



Interim statement by the board of directors for the third quarter of 2018

- **Growth** by 11% of the **real estate portfolio**: € 735 million as at 30 September 2018 (€ 663 million as at 31 December 2017) due to acquisitions in line with the strategy.
- An authentic deed to **purchase land** zone B of the former Ford site in **Genk**, was executed as at 24 September 2018; development potential of more than 250.000 m² logistics real estate on the Ford site in Genk.
- **Fouding** of perimeter company **Genk Green Logistics nv** as IRREC.
- **Greenhouse BXL** with third Greenhouse Flex (co-working lounge) operational. 80% already leased as at 30 September 2018 and commercialisation fully under way.
- Rise in the **occupancy rate** of the total real estate portfolio by 4% to 90% as at 30 September 2018 (86% as at 31 December 2017); office portfolio occupancy rate 86% and logistics portfolio 94%.
- **Increase** in fair value of the **existing real estate portfolio**¹ in the first nine months of 2018 by 1%, 1,5% in the offices and 0,5% in the logistics portfolio.
- **Ratio** of real estate segments as at 30 September 2018: 57% logistics real estate and 43% office buildings.
- Increase of the **EPRA earnings** by 12% in the first nine months of 2018² as a result of higher rental income from five acquisitions in the logistics portfolio in 2017 and three logistics sites in 2018.
- **EPRA earnings per share increased by 3%**³: € 1,21 in the first nine months of 2018 (€ 1,17 in the first nine months of 2017).
- **Expected EPRA earnings** for 2018 between € 1,61 and € 1,65 per share, with a gross dividend of € 1,40, which amounts to a gross dividend yield of 6,1%.
- Issue of **commercial paper** for an amount of € 30 million (maximum 70 million) to further diversify the financing sources.
- **Average interest rate** of the financing: 2,4% in the first nine months of 2018 (2,6% in the first nine months of 2017).
- New interest rate swaps concluded in the third quarter for a notional amount of € 50 million. **Hedge ratio** of 82% as at 30 September 2018.
- **Debt ratio**: 47,9% as at 30 September 2018 (44,6% as at 31 December 2017).

1 Compared with the fair value of the investment properties as at 31 December 2017, with unchanged composition of the portfolio.

2 As compared to the first nine months of 2017.

3 Based on the weighted average number of shares.

Alternative performance measures and the term EPRA earnings

Alternative performance measures are criteria used by Intervest to measure and monitor its operational performance. The measures are used in this press release, but they are not defined by an act or in the generally accepted accounting principles (GAAP). The European Securities and Markets Authority (ESMA) issued guidelines which, as of 3 July 2016, apply on the use and explanation of the alternative performance measures. The concepts that Intervest considers to be alternative performance measures are included in a lexicon on the www.intervest.be website, called "Terminology and alternative performance measures". The alternative performance measures are marked with a 🌱 with a definition, objective and reconciliation as required by the ESMA guidelines.

EPRA (European Public Real Estate Association) is an organisation that promotes, helps develop and represents the European listed real estate sector, both in order to boost confidence in the sector and increase investments in Europe's listed real estate. For more details, please visit www.epra.com.

1. Operational activities in the third quarter of 2018

In the third quarter of 2018 too, Interinvest Offices & Warehouses (hereinafter 'Interinvest') is continuing to work steadily towards the realisation of its strategic growth plan, which is based on the reorientation of the office portfolio and the expansion of the logistics portfolio.

The fair value of the investment properties as at 30 September 2018 amounted to € 735 million, an increase of 11% or € 72 million compared to the fair value as at 31 December 2017 (€ 663 million).

The reorientation of the office portfolio with the Greenhouse concept, according to which the offices are developed as pioneering, inspirational meeting places where working and living come together, is clearly proving very popular in the office market. The construction work of Greenhouse BXL with a third Greenhouse Flex (co-working lounge) has in the meantime been completed and as at 30 September 2018 was more than 80% leased.

Further steps have been taken in the logistics segment to redevelop the former Ford site in Genk, a development potential of more than 250.000 m². Genk Green Logistics nv was founded as an IRREC and as at 24 September 2018 the authentic deed to purchase zone B was executed.



1.1. Leases Greenhouse

In the third quarter, the pre-leasing of the spaces in Greenhouse BXL rose from 42% in June to 80%. Konica Minolta, Goodyear, Cazimir law firm, Essity Belgium, Owens & Minor and now also an international pharma group have all resolutely opted for Greenhouse BXL to house their new offices. The fact that companies such as Essity, a manufacturer of hygienic paper products, Owens & Minor, a logistics service provider in the welfare sector, and an international pharma group, a pioneer in healthcare, have all chosen Greenhouse BXL is entirely in line with the innovative and service-oriented positioning of this office concept.

There is currently still one floor available in Greenhouse BXL and Interinvest expects to be able to lease it in the short term. The redevelopment and the re-renting of the former Deloitte site (14.700 m²) will so be entirely completed. As Greenhouse BXL will soon officially opens its doors, the over 500 m² of serviced offices – fully equipped and ready-to-use office spaces - will be commercialised and the auditorium, co-working spaces with communal meeting rooms, restaurant and fitness centre will be opened to the tenants of the co-working spaces in Antwerp, Mechelen and Brussels.

“As an experienced real estate partner, we know that the way we all work is changing. Flexibility, well-being and community building are the keywords in the new working environment. Greenhouse is Interinvest’s answer to this new way of working. Three unique work locations on the strategic economic axis of Antwerp-Mechelen-Brussels.”

JEAN-PAUL SOLS - CEO INTERVEST

By developing the offices in the portfolio into pioneering, inspirational workplaces, these buildings clearly distinguish themselves from other offices on the market. As a result, they attract new, leading tenants, as is evident from the leases mentioned above. The service-oriented, flexible Greenhouse concept acts as a catalyst, creating a community across the various locations.

These new leases mean an increase in the occupancy rate of the office portfolio to 86%.

1.2. Investments: Genk Green Logistics

In the course of the third quarter, a few important steps will be taken in the further development of the former Ford site in Genk. Genk Green Logistics nv was founded before a notary and recognised as an institutional regulated real estate company (IRREC) and the purchase of the land of zone B has been completed.

Creation of Genk Green Logistics nv as IRREC

The public limited company Genk Green Logistics was founded as at 30 August 2018 before a notary, with Intervest and Group Machiels as shareholders.

As at 26 July 2018, the FSMA had already granted Genk Green Logistics a licence as an institutional regulated real estate company (IRREC) under Belgian law, subject to the suspensive condition of its founding.

Via the IRREC Genk Green Logistics, Intervest and Group Machiels, in cooperation with MG Real Estate and DEME Environmental Contractors, will redevelop zone B of the former Ford site in Genk into a state-of-the-art logistics complex, which, after its complete development over several years, will comprise over 250.000 m².

Together with its partners, the IRREC Genk Green Logistics pools expertise in the investment, development and remediation of large-scale industrial sites. The partners in and of Genk Green Logistics therefore also aim to develop the project in cooperation with all stakeholders into a total concept that will strengthen the wider region. In August 2018, Genk Green Logistics submitted an application to 'Agentschap Innoveren en Ondernemen' to obtain a brownfield agreement in order to facilitate the redevelopment process.

Purchase of land of zone B of the former Ford site completed

The authentic deed - whereby Genk Green Logistics purchased zone B of the former Ford site from the Flemish authorities - was executed as at 24 September 2018 (the private purchase and sale agreement was already concluded as at 25 May 2018).

The commercialisation of the new-build development in zone B has already been started. Although De Vlaamse Waterweg will still be carrying out demolition, remediation and infrastructure works in zone A in the first few years, new developments in large parts of zone B can already be started at the same time that the remediation works are going on. Genk Green Logistics expects the first building to be operational in 2020. The total realisation of the project is expected to take another five years. Depending on the precise outcome, the final investment value of the project will vary between € 120 million and € 150 million.



1.3. Real estate portfolio as at 30 September 2018

Composition of the portfolio

INVESTMENT PROPERTIES	30.09.2018	31.12.2017	30.09.2017
Fair value of investment properties (€ 000)	734.668	662.539	647.636
Total portfolio occupancy rate (%)	90%	86%	86%
• Office portfolio occupancy rate (%)	86%	76%	75%
• Logistics portfolio occupancy rate (%)	94%	98%	97%
Total leasable space (m ²)	876.390	794.896	763.652

The **fair value of the investment properties** amounted to € 735 million as at 30 September 2018 (€ 663 million as at 31 December 2017). The increase of € 72 million in the first nine months of 2018 is mainly the result of:

- the acquisition of three logistics sites in the Netherlands with a total acquisition value of € 52 million: a high-quality distribution centre under construction in Vuren and two fully leased distribution centres in Raamsdonksveer and Eindhoven
- the acquisition of land in Genk (a development project with a new-build project of 250.000 m² of logistics on the former Ford site) for a purchase value of € 3 million
- the increase in the fair value of the current real estate portfolio by € 10 million or 1%, mainly in the Dutch logistics portfolio
- the investments and expansions in the existing real estate portfolio of € 7 million, mainly Greenhouse BXL and the new-build project in Vuren.

The total **occupancy rate** of the portfolio experienced a rising evolution during the first nine months of 2018. Thanks to the leases in the office portfolio, the occupancy rate of the total portfolio increased by 4% during the first nine months and amounted to 90% as at 30 September 2018.

The occupancy rate of the office portfolio amounted to 86% as at 30 September 2018, which means that there was an increase of 10% compared to 31 December 2017¹. The occupancy rate of the logistics portfolio slightly decreased by 4% as compared to 31 December 2017, to 94% as at 30 September 2018. The decrease is due to the vacancy in Puurs and Boom, which had already been announced earlier. Advanced rental negotiations are already ongoing with new candidate tenants for both sites. If this results in leases, they will have a positive effect of 3% on the total occupancy rate. It is expected that it will be possible to sign this contract in the course of the fourth quarter.

¹ Since the construction work for Greenhouse BXL has been completed in full and the project has already been 80% leased, Greenhouse is no longer considered a redevelopment project. Consequently, it is no longer necessary to show the separate occupancy rate excluding the redevelopment project.

2. Financial results for the first nine months of 2018

2.1. Analysis of the results¹

Interinvest's **rental income** in the first nine months of 2018 amounted to € 35,0 million (€ 32,0 million) and this caused a rise of € 3,0 million or an increase of 9% in respect to the first nine months of 2017.

The rental income in the office segment increased slightly by € 0,3 million. The loss of rental income following the departure of tenant Deloitte in Diegem as at 31 January 2017 and the pursuant redevelopment of the site into Greenhouse BXL has in the meantime been compensated by new leases of vacant spaces in places such as Mechelen Campus Tower and Woluwe Garden. The announced leases in Greenhouse BXL will gradually contribute to the rental income of the company in the course of 2019.

The rental income in the logistics portfolio increased by € 2,7 million. This is an increase of 16% compared to the first nine months of 2017. The increase is mainly the result of investments in the logistics segment, in particular in Oevel, Aarschot, Zellik, Tilburg and Raamsdonksveer in the course of 2017 and in Eindhoven, Raamsdonksveer 2 and Vuren in the course of 2018. The expansions in Herentals and Herstal too, that were realised in 2017, contribute to the increase in rental income.

The **property charges** amounted to € 4,9 million for the first nine months of 2018 (€ 4,6 million). The rise of € 0,3 million was (i) caused primarily by the € 0,4 million increase in property management costs of the real estate due to the expansion of the Interinvest team, (ii) partially compensated by lower technical costs.

The **general costs and other operating income and costs** amounted to € 2,1 million (€ 2,2 million) as at 30 September 2018 and have therefore remained at the same level as last year.

The increasing rental income combined with the increase in the property charges meant that the **operating result before the result on portfolio** rose by € 2,8 million or 11% to € 28,6 million (€ 25,8 million) in the first nine months of 2018.

¹ The figures between brackets are the comparable figures for the first nine months of 2017.



The **changes in fair value of the investment properties** amounted to € 9,6 million (€ -5,0 million) in the first nine months of 2018. The increase in changes in fair value is attributable to:

- an increase in the changes in fair value in the logistics portfolio of € 4,9 million as a result of the sharpening of the yield in the Netherlands and the added value on new acquisitions
- an increase in the changes in fair value of € 0,3 million in the logistics portfolio in Belgium
- an increase in the fair value of the office portfolio of € 4,4 million, mainly relate to Greenhouse BXL that is opening its doors soon and is already 80% pre-leased, and to Mechelen Campus and Woluwe Garden, a consequence of the leases of the past months.

As at 30 September 2018, the **other result on portfolio** was € -2,1 million (€ 0,3 million) and primarily comprised the provision for deferred taxes on non-realised increases on the investment properties belonging to the perimeter companies of Interinvest in the Netherlands and Belgium.

The **financial result (excl. changes in fair value)** amounted to € -5,8 million (€ -5,5 million) for the first nine months of 2018. The increase of the financing costs is the result of the growth of the real estate portfolio. The re-financing performed in 2017 to optimise the financing structure results in a partial compensation of the increased costs. The average interest rate for the company's financing for the first nine months of 2018 amounted to 2,4%, including bank margins (2,6% as per 30 September 2017).

The **changes in fair value of financial assets and liabilities (ineffective hedges)** included the increase in the negative market value of the interest rate swaps which, in line with IAS 39, cannot be classified as cash flow hedging instruments, in the amount of € 0,1 million (€ 0,7 million).



The **net result** of Interinvest for the first nine months of 2018 amounted to € 30,1 million (€ 16,1 million) and may be divided into:

- the **EPRA earnings** of € 22,5 million (€ 20,2 million) or an increase of € 2,3 million or 12%, mainly as a result of the increase in rental income, combined with the increase in the property charges and the financing costs
- the **result on portfolio** of € 7,5 million (€ -4,8 million)
- the **changes in the fair value of financial assets and liabilities (ineffective hedges)** in the amount of € 0,1 million (€ 0,7 million).

EPRA earnings amounted to € 22,5 million for the first nine months of 2018. Taking into account 18.638.746 weighted average number of shares, this means that there are distributable **EPRA earnings per share** of € 1,21 (€ 1,17) for the first nine months of 2018.

KEY FIGURES	30.09.2018	31.12.2017	30.09.2017
Number of shares at end of period	18.891.443	18.405.624	17.740.407
Number of shares entitled to dividend	18.891.443	17.740.407	17.740.407
Weighted average number of shares	18.638.746	17.409.850	17.276.524
Net value per share (fair value) (€)	19,82	19,52	19,19
Net value per share (investment value) (€)	20,76	20,35	20,05
Net asset value EPRA (€)	20,04	19,62	19,32
Share price on closing date (€)	22,90	22,49	22,20
Premium to net value (fair value) (%)	16%	15%	16%
Debt ratio (max. 65%) (%)	47,9%	44,6%	46,6%

As at 30 September 2018, the **net value (fair value)** of the share was € 19,82 (€ 19,52 as at 31 December 2017). As the share price of an Interinvest share (INTO) was € 22,90 as at 30 September 2018, the share was listed at a premium of 16% on the closing date compared with the net value (fair value).

The **Interinvest 2017 Annual Report** received the EPRA BPR GOLD AWARD for the fourth time running at the EPRA conference in London.

Following the **EPRA BPR** guidelines provides stakeholders in the real estate sector with transparency and a framework of comparability and is highly valued in the sector as shown by the **full report on the EPRA Awards**.



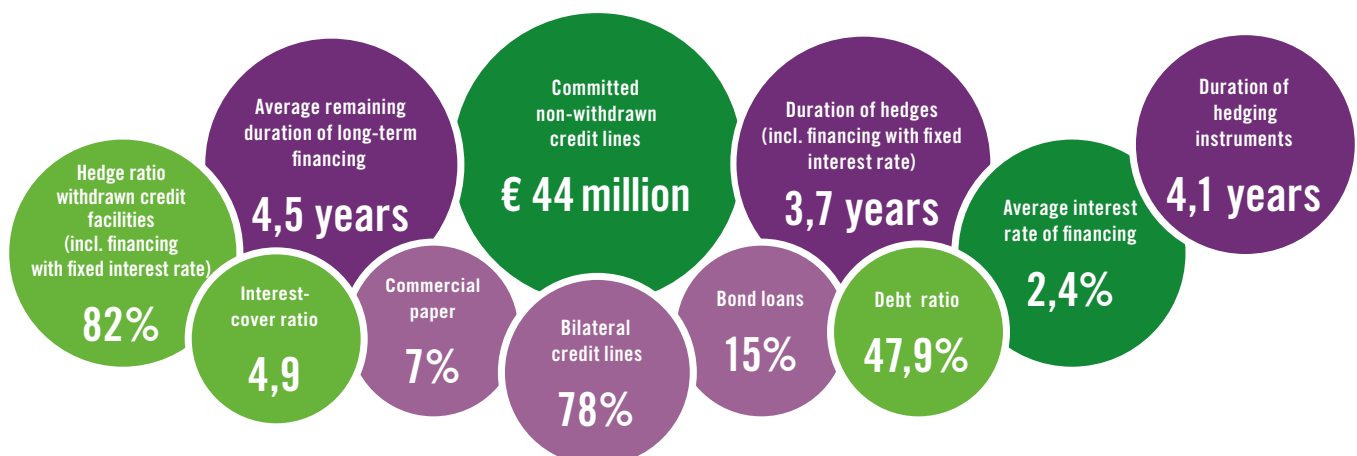
2.2. Financial structure

The **debt ratio** of the company amounted to 47,9% as at 30 September 2018 (44,6% as at 31 December 2017). The increase of 3,3% compared with 31 December 2017 is mainly the result of the acquisitions of the logistics sites in the Netherlands in the first semester of 2018, financed with borrowed capital.

In July 2018, to further diversify its financing sources, Intervest issued a commercial paper having a duration of 3 months (maximum duration 1 year) for an amount of € 30 million (maximum € 70 million). The issue is fully hedged by back-up lines of the assisting banks (Belfius Bank and KBC Bank) and non-withdrawn credit lines serving as guarantee for re-financing if it appears that the placement or extension of the commercial paper is only partially possible or not possible at all. In addition to this commercial paper, an existing credit facility of € 15 million was also refinanced.

Intervest's hedging strategy is to achieve a **hedging ratio** of 80%. Therefore new interest rate swaps were purchased in third quarter of 2018 for a combined notional amount of € 50 million. The hedging ratio for the withdrawn credit facilities amounted herewith to 82% as at 30 September 2018 (76% as at the end of 2017). The terms of the interest rate swaps purchased vary between 5 and 7 years, due to which the remaining duration of the hedging instruments increases to 4,1 years (€ 3,6 years as at the end of 2017).

As at 30 September 2018, Intervest had € 44 million of **non-withdrawn credit lines**. To guarantee the company's further growth, issues of debt instruments and share issues for financing purposes will be examined and, where possible, will always be geared towards the real estate investments pipeline.



3. Outlook

Also in the fourth quarter of 2018 Interinvest will continue to work on its **strategic growth plan** regarding the reorientation of its office portfolio and expansion of the logistics real estate portfolio. The intention in doing so is still to have the real estate investments, which were € 735 million as at 30 September 2018, grow to € 800 million by the end of 2018. Interinvest is negotiating multiple acquisitions for the last quarter of 2018.

The **occupancy rate** of the Interinvest real estate portfolio was 90% as at 30 September 2018. Increasing tenant retention by extending lease terms continues to be the prime challenge in the area of asset management.

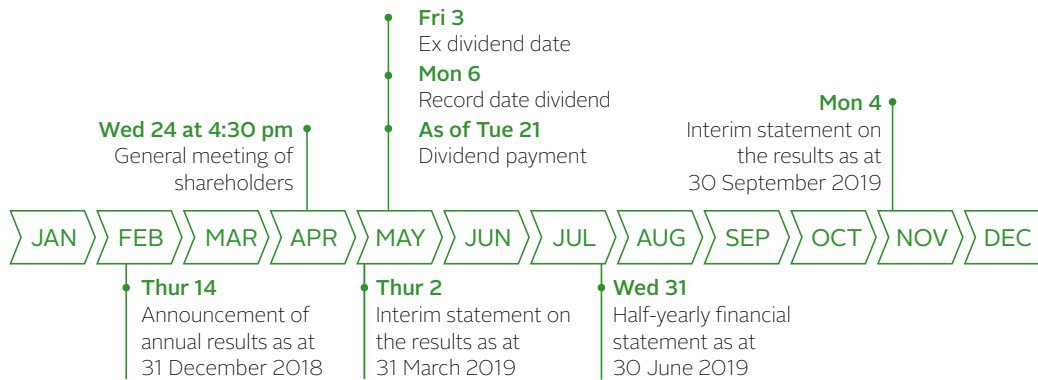
In the **office portfolio**, there is looking for the opening of the co-working lounge in Greenhouse BXL in the fourth quarter of 2018 and the further commercialisation of the remaining office space and serviced offices. Considering the dynamics prevailing on the rental market, Interinvest is positive regarding the further development of the leasing activity in the office segment.

The evolution in the occupancy rate in the **logistics segment** will significantly depend on the re-renting of the sites in Puurs and Boom. Advanced negotiations are already ongoing for both sites and it is expected that it will be possible to conclude these contracts in the fourth quarter of 2018.

Based on its results and forecasts as per 30 September 2018, Interinvest expects the **EPRA earnings per share** for financial year 2018 to be between € 1,61 and € 1,65 (€ 1,58 for financial year 2017), on condition that there are no unforeseen fluctuations in the interest rate. The increase is mainly the result of acquisitions in the logistics segment in the course of 2017 and 2018.

Within the scope of its announced growth strategy, Interinvest decided in March 2016 to plan a **gross dividend** of a minimum of € 1,40 per share for financial years 2016, 2017 and 2018. This represents a gross dividend yield of 6,1%, based on the closing share price as at 30 September 2018 (€ 22,90).

4. Financial calendar 2019



Intervest Offices & Warehouses nv, (hereinafter Intervest), is a public regulated real estate company (RREC) founded in 1996 of which the shares are listed on Euronext Brussels (INTO) as from 1999. Intervest invests in high-quality Belgian office buildings and logistics properties that are leased to first-class tenants. The properties in which Intervest invests, consist primarily of up-to-date buildings that are strategically located in the city centre and outside municipal centres. The offices of the real estate portfolio are situated on the Antwerp - Mechelen - Brussels axis; the logistics properties on the Antwerp - Brussels - Nivelles and Antwerp - Limburg - Liège axis with further extensions in Belgium, the Netherlands and towards Germany. Intervest distinguishes itself when leasing space by offering more than square metres only. The company goes *beyond real estate* by offering 'turnkey solutions' (a tailor-made global solution for and with the customer), extensive services provisioning, co-working and serviced offices.

For more information, please contact:

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<https://www.intervest.be/en>

Financial statements

Consolidated income statement (9 months)

in thousands €	30.09.2018	30.09.2017
Rental income	34.999	31.982
Rental-related expenses	7	0
NET RENTAL INCOME	35.006	31.982
Recovery of property charges	407	725
Recovery of rental charges and taxes normally payable by tenants on let properties	8.470	11.563
Costs payable by tenants and borne by the landlord for rental damage and refurbishment	-394	-222
Rental charges and taxes normally payable by tenants on let properties	-8.470	-11.563
Other rental-related income and expenses	513	60
PROPERTY RESULT	35.532	32.545
Technical costs	-690	-961
Commercial costs	-122	-179
Charges and taxes on unlet properties	-500	-502
Property management costs	-3.099	-2.651
Other property charges	-456	-330
Property charges	-4.867	-4.623
OPERATING PROPERTY RESULT	30.665	27.922
General costs	-2.091	-2.155
Other operating income and costs	-17	-5
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	28.557	25.762
Changes in fair value of investment properties	9.585	-5.044
Other result on portfolio	-2.076	277
OPERATING RESULT	36.066	20.995
Financial income	40	156
Net interest charges	-5.857	-5.617
Other financial charges	-7	-5
Changes in fair value of financial assets and liabilities (ineffective hedges)	66	691
Financial result	-5.758	-4.775
RESULT BEFORE TAXES	30.308	16.220
Taxes	-226	-139
NET RESULT	30.082	16.081

in thousands € 30.09.2018 30.09.2017

NET RESULT	30.082	16.081
Note:		
EPRA earnings	22.507	20.157
Result on portfolio	7.509	-4.767
Changes in fair value of financial assets and liabilities (ineffective hedges)	66	691
Attributable to:		
Shareholders of the parent company	30.085	16.081
Minority interests	-3	0

RESULT PER SHARE 30.09.2018 30.09.2017

Number of shares entitled to dividend	18.891.443	17.740.407
Weighted average number of shares	18.638.746	17.276.521
Net result (€)	1,61	0,93
Diluted net result (€)	1,61	0,93
EPRA earnings (€)	1,21	1,17

Consolidated statement of comprehensive income (9 months)

in thousands € 30.09.2018 30.09.2017

NET RESULT	30.082	16.081
Other components of comprehensive income (recyclable through income statement)	0	0
COMPREHENSIVE INCOME	30.082	16.081
Attributable to:		
Shareholders of the parent company	30.085	16.081
Minority interests	-3	0

Consolidated balance sheet

ASSETS in thousands €	30.09.2018	31.12.2017
NON-CURRENT ASSETS	735.764	663.846
Intangible assets	512	501
Investment properties	734.668	662.539
Other tangible assets	445	611
Financial non-current assets	125	182
Trade receivables and other non-current assets	14	13
CURRENT ASSETS	23.773	15.572
Trade receivables	13.518	9.609
Tax receivables and other current assets	4.593	3.471
Cash and cash equivalents	2.714	728
Deferred charges and accrued income	2.948	1.764
TOTAL ASSETS	759.537	679.418
SHAREHOLDERS' EQUITY AND LIABILITIES in thousands €	30.09.2018	31.12.2017
SHAREHOLDERS' EQUITY	375.058	359.366
Shareholders' equity attributable to shareholders of the parent company	374.462	359.366
Share capital	172.147	167.720
Share premium	117.213	111.642
Reserves	55.017	58.818
Net result for the financial year	30.085	21.186
Minority interests	596	0
LIABILITIES	384.479	320.052
Non-current liabilities	270.212	255.584
Non-current financial debts	264.808	252.371
<i>Credit institutions</i>	229.977	192.675
<i>Bond loan</i>	34.831	59.696
Other non-current financial liabilities	1.642	2.020
Trade debts and other non-current liabilities	1.460	1.001
Deferred taxes - liabilities	2.302	192
Current liabilities	114.267	64.468
Current financial debts	93.075	46.805
<i>Credit institutions</i>	38.109	46.805
<i>Bond loan</i>	24.966	0
<i>Commercial paper</i>	30.000	0
Other current financial liabilities	259	3
Trade debts and other current debts	2.956	2.290
Other current liabilities	1.395	217
Accrued charges and deferred income	16.582	15.153
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	759.537	679.418