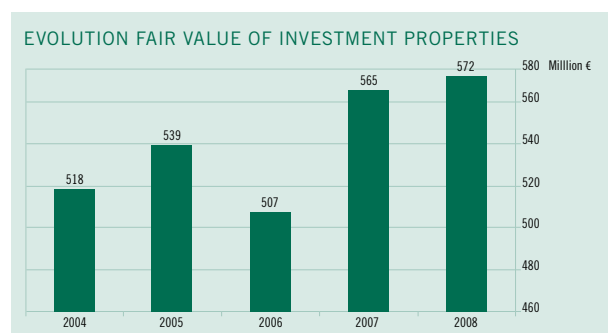
The investment policy of the property investment fund Intervest Offices is based on risk spread in the real estate portfolio, regarding as well the type of building, the geographic situation as the nature of tenants.

On 31 December 2008 the risk spread is as follows:



REAL ESTATE PATRIMONY	31.12.2008	31.12.2007
Fair value of investment properties (€ 000)	572.055	565.043
Investment value of investment properties (€ 000)	586.492	579.475
Occupancy rate (%)	94 %	92 %
Total lettable surface area (m <sup>2</sup> )	539.373	505.363

On 31 December 2008, the fair value of the real estate portfolio amounts to € 572 million (€ 565 million on 31 December 2007). The increase of the fair value with € 7 million is mainly the combination of, on one hand, the devaluation of the existing real estate portfolio with € 10 million, and, on the other hand, the acquisition of the building Herentals Logistics 2 for € 17 million on 30 September 2008<sup>4</sup>.



## Rental activity

In the office portfolio of Intervest Offices new lease contracts have been signed during the financial year 2008 for a total surface area of 8.048 m<sup>2</sup>, attracting 19 new tenants. Further, lease contracts have been renegotiated for a surface area of 26.310 m<sup>2</sup> in 31 transactions. During the fourth quarter of 2008, the most important transaction has been with Whirlpool Benelux for the prolongation for a surface area of 2.991 m<sup>2</sup> till 30 September 2018 in the building Brussels 7, with a possible interim termination by Whirlpool Benelux on 30 September 2015.

In the semi-industrial portfolio new lease contracts have been signed for a total surface area of 13.224 m<sup>2</sup> in 5 transactions and an agreement has been reached for the prolongation of the lease contract with Fiege Kalf Trans in Puurs till end 2013 (41.890 m<sup>2</sup> storage hall and 1.600 m<sup>2</sup> offices).

<sup>4</sup> 6% higher than the valuation of the independent property expert at the moment of the acquisition as a result of the agreement for the development price of the second phase of the project (which will be lower than the taxation value).



## 2. Financial result<sup>5</sup>

### Consolidated income statement

<i>in thousands €</i>	31.12.2008	31.12.2007
<b>Net rental income</b>	<b>42.920</b>	<b>41.083</b>
Property management costs and income	426	445
Property charges	-3.504	-4.040
General costs and other operating costs and income	-1.619	-1.241
<b>Operating result before result on portfolio</b>	<b>38.223</b>	<b>36.247</b>
Result on portfolio	-12.726	13.036
<b>Operating result</b>	<b>25.497</b>	<b>49.283</b>
Financial result	-10.204	-9.556
Taxes	-44	-29
<b>Net profit</b>	<b>15.249</b>	<b>39.698</b>
Operating distributable result	27.975	26.975
Result on portfolio	-12.726	13.036

<b>RESULT PER SHARE(€)</b>	31.12.2008	31.12.2007
Number of shares entitled to dividend	13.900.902	13.900.902
Net earnings per share (€)	1,10	2,86
Gross dividend (€)	2,01	1,94
Net dividend (€)	1,71	1,65

For the financial year 2008, the **net rental income** of Intervest Offices amounts to € 42,9 million. This increase with € 1,8 million compared to the financial year 2007 (€ 41,1 million) is mainly due:

- to additional lettings and extensions in the office and semi-industrial buildings as well as indexations for € 1,2 million
- for € 1,6 million to investments of the financial year 2007, generating a full year of rental income in 2008 (Exiten, Mechelen Campus Tower, Herentals Logistics 1)
- for € 0,3 million to the acquisition of the logistic development Herentals Logistics 2 on 30 September 2008
- to the loss of rental income from the office buildings sold end 2006, still generating rental income during the first quarter of 2007 (- € 1,2 million).

During the financial year 2008, **the property charges** of the property investment fund decrease with 13 % to € 3,5 million (€ 4,0 million). This decrease with € 0,5 million mainly results from a decrease of the vacancy costs after the sale of the above-mentioned office buildings with a high vacancy rate.

The **general costs** and other operating income and costs amount to € 1,6 million which is € 0,4 lower than prior year through the non-recurrent regularisation of the deductible VAT for the years 2002 till 2008 included.

With the decrease of the property charges and the increase of rental income, the **operating result** before the result on portfolio increases for 2008 with 5 % or € 2 million to € 38,2 million (€ 36,2 million).

<sup>5</sup> Between brackets comparable figures of the financial year 2007.



The **change in fair value of the investment properties** of the property investment fund mainly comprises in 2008:

- a devaluation of € 10,4 million. This value decrease arises from the devaluation of office buildings and semi-industrial properties of the property investment fund as a result of the global economic recession. This recession has immobilized the investment market of professional real estate end 2008, whereby the independent property experts have adapted in a negative way the capitalisation rates used for the valuation of the buildings of Intervest Offices.
- the immediate taking into result of the price difference of - € 1,5 million on the acquisition of the shares of the company Edicorp sa (owner of Herentals Logistics 2, the logistic development in Herentals) on 30 September 2008. IFRS 3 is not applicable for this acquisition.

The **financial result** amounts to - € 10,2 million (- € 9,5 million). The increase of the financial charges with € 0,7 million is mainly the consequence of investments made in 2007, which are financed a full year in 2008 and the acquisition of the logistic development in Herentals on 30 September 2008.

In 2008, the **net profit** of Intervest Offices amounts to € 15,2 million (€ 39,7 million) and can be divided in:

- the operating distributable profit of € 28 million (€ 26,9 million). This increase with 4 % results from the investment of the available financial means in office buildings and semi-industrial properties with a high occupancy rate and a good yield.
- the result on portfolio of - € 12,7 million (€ 13,0 million) as a result of the value decrease of the real estate portfolio of the property investment fund and the immediate taking into result of the price difference on the acquisition of the shares of the company Edicorp sa.

In 2008, the **operating distributable result** of Intervest Offices increases to € 28 million (€ 26,9 million). Taking into account the 13.900.902 shares, this represents for the financial year 2008 a **gross dividend** of € 2,01 per share compared to € 1,94 in 2007, which represents an increase of the dividend with almost 4 % per share.



## Consolidated balance sheet

<i>in thousands €</i>	31.12.2008	31.12.2007
<b>Non-current assets</b>	<b>572.378</b>	<b>569.601</b>
<b>Current assets</b>	<b>5.196</b>	<b>7.724</b>
<b>ASSETS</b>	<b>577.574</b>	<b>577.325</b>
<b>Shareholders' equity</b>	<b>330.365</b>	<b>348.521</b>
Share capital	126.725	126.725
Share premium	60.833	60.833
Reserves	128.234	140.955
Result	31.295	30.286
Impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-14.437	-14.432
Changes in fair value of financial assets and liabilities	-2.448	4.107
<b>Minority interests</b>	<b>163</b>	<b>47</b>
<b>Liabilities</b>	<b>247.209</b>	<b>228.804</b>
Non-current liabilities	207.570	208.436
Current liabilities	39.639	20.368
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>577.574</b>	<b>577.325</b>
Debt ratio 21 June 2006 (max. 65 %) (%)	42 %	39 %

The **non-current assets** mainly consist of investment properties of Intervest Offices. On 31 December 2008, the fair value of these investment properties amounts to € 572 million (€ 565 million on 31 December 2007). This increase with € 7 million is the combination of, on one hand, the value decrease of the existing buildings with € 10 million, and on the other hand, the acquisition of the building Herentals Logistics 2 for € 17 million, as well as the investments performed in the portfolio.

The **current assets** amount to € 5 million and consist of € 1 million trade receivables, € 2 million of tax receivables and other current assets, € 1 million of cash on bank accounts and of € 1 million deferred charges and accrued income. Through a thorough credit control the number of days of outstanding customers' credit amounts to only 5 days.

The **shareholders' equity** of the property investment fund amounts to € 330 million. The share capital (€ 127 million) and the share premium (€ 61 million) remain unchanged compared to prior year. On 31 December 2008, the total number of shares entitled to dividend amounts to 13.900.902. The reserves amount to € 128 million and mainly consist of unrealized capital gains as a result of the valuation of the real estate portfolio at investment value. These reserves have decreased by € 13 million compared to prior year, mainly as a result of the devaluation of the real estate portfolio of the property investment. On 31 December 2008, the result carried forward amounts to € 31 million.



# Press release

Conform to the Beama-interpretation of IAS 40 (publication of the Belgian Association of Asset Managers of 8 February 2006), the real estate portfolio is valued at **fair value**. At year-end the difference with the investment value is shown separately in shareholders' equity. On 31 December 2008, this difference amounts to € 14 million.

The **change in fair value of financial assets and liabilities** for an amount of - € 2 million represents the current market value of the financial derivatives which Intervest Offices has concluded at the beginning of the financial year 2006 as hedging of the variable interest rates on the non-current financial debts. The negative market value of these financial derivatives results from the important decrease of the interest rates at the end of 2008.

The **non-current liabilities** mainly comprise non-current financial liabilities for an amount of € 206 million. These consist of long-term bank loans of which the expiry date lies in 2010 or later, as well as of the negative market value of the financial derivatives.

On 31 December 2008, the **current liabilities** amount to € 40 million and mainly consist of € 34 million of current financial debts (bank loans with an expiry date in 2009), of € 3 million of trade debts and invoices to be received, of € 1 million of other current liabilities, and finally of € 1 million of accrued charges and deferred income.

On 31 December 2008, the **debt ratio** of the property investment fund amounts to 42 % (39 % on 31 December 2007). The increase of the debt ratio is mainly due to the acquisition of the logistic development in Herentals on 30 September 2008, which is financed through borrowed capital, and the devaluation of the real estate portfolio during 2008.

DATA PER SHARE (€)	31.12.2008	31.12.2007
Number of shares entitled to dividend	13.900.902	13.900.902
Net asset value per share (fair value) (€)	23,77	25,07
Net asset value per share (investment value) (€)	24,80	26,11
Share price on closing date (€)	17,75	29,65
Discount/premium to net asset value (%)	- 25 %	18 %

On 31 December 2008, the **net asset value** (fair value) of the share amounts to € 23,77. Given that the share price on 31 December 2008 is € 17,75, the share is quoted with a discount of 25 % compared to the net asset value (fair value).

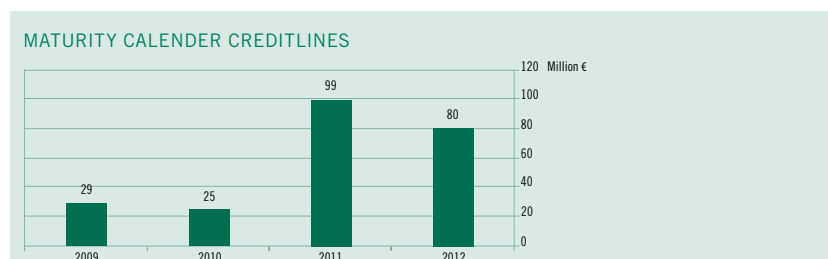
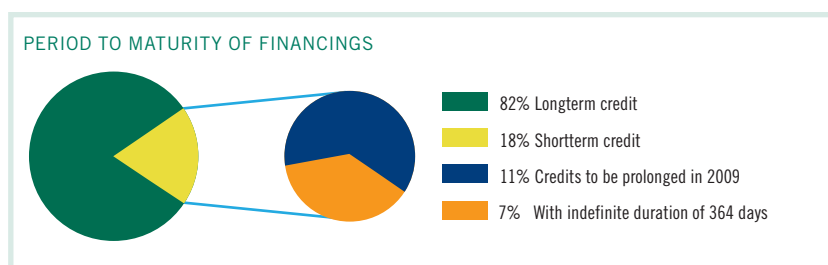


## Financial structure

On 31 December 2008, Intervest Offices has a conservative financial structure allowing it to carry out its activities in 2009 and to fulfil its commitments.

The most important characteristics of the financial structure on 31 December 2008 are:

- Amount financial debts: € 238 million (excluding market value of financial derivatives)
- Market value of financial derivatives: € 2,5 million negative
- 82 % long-term financings with an average remaining duration of 2,5 years
- Well-spread expiry dates of the credits between 2009 and 2012
- 64 % of the credits have a fixed interest rate, 36 % a variable interest rate
- Fixed interest rates are fixed for a remaining period of 2,5 years in average
- Average interest rate for 2008: 4,45 %
- Spread of credit facilities over 5 European financial institutions
- € 12 million of available non-withdrawn credit lines
- Limited debt ratio of 42 % (legal maximum: 65 %)



### 3. Forecast

For 2009, the general economic forecast is gloomy. The real estate market will also suffer from the consequences of the recession through lower rental activity and further devaluations of the value of the buildings.

However, Intervest Offices estimates to be able to properly resist to this economic situation. In anticipation of this economic situation, a number of important lease contracts have already been extended. Only 10 % of the rental income expires in 2009.

Given the relatively low debt ratio of 42 %, the property investment fund is in a relative comfortable position with regard to the credit market.

The aim of Intervest Offices for 2009 is to maintain the operating result as good as possible.

*The annual report for the financial year 2008 will be available as from 17 March 2009 on the website of the company ([www.intervestoffices.be](http://www.intervestoffices.be)).*

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[www.intervestoffices.be](http://www.intervestoffices.be)



# Press release - annexes

## FINANCIAL ACCOUNTS<sup>6</sup>

CONSOLIDATED INCOME STATEMENT ( <i>in thousands €</i> )	31.12.2008	31.12.2007
Rental income	43.038	41.205
Rental-related expenses	-118	-122
<b>NET RENTAL INCOME</b>	<b>42.920</b>	<b>41.083</b>
Recovery of property charges	690	606
Recovery of charges and taxes normally payable by tenants on let properties	5.890	7.532
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-366	-380
Charges and taxes normally payable by tenants on let properties	-5.888	-7.432
Other rental related income and expenses	100	119
<b>PROPERTY RESULT</b>	<b>43.346</b>	<b>41.528</b>
Technical costs	-783	-875
Commercial costs	-570	-366
Charges and taxes on unlet properties	-356	-865
Property management costs	-1.657	-1.671
Other property charges	-138	-263
<b>PROPERTY CHARGES</b>	<b>-3.504</b>	<b>-4.040</b>
<b>OPERATING PROPERTY RESULT</b>	<b>39.842</b>	<b>37.488</b>
General costs	-1.253	-1.293
Other operating income and expenses	-366	52
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>38.223</b>	<b>36.247</b>
Changes in fair value of investment properties	-12.726	13.036
<b>OPERATING RESULT</b>	<b>25.497</b>	<b>49.283</b>
Financial income	124	149
Interest charges	-10.143	-9.428
Other financial charges	-185	-277
<b>FINANCIAL RESULT</b>	<b>-10.204</b>	<b>-9.556</b>
<b>RESULT BEFORE TAXES</b>	<b>15.293</b>	<b>39.727</b>
<b>TAXES</b>	<b>-44</b>	<b>-29</b>
<b>NET PROFIT</b>	<b>15.249</b>	<b>39.698</b>
Attributable to:		
Equity holders of the parent	15.249	39.698
Minority interests	0	0
<i>Note:</i>		
<i>Operating distributable result</i>	<i>27.975</i>	<i>26.975</i>
<i>Result on portfolio</i>	<i>-12.726</i>	<i>13.036</i>

<sup>6</sup> The statutory auditor has confirmed that his full audit, which has been substantially completed, has not revealed material adjustments which would have to be made to the accounting information disclosed in this press release and that an unqualified auditor's report will be issued.



CONSOLIDATED BALANCE SHEET <i>(in thousands €)</i>	31.12.2008	31.12.2007
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>572.378</b>	<b>569.601</b>
Intangible assets	87	121
Investment properties	572.055	565.043
Other tangible assets	222	316
Financial fixed assets	0	4.107
Trade receivables and other non-current assets	14	14
<b>Current assets</b>	<b>5.196</b>	<b>7.724</b>
Trade receivables	1.382	3.833
Tax receivables and other current assets	1.912	1.726
Cash and cash equivalents	885	684
Deferred charges and accrued income	1.017	1.481
<b>TOTAL ASSETS</b>	<b>577.574</b>	<b>577.325</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES <i>(in thousands €)</i></b>		
<b>Shareholders' equity</b>	<b>330.365</b>	<b>348.521</b>
<b>Shareholders' equity attributable to the shareholders of the parent company</b>	<b>330.202</b>	<b>348.474</b>
Share capital	126.725	126.725
Share premium	60.833	60.833
Reserves	128.234	140.955
Result	31.295	30.286
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-14.437	-14.432
Changes in fair value of financial assets and liabilities	-2.448	4.107
<b>Minority interests</b>	<b>163</b>	<b>47</b>
<b>Liabilities</b>	<b>247.209</b>	<b>228.804</b>
<b>Non-current liabilities</b>	<b>207.570</b>	<b>208.436</b>
Provisions	1.082	1.169
Non-current financial debts	206.012	206.840
<i>Credit institutions</i>	206.001	206.822
<i>Financial lease</i>	11	18
Other non-current liabilities	476	427
<b>Current liabilities</b>	<b>39.639</b>	<b>20.368</b>
Provisions	334	409
Current financial debts	34.494	14.677
<i>Credit institutions</i>	34.488	14.672
<i>Financial lease</i>	6	5
Trade debts and other current debts	2.576	3.096
Other current liabilities	1.190	402
Accrued charges and deferred income	1.045	1.784
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>577.574</b>	<b>577.325</b>



**STATEMENT OF CHANGES  
IN EQUITY**  
(in thousands €)

	Capital	Share premium	Legal	Reserves not available for distribution	Reserves available for distribution	Result	Impact on the fair value*	Changes in fair value of financial assets and liabilities	Minority interests	Total share-holders' equity
<b>Balance sheet at 31 December 2006</b>	<b>126.719</b>	<b>60.833</b>	<b>90</b>	<b>125.193</b>	<b>650</b>	<b>29.584</b>	<b>-12.913</b>	<b>2.899</b>	<b>47</b>	<b>333.102</b>
Profit of the financial year 2007						39.698				39.698
Transfer of the result on the portfolio to the reserves not available for distribution				13.036		-13.036				0
Impact on the fair value *				1.519			-1.519			0
Dividends financial year 2006						-25.960				-25.960
Change in the fair value of financial assets and liabilities								1.208		1.208
Merger on 18 October 2007	6			467						473
<b>Balance sheet at 31 December 2007</b>	<b>126.725</b>	<b>60.833</b>	<b>90</b>	<b>140.215</b>	<b>650</b>	<b>30.286</b>	<b>-14.432</b>	<b>4.107</b>	<b>47</b>	<b>348.521</b>
Profit of the financial year 2008						15.249				15.249
Transfer of the result on the portfolio to the reserves not available for distribution				-12.726		12.726				0
Impact on the fair value *				5			-5			0
Dividends financial year 2007						-26.968				-26.968
Change in the fair value of financial assets and liabilities								-6.555		-6.555
Minority interest Edicorp sa						2			116	118
<b>Balance sheet at 31 December 2008</b>	<b>126.725</b>	<b>60.833</b>	<b>90</b>	<b>127.494</b>	<b>650</b>	<b>31.295</b>	<b>-14.437</b>	<b>-2.448</b>	<b>163</b>	<b>330.365</b>

\*of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties

