



# Half-year report

30 June 2007

**INTERVEST**  
RETAIL

## Key figures

Investment property	30.06.2007	31.12.2006
Total lettable area (m <sup>2</sup> )	166.354	168.496
Occupancy rate <sup>1</sup> incl. Factory Shopping Messancy (%)	96,0 %	95,5 %
Occupancy rate excl. Factory Shopping Messancy (%)	99,3 %	99,1 %
Fair value of investment properties (€ 000)	292.755	280.842
Investment value of investment properties (€ 000)	299.769	287.631
Debt ratio RD 21 June 2006 (max. 65%) (%)	40,7 %	39,0 %

Results (€ 000)	30.06.2007	30.06.2006
<b>Net rental income</b>	<b>8.447</b>	<b>8.803</b>
Property management costs and income	-52	77
<b>Property result</b>	<b>8.395</b>	<b>8.880</b>
Property charges	-1.830	-1.559
General costs and other operating cost and income	-514	-692
<b>Operating property result before result on the portfolio</b>	<b>6.051</b>	<b>6.629</b>
Result on the portfolio	10.266	-2.558
<b>Operating result</b>	<b>16.317</b>	<b>4.071</b>
Financial result	-2.178	-1.920
<b>Net result</b>	<b>14.139</b>	<b>2.151</b>

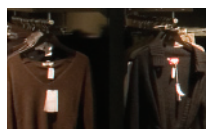
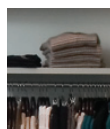
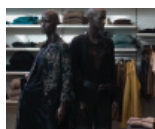
Data per share	30.06.2007	30.06.2006
Number of shares	5.078.525	5.078.525
Net asset value (fair value) (€)	35,10	32,20
Net asset value (investment value) (€)	36,48	33,51
Gross dividend first half year (€)	0,77	0,94
Share price on closing date (€)	36,00	36,98
Premium to net asset value (%)	3 %	15 %

<sup>1</sup> The occupancy rate is calculated as the ratio of the actual rental income to the same rental income plus the estimated rental value of the vacant locations for rent.



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### **Intervest Retail**

Uitbreidingstraat 18  
2600 Berchem

Public property investment fund  
with fixed capital under Belgian law  
founded as limited liability company

## Management and organisation

### **Registered office**

Uitbreidingstraat 18, 2600 Berchem

### **Enterprise identification number**

RPR 0431.391.860

### **Board of directors**

Paul Christiaens, chairman  
Gérard Philippson, director  
Nick van Ommen, director  
Joost Rijnboutt, managing director  
Hubert Roovers, managing director  
Reinier van Gerrevink, director  
Hans Pars, director

### **Management committee**

BVBA Jean-Paul Sols, ceo  
BVBA Rudi Taelemans, coo  
Inge Tas, cfo  
Reinier van Gerrevink

### **Statutory auditor**

Deloitte Réviseurs d'Entreprises SC s.f.d. SCRL, represented by  
Rik Neckebroeck, with offices Berkenlaan 8b, Diegem

### **Custodian bank – Financial services – Liquidity provider**

Bank Degroof, rue de l'Industrie 44, 1000 Brussels

### **Property experts**

Cushman & Wakefield, avenue des Arts 58 box 7, 1000 Brussels  
de Crombrughe & Partners, avenue G. Demey 72-74, 1160 Brussels

### **Date of annual general meeting**

First Wednesday of April on 14:30

# 1. Interest Retail

## 1.1. Profile

Interest Retail invests exclusively in Belgian commercial property, focusing primarily on inner-city shops in prime locations, retail warehouses and shopping centres. Beside, the company also invests in a factory outlet in Messancy.

At present the portfolio is composed of 296 lettable units, spread over 84 different locations. 43 % of the property portfolio consists of inner-city locations, 57 % of retail warehouses and a factory outlet.

The total fair value at 30 June 2007 amounts to €293 million (investment value €300 million) and consists for €276 million of investment properties and for €17 million of development projects.

On 30 June 2007 the total occupancy rate reaches 96,0 % (95,5 % end 2006). Without taking into account the outlet centre Factory Shopping Messancy, the occupancy rate even reaches 99,3 %.

Interest Retail has been registered as a property investment fund in the list of Belgian investment institutions since 22 December 1998, and has been included in the Next Prime segment of Euronext Brussels since 1 January 2002.

## 1.2. Investment policy

The investment policy is based on the achievement of a combination of a direct return based on rental income and an indirect return based on the increase in the value of the property portfolio.

The property investment fund chooses for an investment policy focused on high-quality commercial property which is leased to first-class tenants. This property does not require major repair work in the short term and is strategically situated on good locations.

Interest Retail aims to make its share more attractive by increasing its liquidity, by expanding its property portfolio and by improving the risk profile. The extension of the portfolio must always lead to a better risk spread, cost advantages and an increasing shareholders' value. If possible mergers and contributions in kind can be realised with the emission of new shares, whereby the free float<sup>2</sup> and the liquidity<sup>3</sup> of the share are improved.

<sup>2</sup> Free float is the number of shares circulating freely on the stock exchange and therefore not in permanent ownership.

<sup>3</sup> The liquidity is easiness with which a share can be traded.

## 1.3. Corporate governance

Interest Retail strictly respects the Belgian principles of corporate governance for companies quoted on the stock exchange, summarized in the "Belgian Corporate Governance Charter" of the Lippens Commission. From the terms of the code is only derogated when specific circumstances require it.

The complete 'Corporate governance charter' that sets out the important internal procedures of the management of Interest Retail can be consulted on the company website ([www.interest.be](http://www.interest.be)).

In 2006 the board of directors comprises 7 members, 4 of which are independent directors. The directors are appointed for a period of 3 years, but their appointment can be revoked at any time by the general meeting. The board of directors has as principal tasks working out the company's strategy, approving the annual accounts and controlling the management committee. Within the board of directors, an audit committee has been set up, mainly controlling the correctness, completeness and the quality of the financial information to be published.

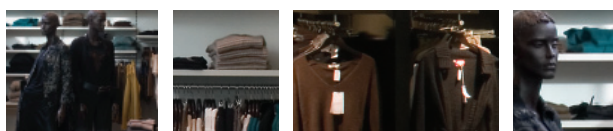
On 30 June 2007 the board of directors consists of the following members:

- **Paul Christiaens**, chairman, independent director and member of the audit committee
- **G  rard Philippon**, independent director and member of the audit committee
- **Nick van Ommen**, independent director and chairman of the audit committee
- **Joost Rijnboutt**, independent managing director
- **Hubert Roovers**, managing director
- **Reinier van Gerrevink**, director
- **Hans Pars**, director and member of the audit committee

Interest Retail is a 'self managed fund' with own personnel and an own management committee. This management committee has all powers, with the exception of the actions that are legally assigned to the board of directors and the strategic policy.

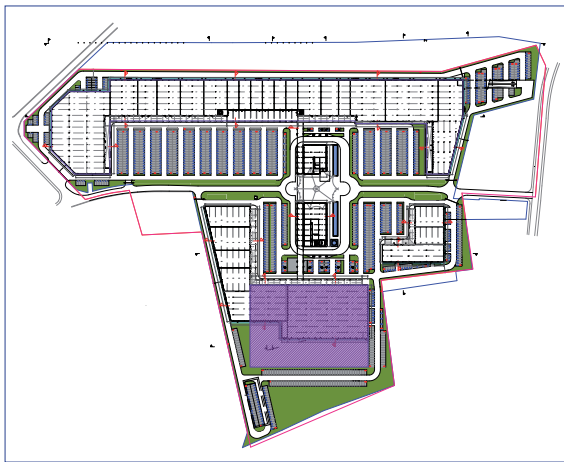
On 30 June 2007 the management committee consists of the following members:

- **Jean-Paul Sols bvba**, represented by Jean-Paul Sols, chairman, chief executive officer
- **Rudi Taelmans bvba**, represented by Rudi Taelmans, chief operating officer
- **Inge Tas**, chief financial officer
- **Reinier van Gerrevink**



## 2. Developments during the first half year 2007

### 2.1. Investments



Ground plan of the redevelopment Wooncentrum Van De Ven in Olen

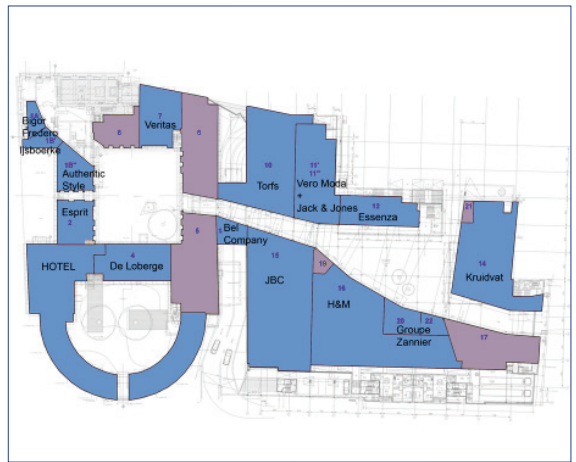
#### 2.1.1. Redevelopment Wooncentrum Van De Ven in Olen

Intervest Retail works on the redevelopment of the present commercial centre Van De Ven in Olen into a unique, innovative new-generation shopping park in order to exploit the potential of the present commercial site to the optimum. More concrete, an open air park will be created based on the themes of 'home', 'garden' and 'hobby and leisure' with a large range of services and facilities. The centre will have a surface area of 35.000 m<sup>2</sup> and will be embedded in pleasant surroundings.

Mid 2006 a building permit was granted by the municipality of Olen. A neighbour-competitor asked to the council of state the suspension and cancellation of the execution of the building permit. The council of state has rejected in the second quarter of 2007 this request so that Intervest Retail can start the building works.

A verdict concerning the request of cancellation will probably last a few years. In practice, the development of large scale commercial projects often faces resistance. These procedures before the council of state are hence not exceptional.

Meanwhile the building project evolves to the tender for the works.



Ground plan of the commercial project Julianus in Tongeren

#### 2.1.2. Commercial project Julianus in Tongeren

The commercialisation of the commercial project, under construction, evolves according to plan. In the current phase 80 % of the shops on the ground floor are let to prime tenants such as H&M, Kruidvat, JBC, Torfs Shoes, Essenza, Bestsellers, Bel Company, Veritas and Zanier.

With Deloberge an experienced partner has been attracted for the exploitation of the catering.

The commercial space on the floor is still available. The opening of the shopping centre is planned for the first quarter of 2008.

The city of Tongeren has recently made important efforts concerning the surrounding works. The redevelopment of the Schierveldstraat is in the final stage and the redevelopment of the Leopoldwal is ongoing, with an expected end date mid September 2007. From then on the underground car park will be open for the public.

During the first half year of 2007 an amount of € 2,8 millions has been invested. The total investment value of the project will amount to about € 18 million. As from 2008 the investment will contribute positively to the operating results.

### 2.1.3. Factory Shopping Messancy

During the first half year of 2007 Interinvest Retail has paid a lot of attention to the commercialisation of Factory Shopping Messancy. An important newcomer which has opened its doors, is the chair specialist Seats & Sofas, which occupies a surface area of 2.400 m<sup>2</sup>.

On 30 June 2007, the total occupancy rate of FSM amounts to 79 %. In order to realise additional lettings, an exclusive letting agreement with the real estate agency Cushman & Wakefield has been concluded since the end of April 2007.

The sale of Factory Shopping Messancy has also been further organised during the second quarter of 2007. At the end of April 2007 an official bidding procedure has been internationally initialized in collaboration with Cushman & Wakefield.

Interinvest Retail expects to be able to determine in the second half of 2007 if the property can be sold at sufficiently interesting conditions. The efforts related to marketing and lettings meanwhile continue invariably.

### 2.1.4 Redevelopment Vilvoorde

In Vilvoorde the planned development of the building located at the Nowélei will start in due course.

After demolition of the existing building, a new high-quality architectural design from the Bureau of Architects Styfhals & Partners will be build with a commercial space for H&M and ten luxurious apartments above. The building surface area amounts approximately to 2.720 m<sup>2</sup>, from which nearly 1.113 m<sup>2</sup> will be lettable commercial surface area.

The building and socio-economic permits are obtained. In the autumn of 2007 the demolition works will start. The delivery of the commercial part to H&M is planned for September 2008.

The delivery of the apartments is planned for the end of 2008. The sale on plan of the apartments will start as from September 2007.





## 2.2. Disinvestments

During the first half year of 2007, Interinvest Retail signed a sales agreement for two small, non-strategic properties which are difficult to let, located in Antwerp and Luxemburg. The total surface area of both properties amounts to 2.142 m<sup>2</sup>.

These sales take place at a minimal less value of € 0,2 million compared to the fair value of € 1,6 million.

The authenticated deeds will be signed in the second half of 2007. Consequently, these two properties are classified as assets held for sale (€ 1,4 million) and the less value is considered as realised.

## 3. Growth prospects

On the short term the efforts will be once more concentrated on the improvement of the quality of the existing property portfolio and the search of several growth scenarios.

For the future Interinvest Retail aims not only to maintain its current position of biggest property investment fund in the field of Belgian commercial real estate, but also to expand it. This can be realised with direct investments, mergers and acquisitions. On term the portfolio must grow to a size of about € 500 million.

Interinvest Retail will purposefully concentrate its efforts in 2007 in order to acquire new investments. In view of the important demand of investment products on the market this will happen with the necessary cautiousness.



## 4. Financial results

The condensed consolidated interim accounts for the first half year ending on 30 June 2007 are established on the basis of the principles for financial reporting in accordance with IFRS and in accordance with IAS 34 "Interim financial reporting" as accepted by the European Union.

In these condensed interim financial statements the same principles for financial reporting and calculation method are employed as those employed for the consolidated financial statements at 31 December 2006.

These condensed financial statements have been approved for publication by the board of directors on 6 August 2007.

### 4.1. Analysis of the results<sup>4</sup>

The increasing demand for commercial real estate on the letting and investment market further continues in 2007. Hence, rental renewals in the commercial portfolio of Intervest Retail are concluded at higher rents. During the first half of 2007, the real estate portfolio of the property investment fund has been revalued with € 10,5 million or 3,8%.

The net rental income of Intervest Retail decreased during the first half year of 2007 to € 8,4 million (€ 8,8 million) as a result of the sale of properties mid 2006 and the financial incentives for the tenants of Factory Shopping Messancy.

The property charges amount to € 1,8 million (€ 1,6 million). The increase is due to the higher operating costs in Factory Shopping Messancy. It concerns principally marketing and service charges which, from a commercial point of view, can not be charged to the tenants. The general costs decrease to € 0,5 million during the first half year of 2007 (€ 0,7 million).

The operating result before the result on the portfolio amounts to € 6,1 million (€ 6,6 million).

During the first half year of 2007, Intervest Retail signed a sales agreement for two small, non-strategic properties which are difficult to let. These sales take place at a minimal less value of € 0,2 million compared to the fair value of € 1,6 million.

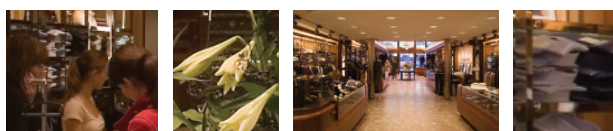
The positive change in fair value of the investment portfolio of the property investment fund amounts to € 10,5 million at 30 June 2007 compared to a depreciation of € 1,4 million on 30 June 2006.

The financial result amounts to - € 2,2 million (- € 1,9 million) due to the increase of the interest charges as a result of the raise of the short-term interest rates.

The net result of the first half year of 2007 amounts to € 14,1 million (€ 2,2 million). The strong increase of this net result comes from to the revaluation of the real estate portfolio in 2007 with € 10,5 million compared to 2006 (- € 1,4 million). The net result can be divided in an operating result of € 3,9 million (€ 4,7 million) and the result on the portfolio of € 10,2 million (- € 2,5 million). This represents for the first half year of 2007 distributable earnings per share of € 0,77 (€ 0,94).

The fair value of the portfolio on 30 June 2007 amounts to € 293 million (€ 281 million on 31 December 2006). This rise results from the increases in value of the commercial portfolio (€ 10,5 million) and the investments in the Julianus project in Tongeren (€ 2,8 million).

<sup>4</sup> Between brackets comparable figures on 30 June 2006.



On 30 June 2007 the net asset value (fair value) of the share amounts to € 35,10 (€ 34,21 on 31 December 2006). Given that the share price on 30 June 2007 is € 36,00, the Intervest Retail share is quoted with a premium of 3 % compared to this net asset value (fair value).

In accordance with the calculation method of article 6 of the RD of 21 June 2006, the debt ratio amounts to 40,7 % on 30 June 2007 (39 % on 31 December 2006).

The net result of the financial year 2007 is negatively influenced by the financial situation in Factory Shopping Messancy. Without the sale of Factory Shopping Messancy and without new investments which contribute immediately to the operating result of the property investment fund, the expected earnings per share in 2007 will be significantly lower than in 2006. For the entire year of 2007 the company expects distributable earnings per share between € 1,45 and € 1,55 (gross dividend). The result of 2006 had a one-time positive effect due to the indemnity received from the arbitral procedure against the property developer of Factory Shopping Messancy (€ 1 million).



## 4.2. Condensed financial statements

### 4.2.1. Condensed consolidated income statement

<i>in million €</i>	30.06.2007	30.06.2006
Rental income	8.866	8.951
Rental related expenses	-419	-148
<b>NET RENTAL INCOME</b>	<b>8.447</b>	<b>8.803</b>
Rental related income and expenses	-52	77
<b>PROPERTY RESULT</b>	<b>8.395</b>	<b>8.880</b>
Technical costs	-252	-300
Commercial costs	-40	-61
Charges and taxes on unlet properties	-939	-832
Property management costs	-599	-364
Other property charges	0	-2
<b>PROPERTY CHARGES</b>	<b>-1.830</b>	<b>-1.559</b>
<b>OPERATING PROPERTY RESULT</b>	<b>6.565</b>	<b>7.321</b>
General costs	-538	-726
Other current operating income and expenses	24	34
<b>OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO</b>	<b>6.051</b>	<b>6.629</b>
Result on disposals of investment property	-207	-1.151
Changes in fair value of investment property	10.473	-1.407
<b>OPERATING RESULT</b>	<b>16.317</b>	<b>4.071</b>
Financial income	24	34
Interest charges	-2.195	-1.933
Other financial charges	-7	-21
<b>FINANCIAL RESULT</b>	<b>-2.178</b>	<b>-1.920</b>
<b>RESULT BEFORE TAXES</b>	<b>14.139</b>	<b>2.151</b>
<b>NET RESULT</b>	<b>14.139</b>	<b>2.151</b>
Attributable to:		
Equity holders of the parent	14.139	2.151
Minorities	0	0
<b>RESULT PER SHARE</b>	<b>30.06.2007</b>	<b>30.06.2006</b>
Number of ordinary shares	5.078.525	5.078.525
Basic earnings per share (in €)	2,78	0,42
Diluted earnings per share (in €)	2,78	0,42
Distributable earnings per share (in €)	0,77	0,94



#### 4.2.2. Condensed consolidated balance sheet

<b>ASSETS</b> <i>in million €</i>	<b>30.06.2007</b>	<b>31.12.2006</b>
<b>Non-current assets</b>	<b>293.454</b>	<b>281.284</b>
Intangible fixed assets	18	24
Investment properties	276.071	266.991
Development projects	16.684	13.851
Other tangible fixed assets	348	400
Financial fixed assets	315	0
Trade receivables and other non-current assets	18	18
<b>Current assets</b>	<b>9.554</b>	<b>6.124</b>
Assets held for sale	1.362	0
Trade receivables	1.136	1.094
Tax receivables and other current assets	2.865	3.812
Cash and cash equivalents	3.932	1.069
Deferred charges and accrued income	259	149
<b>TOTAL ASSETS</b>	<b>303.008</b>	<b>287.408</b>

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b> <i>in million €</i>	<b>30.06.2007</b>	<b>31.12.2006</b>
<b>Shareholders' equity</b>	<b>178.270</b>	<b>173.726</b>
<b>Shareholders' equity attributable to the shareholders of the parent company</b>	<b>178.267</b>	<b>173.723</b>
Capital	97.213	97.213
Share premium	4.183	4.183
Reserves	78.819	68.328
Result	4.751	10.882
Impact on the fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties	-7.014	-6.789
Changes in fair value of financial assets and liabilities	315	-94
<b>Minority interests</b>	<b>3</b>	<b>3</b>
<b>Liabilities</b>	<b>124.738</b>	<b>113.682</b>
<b>Non-current liabilities</b>	<b>72.127</b>	<b>72.250</b>
<i>Provisions</i>	<i>195</i>	<i>195</i>
<i>Non-current financial debts</i>	<i>71.792</i>	<i>71.887</i>
Credit institutions	71.766	71.860
Financial lease	26	27
<i>Other non-current liabilities</i>	<i>140</i>	<i>168</i>
<b>Current liabilities</b>	<b>52.611</b>	<b>41.432</b>
<i>Current financial debts</i>	<i>43.771</i>	<i>32.741</i>
Credit institutions	43.764	32.728
Financial lease	7	13
<i>Trade debts and other current debts</i>	<i>4.685</i>	<i>5.110</i>
<i>Other current liabilities</i>	<i>2.857</i>	<i>2.358</i>
<i>Accrued charges and deferred income</i>	<i>1.298</i>	<i>1.223</i>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>303.008</b>	<b>287.408</b>

## 4.2.4. Condensed consolidated cash-flow statement

<i>in million €</i>	30.06.2007	30.06.2006
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>1.069</b>	<b>6.566</b>
<b>1. Cash-flow from operating activities</b>	<b>5.294</b>	<b>5.902</b>
Net profit of the first sixth months of the financial year	14.139	2.151
<b>Adjustments for non cash-flow transactions</b>	<b>-9.791</b>	<b>3.028</b>
Amortisations of intangible and other tangibles fixed assets	64	64
Loss on the disposal of investment properties	207	1.151
Spread of benefits granted to tenants	466	406
Change in fair value of investment properties and development projects	-10.472	1.407
Other non cash-flow transactions	-56	0
<b>Changes in working capital</b>	<b>946</b>	<b>723</b>
Movements of assets	796	-1.218
Movement of liabilities	150	1.941
<b>2. Cash flow from investment activities</b>	<b>-3.428</b>	<b>11.953</b>
Acquisition of intangible and other tangible fixes assets	-9	-82
Investments in existing investment properties	-276	-2.218
Investments in development projects	-2.786	-4.627
Capitalised interest expenses	-357	-239
Acquisition of assets with deferred payment	0	13
Proceeds from the sale of investment properties	0	19.106
<b>3. Cash-flow from financing activities</b>	<b>997</b>	<b>-12.971</b>
Repayments of loans	-165	-11.875
Drawdown of loans	11.200	9.700
Repayment of financial lease liabilities	-6	-3
Receipts from non-current liabilities as guarantee	-28	75
Dividends paid	-10.004	-10.868
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FIRST HALF YEAR</b>	<b>3.932</b>	<b>11.450</b>



### 4.2.3. Condensed statement of changes in shareholders' equity

<i>in million €</i>	Capital	Share premium
<b>Balance sheet on 31 December 2005</b>	<b>97.213</b>	<b>4.183</b>
Profit of the first half year 2006		
Transfer of the result on the portfolio to the reserves not available for distribution		
Impact of fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties		
Dividends financial year 2005		
Change in fair value of financial assets and liabilities		
<b>Balance sheet on 30 June 2006</b>	<b>97.213</b>	<b>4.183</b>
<b>Balance sheet on 31 December 2006</b>	<b>97.213</b>	<b>4.183</b>
Profit of the first half year 2007		
Transfer of the result on the portfolio to the reserves not available for distribution		
Impact of fair value of estimated transaction rights and costs resulting from the hypothetical disposal of investment properties		
Dividends financial year 2006		
Change in fair value of financial assets and liabilities		
<b>Balance sheet on 30 June 2007</b>	<b>97.213</b>	<b>4.183</b>

Reserves not available for distribution	Result	Impact on fair value of estimated transaction rights and costs resulting*	Changes in fair value of financial assets and liabilities	Minority interest	Total shareholders' equity
<b>66.269</b>	<b>11.841</b>	<b>-7.116</b>	<b>-690</b>	<b>3</b>	<b>171.703</b>
	2.151				2.151
-2.558	2.558				0
-482		482			0
	-10.868				-10.868
			562		562
<b>63.229</b>	<b>5.682</b>	<b>-6.634</b>	<b>-128</b>	<b>3</b>	<b>163.548</b>
<b>68.328</b>	<b>10.882</b>	<b>-6.789</b>	<b>-94</b>	<b>3</b>	<b>173.726</b>
	14.139				14.139
10.266	-10.266				0
225		-225			0
	-10.004				-10.004
			409		409
<b>78.819</b>	<b>4.751</b>	<b>-7.014</b>	<b>315</b>	<b>3</b>	<b>178.270</b>

\* from the hypothetical disposal of investments properties



#### 4.2.5. Condensed income statement per segment

BUSINESS SEGMENTS (primary) <i>in million €</i>	Inner-city shops	
	30.06.2007	30.06.2006
Rental income	4.268	4.107
Rental related expenses	-5	14
<b>NET RENTAL INCOME</b>	<b>4.263</b>	<b>4.121</b>
Property management costs and charges	-34	11
<b>PROPERTY RESULT</b>	<b>4.229</b>	<b>4.132</b>
<b>OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO</b>	<b>4.084</b>	<b>4.050</b>
Result on disposal of investment properties	-155	0
Changes in fair value of investment properties	3.822	418
<b>OPERATING RESULT OF THE SEGMENT</b>	<b>7.751</b>	<b>4.469</b>
Financial result		
<b>NET RESULT</b>	<b>7.751</b>	<b>4.469</b>

BUSINESS SEGMENTS: KEY FIGURES	Inner-city shops	
	30.06.2007	30.06.2006
Investment properties at fair value (€ 000)	136.264	123.435
Investment properties at investment value (€ 000)	139.670	126.521
Accounting yield of the segment (%)	6,3	6,7
Total surface for rent (m <sup>2</sup> )	31.052	31.196
Occupancy rate (%)	99,6	99,4



Retail warehouses & Outlet		Corporate		TOTAL	
30.06.2007	30.06.2006	30.06.2007	30.06.2006	30.06.2007	30.06.2006
4.598	4.844			8.866	8.951
-414	-162			-419	-148
<b>4.184</b>	<b>4.682</b>			<b>8.447</b>	<b>8.803</b>
-18	66			-52	77
<b>4.166</b>	<b>4.748</b>			<b>8.395</b>	<b>8.880</b>
<b>3.052</b>	<b>3.660</b>	<b>-1.085</b>	<b>-1.081</b>	<b>6.051</b>	<b>6.629</b>
-52	-1.151			-207	-1.151
6.651	-1.825			10.473	-1.407
<b>9.651</b>	<b>683</b>	<b>-1.085</b>	<b>-1.081</b>	<b>16.317</b>	<b>4.071</b>
		-2.178	-1.920	-2.178	-1.920
<b>9.651</b>	<b>683</b>	<b>-3.263</b>	<b>-3.001</b>	<b>14.139</b>	<b>2.151</b>

Retail warehouses & Outlet		TOTAL	
30.06.2007	30.06.2006	30.06.2007	30.06.2006
156.491	146.249	292.755	269.684
160.099	149.797	299.769	276.318
5,9	6,6	6,1	6,6
135.302	137.300	166.354	168.496
93,2	92,4	96,0	95,4



### 4.3. Net asset value and share price

In € per share	30.06.07	31.12.06	30.06.06	31.12.05
Net asset value (fair value)	35,10	34,21	32,20	33,81
Net asset value (investment value)	36,48	35,54	33,51	35,21
Gross dividend (per year resp. per half year)	0,77	1,97	0,94	2,14
Net dividend (per year resp. per half year)	0,65	1,67	0,80	1,82
Share price on closing date	36,00	39,70	36,98	43,50
Premium to net asset value (fair value) (%)	3 %	16 %	15 %	29 %

During the first six months of 2007 the share price fluctuated between € 35,25 and € 41,00. On 30 June 2007 the share was quoted at € 36,00. This means a premium of 3 % compared to the net asset value on 30 June 2007 (fair value).

The free float on 30 June 2007 amounts 27,62 % (27,62 % end 2006).

The daily average traded volume for the first half year of 2007 amounts 868 units.

Share price



For the interpretation of the chart, the payment of the dividend over 2006 amounting € 1,97 per share on 20 April 2007 has to be considered.

## 4.4. Statutory auditor's report

### INTERVEST RETAIL NV, BELGIAN REAL ESTATE INVESTMENT FUND

LIMITED REVIEW REPORT ON THE CONSOLIDATED HALF-YEAR FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2007

To the board of directors

We have performed a limited review of the accompanying consolidated condensed balance sheet, condensed income statement, condensed cash flow statement, condensed statement of changes in equity and notes (jointly the "interim financial information") of INTERVEST RETAIL NV, BELGIAN REAL ESTATE INVESTMENT FUND ("the company") and its subsidiaries (jointly "the group") for the six months period ended 30 June 2007. The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with IAS 34, "Interim Financial Reporting".

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

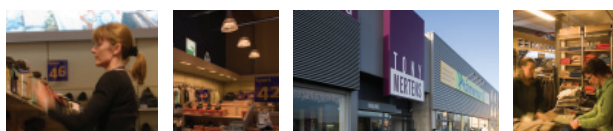
Based on our limited review nothing has come to our attention that causes us to believe that the interim financial information for the six months period ended 30 June 2007 is not prepared, in all material respects, in accordance with legal and regulatory requirements applicable in Belgium and IAS 34 "Interim Financial Reporting".

7 August 2007

#### The statutory auditor

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**DELOITTE Réviseurs d'Entreprises**  
SC s.f.d. SCRL  
Represented by Rik Neckebroeck



## 5. Property portfolio

### 5.1. Valuations at 30 June 2007

Factory Shopping Messancy is valued by de Crombrugghe & Partners. All other commercial premises are valued by Cushman & Wakefield.

The investment values correspond to the price that an investor is prepared to pay for each of the investment properties of the portfolio, in order to become owner, enjoy rental income and support the related cost.

The Julianus project is valued at 30 June 2007 at the current cost price.

### 5.2. Overview commercial retail market

#### Rental market

The current economic climate is positive, the consumers' trust is high and consequently the retail market is doing well. The retail trade encounters a remarkable good first half year. On the average, the turn-over figures increase with 4%, even with 10% in the clothing and footwear sector.

The demand of well located retail shops remains high and the number of letting transactions increases continuously.

The rental prices for the inner-city shops and shopping centres stabilise at a favourable level. On the other hand, the rental prices of retail warehouses increase slightly.

Currently a lot of retail projects are to be realised: small inner-city projects, mixed urban projects, retail warehouse parks and mainly shopping centres. The next months for about 59.000 m<sup>2</sup> new shopping centres will open such as the Stadsfeestzaal in the centre of Antwerp, Forum Julianus – ownership of Intervest Retail – in the centre of Tongeren and 'Stadsplein' in Genk. In the next years several new projects and extensions of existing shopping centres will be realised. Nevertheless the number of shopping centres in Belgium will be limited compared to other European countries.

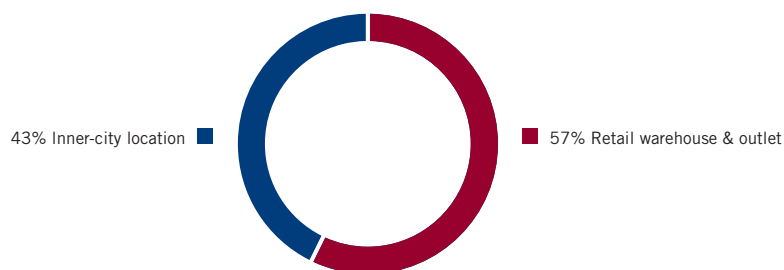
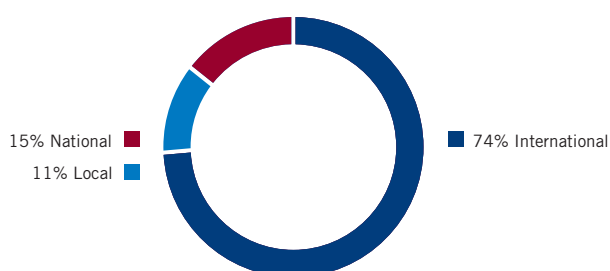
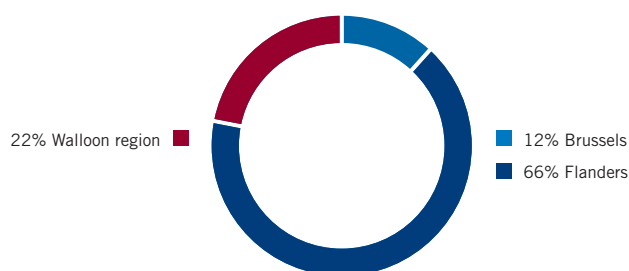
#### The investment market

The demand of commercial investments remains high, from private investors as well as from institutional investors. The investment climate is stimulated by the well-balanced relation between demand and offer on the rental market.

The past half year there were mainly investments in retail warehouses. The offer of shopping centres and inner-city shops is indeed more limited and the yields of these shops are at a historical depth (4,5% to 4,25%). Currently no changes are supposed to be expected. For retail warehouses the top yield reaches 6%. For the newly build warehouses the yields up to 5 % are asked.



### 5.3. Charts<sup>5</sup> and key figures



#### Summary overview of the property portfolio

	30.06.2007	31.12.2006	30.06.2006	31.12.2005
Total lettable area of the investment properties (m <sup>2</sup> )	166.354	168.496	168.496	195.207
Occupancy rate incl. Factory Shopping Messancy (%)	96,0	95,5	95,4	96,1
Occupancy rate excl. Factory Shopping Messancy (%)	99,3	99,1	99,1	98,5
Fair value of the investment properties (€ 000)	276.071	266.991	260.803	280.107
Fair value of the development projects (€ 000)	16.684	13.851	8.881	4.561

<sup>5</sup> The charts do not take the development projects into account. They have been compiled on the basis of the annual rental income and the investment value of the portfolio.



## 5.4. Overview of the portfolio

Property portfolio 30.06.2007

Region	Surface	Rent in 000 €	Investment- value (€ 000)	Fair value (€ 000)	Weighing (%)
<b>Property investments</b>					
Brussels	9.877	2.226	34.080	33.249	11 %
Flanders	109.219	12.257	185.814	181.285	62 %
Walloon region	47.258	4.974	63.077	61.537	21 %
<b>Total investment properties</b>	<b>166.354</b>	<b>19.457</b>	<b>282.971</b>	<b>276.071</b>	<b>94 %</b>
<b>Development projects</b>					
Flanders	59.147	471	16.798	16.684	6 %
<b>Total development projects</b>	<b>59.147</b>	<b>471</b>	<b>16.798</b>	<b>16.684</b>	<b>6 %</b>
<b>Total investment properties and development projects</b>	<b>225.501</b>	<b>19.928</b>	<b>299.769</b>	<b>292.755</b>	<b>100 %</b>



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