

Press release



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Interinvest Offices & Warehouses acquires a logistics site of approximately 77.000 m² in Limbourg for € 33 million.

The percentage of logistics real estate in the portfolio increases up to 45 %.

Rationale

Within the scope of the strategy that it announced to invest in logistics real estate, the regulated real estate company Interinvest Offices & Warehouses has concluded with Machiels Real Estate SA an agreement, containing a number of customary suspensory conditions, for the acquisition of a logistics site of approximately 77.000 m² in Opglabbeek for € 33 million.

This transaction falls squarely within the company's strategy of continuing to increase the percentage of logistics real estate within the total real estate portfolio. Without taking into account other current investments and evolutions of the fair value of the existing real estate portfolio, this transaction causes the size of the logistics real estate portfolio of Interinvest Offices & Warehouses to increase by 14 % to € 275 million, which means that the logistics real estate will constitute 45 % of the total real estate portfolio.



Jean-Paul Sols, CEO:

“By concluding this important transaction of 77.000 m² of contemporary logistics buildings, we are reinforcing our substantial position on the Antwerp-Liège logistics axis and it is also an important step towards expanding in the short term, the percentage of Interinvest Offices & Warehouses' logistics portfolio to 50 % of the total real estate portfolio.”

Structure

The acquisition is taking place through a partial split with a debt takeover, and compensation is through the issuance of new shares in Interinvest Offices & Warehouses.

The purchase value of this logistics site amounts to € 33 million, which results in a net contribution value of € 26,2 million after debt takeover. This purchase value is in line with the valuation by the company's independent real estate expert.

With a view to concluding this transaction today, 7 November 2014, Interinvest Offices & Warehouses SA and Machiels Real Estate SA will submit the proposal to split to the Office of the Clerk of the Commercial Court. Partial splitting is subject to a number of customary suspensory conditions and approval by the shareholders of Interinvest Offices & Warehouses. The Extraordinary General Meeting of Interinvest Offices & Warehouses is expected to take place on 30 December 2014.

Capital increase

The structure of the transaction is accompanied by the issue of new shares in the amount of € 26,2 million.

Dividend rights are vested in the new shares of Intervest Offices & Warehouses as from 1 January 2015. On the date of issue (30 December 2014), coupon number 16, which represents the right to the dividend that will be allocated for the profit of financial year 2014, in respect of which the new Intervest Offices & Warehouses shares will not be granted any rights, will be detached from the current Intervest Offices & Warehouses shares.

The issue price is € 19,16 per share, which taking into account the detachment of the right to dividends, amounts to an issue price that is 6 % higher than the net asset value (fair value) of Intervest Offices & Warehouses on 30 September 2014, and is 6 % lower than the closing price of the share on 6 November 2014.

1.366.564 new shares are expected to be created. The new shares will be allowed to be traded on the Euronext Brussels regulated market as of 3 days after they have been issued.

Real estate transaction

The site is a modern logistics complex of warehouses with accompanying limited office facilities and vast grounds in the logistics hotspot of Genk-Opglabbeek, which lies in the Antwerp-Limbourg-Liège logistics corridor that is perfectly accessible from the E314.

The buildings were constructed in stages between 1999 and 2012 and a part of them has been fitted with photovoltaic systems (which however do not form part of this transaction).

The total size of the site includes 70.822 m² of storage space, 4.072 m² of mezzanine and 2.549 m² of offices and social space, and around 12.000 m² of development terrain. The site also provides additional possibilities to develop approximately 55.000 m² of storage space with accompanying offices, to which Intervest Offices & Warehouses has a pre-emptive right. Intervest Offices & Warehouses and Machiels Real Estate will join their commercial forces for these future developments.

At acquisition, 83 % of the site is leased to various logistics parties, 53 % of which is a long-term lease and 30 % is leased for a shorter term to different logistics parties. The weighted average term of the lease agreements amounts to 8,6 years, the first possibility of notice of which is after an average of 5,3 years. The part of the site subject to a long-term lease is used as a European distribution centre for an American multinational of medical equipment.

As of the acquisition, the transaction generates an annual lease income flow of approximately € 2,7 million (when fully occupied, this annual amount is approximately € 3,2 million), which will contribute to the company's distributable operational result as from 1 January 2015. This acquisition provides Intervest Offices & Warehouses with an initial gross return of approximately 8,1 %, which can still increase to approximately 9 % gross return if the entire site is leased.

This transaction has a positive effect on the company's debt level, which will fall by 1,4 % to 47,6 % (except for matters such as changes in the fair value of the current real estate portfolio). Intervest Offices & Warehouses hereby creates further possibilities for additional investments in the logistics real estate segment.

CBRE was the intervening party to assist in the transaction.

For more information, please contact:

Intervest Offices & Warehouses SA, regulated real estate company under Belgian law

Jean-Paul Sols - CEO or Inge Tas - CFO, tel: + 32 3 287 67 87, <http://corporate.intervest.be/en/offices>