

# ANNUAL RESULTS 2009

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Antwerp, 23 February 2010

**INTERVEST**  
RETAIL

Interinvest Retail's operating distributable result improves by 14 %

Gross dividend per share: € 2,44 (+ 14 %)

Increase of fair value of the real estate portfolio by 0,5 %

Low debt ratio: 39 %

## 1. OPERATING ACTIVITIES OF 2009

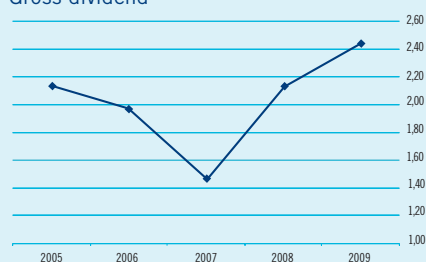
While in most European countries, commercial real estate has been hit by the global economic crisis, this situation has nearly not affected the Belgian commercial real estate. During prior year, the real estate portfolio of Interinvest Retail has even known an increase in fair value of 0,5 %<sup>1</sup>.

In 2009, Interinvest Retail realized one of the highest operating result since its creation. This good result arises mainly from the increased rental income as a result of the reopening of the commercial park in Andenne, indexations, favourable rental renewals and, not at least, through the currently low interest rates on the financial market.

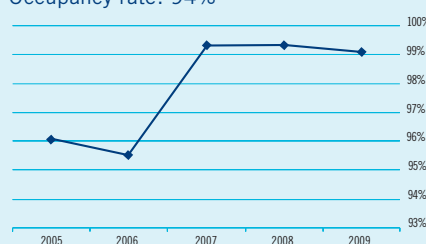
The operating distributable result of the property investment fund Interinvest Retail amounts to € 12,4 million for the financial year 2009, compared to € 10,9 million in 2008. This means that for the financial year 2009, a gross dividend<sup>2</sup> of € 2,44 per share can be distributed to the shareholders, compared to € 2,14 per share in 2008 (+ 14 %). Herewith the gross dividend yield of the property investment fund amounts to 6,5 %, based on the share price as at 31 December 2009.

At year-end, the occupancy rate of the real estate portfolio amounts to 99,1 % (99,3 % on 31 December 2008), revealing the quality of the commercial real estate. The current rental levels of Interinvest Retail are still below the current market rents, which forms a certain buffer for the possible decreasing results of the tenants in the future.

Gross dividend



Occupancy rate: 94%



<sup>1</sup> Based on the same composition of the real estate portfolio.

<sup>2</sup> As legally speaking only the operating distributable result of the statutory annual accounts can be distributed and not of the consolidated annual accounts, the present profit distribution is based on the statutory figures. To be in accordance with article 617 of the Belgian Company Code, the board of directors will propose to the general meeting of shareholders of 7 April 2010, to requalify the unrealised capital gains in the portfolio from the "reserves not available for distribution" to the "reserves available for distribution" as nor the law nor the articles of association consider these reserves as not available.

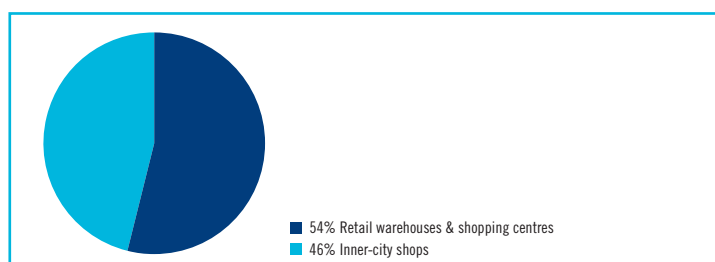
## EVOLUTION REAL ESTATE PORTFOLIO IN 2009

Property investment fund Interinvest Retail is focused on an investment policy based on commercial real estate, with respect for criteria of risk spread in the real estate portfolio, relating to the type of building as well as to the geographic spread and the nature of the tenants. On 31 December 2009 the risk spread is as follows:

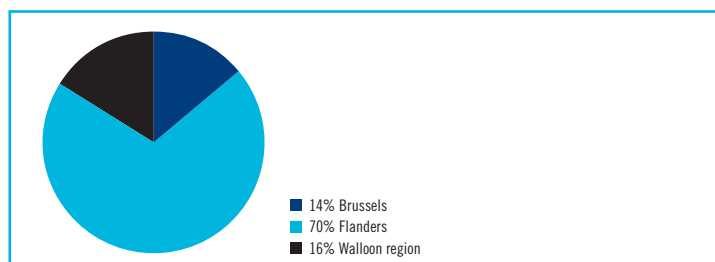


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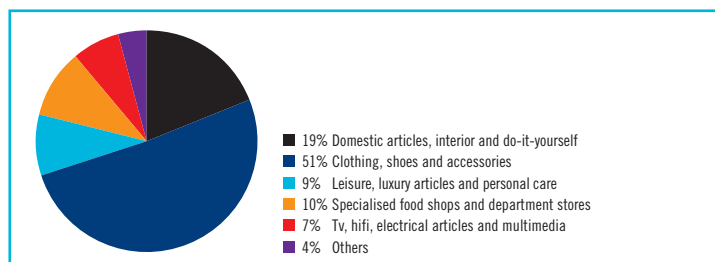
### Type of commercial building



### Geographic spread



### Sector of tenants



REAL ESTATE PATRIMONY	31.12.2009	31.12.2008
Total lettable surface area (m <sup>2</sup> )	159.633	166.417
Occupancy rate (%)	99,1 %	99,3 %
Fair value of the portfolio (€ 000)	324.338	327.398
Assets held for sale (€ 000)	7.649	1.246

On 31 December 2009, the fair value of the real estate portfolio amounts to € 324 million (€ 327 million). This decrease of € 3 million is the effect, on the one hand, of a number of sales of investment properties with a fair value of € 9 million<sup>3</sup> (development project in Olen transferred to the assets held for sale, buildings in Overijse and Bastogne), compensated, on the other hand, by investments in the existing real estate portfolio for € 4 million (buildings in Andenne, Malines and Ghent) and the positive changes in fair value of the investment properties of € 2 million or 0,5 %, based on the valuations by the independent property experts.

<sup>3</sup> The sales price of the buildings was each time fractionally higher than the last appraisal value before the sale (at fair value) but for Shopping Park Olen lower than the appraisal value as at 31 December 2008.

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## Rental activities in 2009



□ Shoe Discount - Tielt-Winge - Gouden Kruispunt

Also in 2009, a year characterized by a worldwide economic crisis, Intervest Retail has realized rental increases for retail warehouses as well as for inner-city locations. When renewing the rents of retail warehouses in Ans (rue des Français), Tielt-Winge (Gouden Kruispunt), Schelle (Provinciale Steenweg) and Vilvorde (Mechelsesteenweg), the rents increase, ranging from 7 % to 44 %. When renewing the rent in the inner-city of Antwerp (Schuttershofstraat) a rental increase of 38 % has been realized. But also in secondary commercial cities, rental renewals could still lead to rental increase, for instance in Diest Hasseltstraat (+ 19 %) and Aalst Nieuwstraat (+ 5 %).

Even better results were obtained when concluding new lease contracts on inner-city locations. The rent increased half and even more than double on the avenue Louise in Brussels (+ 62 %) and in the rue Pont d'Ile in Liège (+ 122 %).

In total, 37 rental transactions were realized in 2009 representing altogether 10 % of the annual rental income of the property investment fund. These lease contracts have started in 2009 or will be effective in 2010 or 2011. They represent altogether a rental increase of 26 % in average.

## Development project Shopping Park in Olen

Given the current economic uncertainties regarding the fast realization of the development project Shopping Park Olen, Intervest Retail decided during 2009 to sell this site.

During the fourth quarter of 2009, Intervest Retail obtained an agreement in principle to disinvest the land parcels and the remaining buildings of this project for an amount of € 7,2 million. The total cadastral surface area amounts to 11 ha 25 a 44 ca. This sales value is fractionally higher than the appraisal value (at fair value) on 30 September 2009 and € 1 million below the fair value as at 31 December 2008.

In January 2010, after finalisation of the existing pre-emption rights of different parties, Intervest Retail signed the sales agreement with the buyer, developer Shopping Olen, and the sales price has been paid.

In case the buyer would start the execution of the existing plans for the realization of the commercial centre within a period of 30 months after the signature of the sales agreement, Intervest Retail will receive an additional compensation for earlier made project costs. In case of a full realization of the earlier planned commercial centre, the additional compensation will amount to € 1,2 million maximally.

Through this sale the rental income of the property investment fund will decrease in 2010 by € 0,3 million on an annual basis, but the operating distributable result will remain unchanged as a result of the decrease of the interest charges after receipt of the sales price.

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## 2. FINANCIAL RESULTS<sup>4</sup>

### CONSOLIDATED INCOME STATEMENT

<i>in thousands €</i>	2009	2008
Rental income	20.847	20.034
Rental-related expenses	-141	26
Property management costs and income	-1	-6
<b>PROPERTY RESULT</b>	<b>20.705</b>	<b>20.054</b>
Property charges	-2.182	-2.266
General costs and other operating costs and income	-1.056	-1.023
<b>OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO</b>	<b>17.467</b>	<b>16.765</b>
Result on sales of investment properties	-1.199	87
Changes in fair value of investment properties	1.729	11.415
<b>OPERATING RESULT</b>	<b>17.997</b>	<b>28.267</b>
Financial result (excl. change in fair value - IAS 39)	-5.019	-5.769
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-822	-461
<b>FINANCIAL RESULT</b>	<b>-5.841</b>	<b>-6.230</b>
Taxes	6	-51
<b>NET RESULT</b>	<b>12.162</b>	<b>21.986</b>
Operating distributable result	12.400	10.872
Result on portfolio	530	11.502
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	-768	-388

<b>RESULT PER SHARE</b>	2009	2008
Number of shares entitled to dividend	5.078.525	5.078.525
Net result per share (€)	2,39	4,33
Gross dividend (€)	2,44	2,14
Net dividend (€)	2,07	1,82

<sup>4</sup> Between brackets comparable figures for the financial year 2008.

## “In 2009 the rental income of Intervest Retail increases by 4 %.”

In 2009, the **property result** of Intervest Retail increases by € 0,6 million to € 20,7 million (€ 20,1 million). This rise results from the increase of rental income through rental renewals and indexations in the existing portfolio.

In 2009, the **property charges** of the property investment fund decrease to € 2,2 million (€ 2,3 million). The decrease of € 0,1 million results mainly from the reduction of technical costs, vacancy costs and management costs, partly compensated by an increase of commercial costs for Julianus Shopping in Tongeren.

With the decrease of the property charges and the increase of rental income the **operating result before result on portfolio** increases in 2009 by € 0,7 million to € 17,5 million (€ 16,8 million).

The **result on sales of investment properties** amounts to - € 1,2 million mainly because of the sale of the development project Shopping Park Olen, apartments in Vilvorde and two non-strategic buildings in Overijse and Bastogne.

During the financial year 2009, the positive **change in fair value of the investments properties** amounts to € 1,7 million (€ 11,4 million) or 0,5 % of the value of the real estate portfolio. This effect comes from the increase in fair value of the commercial portfolio based on the valuation by the independent property experts.

The **financial result (excl. change in fair value - IAS 39)** of the financial year 2009 amounts to - € 5,0 million (- € 5,8 million). The decrease of financing costs of the property investment fund results from the currently low interest rates on the financial markets.

## “The average interest rate of the current credit facilities of the property investment fund amounts to 3,9 % for the financial year 2009 (4,9 %).”

In 2009, the **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)** comprise the change of the market value of the interest rate swaps which in accordance with IAS 39 can not be classified as cash flow hedge instrument, for an amount of - € 0,8 million (- € 0,5 million).

For the financial year 2009, the **net result** of Intervest Retail amounts to € 12,2 million (€ 22,0 million) and can be divided in:

- the **operating distributable result** of € 12,4 million compared to € 10,9 million in 2008. This increase by 14 % results from the improvement of the operating result (before result on portfolio) and lower interest charges
- the **result on portfolio** of € 0,5 million compared to € 11,5 million prior year due to the sales of investment properties and the valuation of the portfolio by independent property experts
- the **changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements** for an amount of - € 0,8 million (- € 0,4 million).

Hence, for the financial year 2009, the **operating distributable result** of Intervest Retail increases to € 12,4 million (€ 10,9 million). Taking into account the 5.078.525 shares, this represents for the year 2009 a **gross dividend** of € 2,44 per share compared to € 2,14 in 2008. This means an increase of the dividend by 14 % per share.



□ Pepe Jeans - Julianus Shopping - Tongeren

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## CONSOLIDATED BALANCE SHEET

<i>in thousands €</i>	31.12.2009	31.12.2008
<b>ASSETS</b>		
Non-current assets	324.574	327.692
Current assets	12.643	7.199
<b>ASSETS</b>	<b>337.217</b>	<b>334.891</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>	<b>199.588</b>	<b>199.248</b>
Share capital	97.213	97.213
Share premium	4.183	4.183
Reserves	110.688	109.470
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-8.108	-8.185
Changes in fair value of financial assets and liabilities	-4.388	-3.436
Minority interests	0	3
<b>Liabilities</b>	<b>137.629</b>	<b>135.643</b>
Non-current liabilities	88.477	99.750
Current liabilities	49.152	35.893
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>337.217</b>	<b>334.891</b>
Debt ratio RD 21 June 2006 (max. 65 %) (%)	39 %	39 %

“The fair value of the real estate portfolio amounts to € 324 million.”

The **non-current assets** comprise mainly the investment properties of Interwest Retail. In 2009, the investment properties decrease by € 3 million. This decrease is the effect, on the one hand, of a number of sales of investment properties for a fair value of € 9 million (development project in Olen transferred to the assets held for sale, buildings in Overijse and Bastogne), compensated, on the other hand, by investments in the existing portfolio for € 4 million (in buildings in Andenne, Malines and Ghent) and the positive changes in fair value of the investment properties based on the valuations by the independent property experts for € 2 million.

“Through a strict credit control the number of days of outstanding customers' credit amounts to only 6 days.”

The **current assets** amount to € 13 million (€ 7 million) and consist of € 7,6 million of assets held for sale (development project in Olen and 3 apartments in Vilvorde), of € 0,4 million trade receivables, of € 3,4 million other receivables and of € 1,1 million in cash on bank accounts.

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The **shareholders' equity** of the property investment fund amounts to € 200 million (€ 199 million). The share capital of € 97 million remains unchanged. The share premium of € 4 million remains unchanged compared to prior year. The reserves amount to € 111 million (€ 109 million).

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 the end of year the difference with the investment value is shown separately in shareholders' equity. On 31 December 2009, this difference amounts to € 8 million.

The change in fair value of financial fixed assets and liabilities for an amount of - € 4 million represents the current market value of the effective cash flow hedge instruments (in accordance with IAS 39), that Intervest Retail has concluded to hedge of the variable interest rates on the financial debts. The negative market value of these financial derivatives results from the important decrease of the interest rates in 2009.

Compared to 2008, the **non-current liabilities** decrease by € 11 million to € 88 million and consist mainly of long-term financings. This decrease is due, on the one hand, to a long-term credit facility expiring on 31 March 2010 for an amount of € 25 million and, on the other hand, to the refinancing of a current financial debt into a non-current financial credit facility. The non-current provisions consist of provisions for legal disputes and rental guarantees from the sale of investment properties. The other non-current liabilities amount to € 0,1 million and comprise the rental guarantees of tenants.

The **current liabilities** amount to € 49 million and consist of € 43 million of bank loans whereof the withdrawn instalment expires within the year and has to be repaid or prolonged. Further, the current liabilities consist of € 4 million of trade debts, invoices to be received and VAT to be regularized for the sale of Factory Shopping Messancy, of € 1 million of miscellaneous debts, and finally € 1 million of accrued charges and deferred income.



Bandolera - Antwerp

“A relatively low debt ratio of 39 % on 31 December 2009 (39 % on 31 December 2008) and well spread interest risks provide Intervest Retail a stable balance sheet position.”

DATA PER SHARE	31.12.2009	31.12.2008
Number of shares entitled to dividend	5.078.525	5.078.525
Net asset value (fair value) (€)	39,30	39,23
Net asset value (investment value) (€)	40,90	40,85
Share price on closing date (€)	37,60	28,49
Discount to net asset value (%)	- 4 %	- 27 %

On 31 December 2009, the **net asset value** (fair value) of the share amounts to € 39,30 (€ 39,23). Given that the share price on 31 December 2009 is € 37,60, the share is quoted with a discount of 4 % compared to this net asset value (fair value).

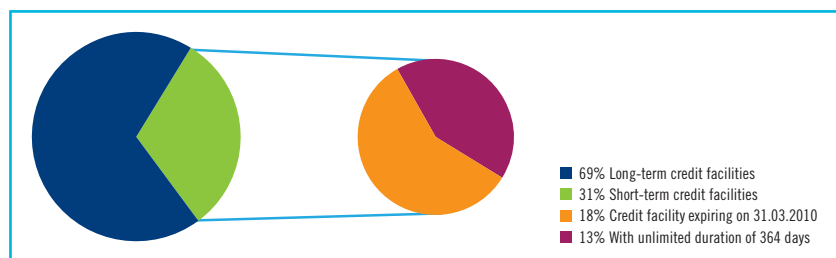
## FINANCIAL STRUCTURE

On 31 December 2009, Intervest Retail has a conservative financial structure allowing it to carry out its activities also in 2010 and to fulfil its commitments.

The most important characteristics of the financial structure on 31 December 2009 are:

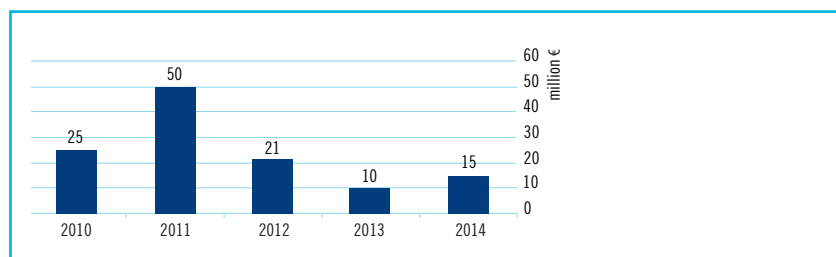
- Amount financial debts: € 126 million (excluding market value of financial derivatives)
- 69 % long-term financings with an average remaining duration of 2,5 years
- Well-spread expiry dates of the credit facilities between 2010 and 2014
- Spread of credit facilities over 5 European financial institutions
- Non-withdrawn credit lines: € 13 million
- 64 % of the credit facilities have a fixed interest rate, 36 % a variable interest rate
- Fixed interest rates are fixed for a remaining period of 3,7 years in average
- Average interest rate for 2009: 3,9 % (2008: 4,9 % )
- Value of financial derivatives: € 5 million in negative
- Limited debt ratio of 39 % (legal maximum: 65 %)

### Period to maturity of financings



On 31 December 2009, 69 % of the credit lines of Intervest Retail are long-term financings. 31 % of the credit lines are short-term financings, whereby 13 % consists of financings with an unlimited duration (progressing each time for 364 days) and 18 % consists of one credit facility, expiring on 31 March 2010, for which negotiations for the refinancing are already in an advanced stage.

### Expiry calender of financings



## 3. FORECAST

Despite the fact that the economic crisis is certainly not yet over and that it is expected that consumer spendings will be under pressure in 2010, Intervest Retail is nevertheless positive regarding the future.

Firstly, the relatively low debt ratio of 39 % offers a stable balance sheet position and allows Intervest Retail to proceed to additional investments.

Besides, the current rental levels of Intervest Retail are below the currently common market rents, which support the continuity of the rents.

At the end of the year, the occupancy rate of the real estate portfolio amounts to 99,1 %, showing the quality of the commercial real estate.

“It is expected that the value of the buildings will stabilize at the current level and that the activity on the investment market for commercial buildings will recover in 2010. ”

New investments will largely depend on the further evolution on the market of commercial real estate and on the financing possibilities.

The annual report for the financial year 2009 will be available as from 23 March 2010 on the website of the company ([www.intervestretail.be](http://www.intervestretail.be)).

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

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# ANNUAL RESULTS 2009

## FINANCIAL STATEMENTS<sup>5</sup>

### CONSOLIDATED INCOME STATEMENT

<i>in thousands €</i>	2009	2008
Rental income	20.847	20.034
Rental-related expenses	-141	26
<b>NET RENTAL INCOME</b>	<b>20.706</b>	<b>20.060</b>
Recovery of rental charges and taxes normally payable by tenants on let properties	1.284	1.916
Rental charges and taxes normally payable by tenants on let properties	-1.284	-1.916
Other rental related income and expenses	-1	-6
<b>PROPERTY RESULT</b>	<b>20.705</b>	<b>20.054</b>
Technical costs	-575	-650
Commercial costs	-247	-102
Charges and taxes on unlet properties	-129	-212
Property management costs	-1.226	-1.299
Other property charges	-5	-3
<b>PROPERTY CHARGES</b>	<b>-2.182</b>	<b>-2.266</b>
<b>OPERATING PROPERTY RESULT</b>	<b>18.523</b>	<b>17.788</b>
General costs	-1.107	-1.155
Other operating income and costs	51	132
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>17.467</b>	<b>16.765</b>
Result on sales of investment properties	-1.199	87
Changes in fair value of investment properties	1.729	11.415
<b>OPERATING RESULT</b>	<b>17.997</b>	<b>28.267</b>
Financial income	23	80
Interest charges	-5.013	-5.820
Other financial charges	-29	-29
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39)	-822	-461
<b>FINANCIAL RESULT</b>	<b>-5.841</b>	<b>-6.230</b>
<b>RESULT BEFORE TAXES</b>	<b>12.156</b>	<b>22.037</b>
Corporation tax	6	-51
<b>TAXES</b>	<b>6</b>	<b>-51</b>
<b>NET RESULT</b>	<b>12.162</b>	<b>21.986</b>
Note:		
Operating distributable result	12.400	10.872
Result on portfolio	530	11.502
Changes in fair value of financial assets and liabilities (ineffective hedges - IAS 39) and other non-distributable elements	-768	-388
Attributable to:		
Equity holders of the parent company	12.162	21.986
Minority interests	0	0

<sup>5</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.

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>in thousands €</i>	2009	2008
<b>NET RESULT</b>	<b>12.162</b>	<b>21.986</b>
Changes in fair value of financial assets and liabilities (effective hedges - IAS 39)	-952	-3.035
<b>COMPREHENSIVE INCOME</b>	<b>11.210</b>	<b>18.951</b>
Attributable to:		
Equity holders of the parent company	11.210	18.951
Minority interests	0	0

# ANNUAL RESULTS 2009

## GECONSOLIDATED BALANCE SHEET

<b>ASSETS</b> <i>in thousands €</i>	<b>31.12.2009</b>	<b>31.12.2008</b>
<b>Non-current assets</b>	<b>324.574</b>	<b>327.692</b>
Intangible assets	27	12
Investment properties <sup>6</sup>	324.338	327.398
Other tangible assets	191	264
Trade receivables and other non-current assets	18	18
<b>Current assets</b>	<b>12.643</b>	<b>7.199</b>
Assets held for sale	7.649	1.246
Trade receivables	357	426
Tax receivables and other current assets	3.403	4.742
Cash and cash equivalents	1.074	498
Deferred charges and accrued income	160	287
<b>TOTAL ASSETS</b>	<b>337.217</b>	<b>334.891</b>

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b> <i>in thousands €</i>	<b>31.12.2009</b>	<b>31.12.2008</b>
<b>Shareholders' equity</b>	<b>199.588</b>	<b>199.248</b>
<b>Shareholders' equity attributable to the shareholders of the parent company</b>	<b>199.588</b>	<b>199.245</b>
Share capital	97.213	97.213
Share premium	4.183	4.183
Reserves	110.688	109.470
Impact on fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-8.108	-8.185
Changes in fair value of financial assets and liabilities	-4.388	-3.436
<b>Minority interests</b>	<b>0</b>	<b>3</b>
<b>Liabilities</b>	<b>137.629</b>	<b>135.643</b>
<b>Non-current liabilities</b>	<b>88.477</b>	<b>99.750</b>
Provisions	320	215
Non-current financial debts	88.010	99.478
<i>Credit institutions</i>	87.993	99.474
<i>Financial lease</i>	17	4
Other non-current liabilities	51	57
Deferred taxes - liabilities	96	0
<b>Current liabilities</b>	<b>49.152</b>	<b>35.893</b>
Current financial debts	43.002	27.574
<i>Credit institutions</i>	42.999	27.569
<i>Financial lease</i>	3	5
Trade debts and other current debts	4.301	3.902
Other current liabilities	681	3.259
Accrued charges and deferred income	1.168	1.158
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>337.217</b>	<b>334.891</b>

<sup>6</sup> Including development projects

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>in thousands €</i>	Share capital	Share premium	Reserves	Impact on the fair value*	Changes in fair value of financial assets and liabilities	Minority interests	Total shareholders' equity
<b>Balance at 31 December 2007</b>	<b>97.213</b>	<b>4.183</b>	<b>93.702</b>	<b>-7.399</b>	<b>60</b>	<b>3</b>	<b>187.762</b>
Comprehensive income 2008			21.986		-3.035		18.951
Transfers:							
• Impact on fair value *			786	-786			0
• Change in fair value of financial assets and liabilities through the income statement			461		-461		0
Dividends financial year 2007			-7.465				-7.465
<b>Balance at 31 December 2008</b>	<b>97.213</b>	<b>4.183</b>	<b>109.470</b>	<b>-8.185</b>	<b>-3.436</b>	<b>3</b>	<b>199.248</b>
Comprehensive income 2009			12.162		-952		11.210
Transfer of the impact on fair value *			-77	77			0
Dividends financial year 2008			-10.868				-10.868
Other mutations						-3	-3
<b>Balance at 31 December 2009</b>	<b>97.213</b>	<b>4.183</b>	<b>110.688</b>	<b>-8.108</b>	<b>-4.388</b>	<b>0</b>	<b>199.588</b>

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