



Annual brochure
2006/2007





Mission statement

Real estate fund Leasinvest Real Estate SCA invests in high-quality and well-situated office, logistics and retail buildings, in Belgium and the Grand Duchy of Luxembourg. Through diversification of its portfolio, the real estate fund wants to achieve a rental yield in line with market performance, consistent dividend growth and potential capital gains.

Investor profile

Leasinvest Real Estate's investor profile consists of private investors, mainly in Belgium and in the Grand Duchy of Luxembourg, and institutional investors in Belgium and abroad looking for good dividend prospects in combination with limited risks.

Leasinvest Real Estate has chosen Dutch as its official language, and only the Dutch version of the annual brochure forms legal evidence. The French and English versions are translations of the Dutch version of the annual brochure. The annual brochure was translated under the responsibility of Leasinvest Real Estate.

De Nederlandse versie van de jaarbrochure is beschikbaar op de zetel van de vennootschap, op eenvoudige aanvraag en kan gedownload worden van de website www.leasinvest.be (financiële verslagen – jaarresultaten).

Le rapport annuel en français peut être obtenu au siège de la société et peut être téléchargé du site web www.leasinvest.be (rapports financiers – résultats annuels).



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Risk factors and
important events



L easinvest Real Estate's objective is to manage a profitable and diversified real estate portfolio in Belgium and in the Grand Duchy of Luxembourg, generating recurring rental and dividend income, and capital gains in the long term. Our strategy consequently consists of managing and mitigating the inherent market and business risks as much as possible.

| Risks related to the overall economic evolution

Changes in the economy have an impact on the demand for available rentable space of our tenants, which are mostly corporates. A poor economic climate leads to a reduction in employment opportunities and therefore in the demand for available rentable space. This can result in a higher vacancy rate and lower rents.

Not all countries go through the same economic cycles as Belgium. The economy, e.g. in the Grand Duchy of Luxembourg, currently grows faster than in Belgium. The acquisition of Leasinvest Immo Lux during the month of March 2006 fits in this context. The Grand Duchy of Luxembourg now represents 31% of the consolidated real estate portfolio of Leasinvest Real Estate.

Leasinvest Real Estate limits its sensitivity to the economic cycles not only by geographical diversification, but also by a spread across different market segments. Not all types of offices, logistics and retail buildings react in the same way to the business cycles. The correlation with the trend in the economic evolution is the highest for offices, followed by logistics buildings and the lowest for retail outlets.

The breakdown per asset class of the portfolio in operation of Leasinvest Real Estate on 30/06/07 is spread across the different market segments as follows: 72% offices – 20% logistics buildings – 8% retail.

Leasinvest Real Estate wishes to further develop its portfolio with office buildings (rented in the long term) and with logistics and retail buildings in order to further reduce the sensitivity to the economic cycles.

| Real estate market risk

For several years, the demand by the investment market for all kinds of buildings has been very high. The reasons therefore are still the same, namely relatively low interest rates compared to the higher real estate yields, the search for recurring income flows, the large amount of available funds in the market, the desire of domestic and foreign institutional investors to allocate a more important part of their capital in real estate and the absence of alternative investment opportunities. Properties in good locations and/or with long term lease contracts are therefore very attractive and the acquisition yields therefore continue to decrease while the interest rates increase.

The rental market is strongly related to the economy. Thanks to the improvement of the economic situation and a dynamic portfolio management, Leasinvest Real Estate has succeeded

in increasing the occupancy rates of its Belgian portfolio, as well as its Luxembourg portfolio on 30/06/07, to respectively 97% and 97.03%.

| Rental and credit risk

Efforts are being made to reduce the relative importance of the largest tenants and obtain a better spread both in terms of the number of tenants and the sectors in which these tenants are active in order to limit the number of bad debts and bankruptcies by tenants. The breakdown per sector of our tenant portfolio is good.

The main sectors are the services sector (30%), financial institutions (18%), followed by public institutions, non-profit organisations and international professional associations (11%), on the one hand, and retail & wholesale (11%), on the other hand. Therefore the vulnerability of the real estate fund to losing a tenant due to termination of the lease agreement or bankruptcy, for example, is reduced.

In addition, we look for creditworthy tenants and the signing of long-term lease agreements to ensure the recurrent rental income flow and therefore increase the duration of the lease agreements. During the financial year 2006/2007 the lease agreements with a first break possibility within a year were limited, but important break possibilities are mainly to be found in the next financial year 2007/2008. 58% of the annual contractual rents are guaranteed until 30/06/10¹.

The creditworthiness of our tenants' portfolio is very good. This is proven by the fact that barely no write-offs of doubtful receivables were booked in the past financial years.

Thanks to the dynamic management which has led to new leases and extensions, the real estate fund (sicafi/bevak) succeeded in increasing the duration of the Luxembourg portfolio from 2.3 years to 4.1 years on 30/06/07.

This duration is shorter than the duration of the Belgian portfolio, which amounts to 5.3 years (on 30/06/06: 5.6 years).

Tenant loyalty is very important to Leasinvest Real Estate. The tenants generate the rental income and define the vacancy. By a professional, dynamic and client-focused commercial and operational management we respond to tenant needs.

¹ For more information, see page 53 and note 5 of the Financial Statements.

As a consequence, Leasinvest Real Estate performs better than the market with regard to the vacancy in specific market segments in Belgium and has a vacancy of 4.2% in its Brussels office portfolio, which is better than the global vacancy in the Brussels office market of 9.6%. The vacancy rate for offices in the Grand Duchy of Luxembourg was 3.5% on 30/06/07, which nearly corresponds to the vacancy rate of the offices portfolio of Leasinvest Immo Lux. These conclusions can not be extended, as such, to the other market segments (logistics and retail).

Renovation and maintenance risk of the buildings

Leasinvest Real Estate aims at providing efficient buildings which fulfil the requirements of the tenants and which can evolve to their future needs. If this is not, or not sufficiently, taken into account, this could jeopardize the long-term lease. Therefore we preferably, however not exclusively, invest in quality and technically sound buildings for which the maintenance and renovation costs are limited during the first ten years. All investments must comply with a number of technical and return criteria (including, amongst other things, technical requirements, location, accessibility by private and public transportation, and sufficient parking spaces). When analysing new investment opportunities, provisions for maintenance and renovation are always taken into account.

For each building in the portfolio, as well internally as externally, a relevant multi-annual plan for maintenance and renovation is drawn up. Where necessary, investments are being made to keep the technical quality at its level. For each acquisition of a building and/or real estate company, a preliminary legal, technical, administrative, financial, fiscal and environmental-technical due diligence, and if necessary a soil investigation, is carried out by our internal team, assisted, where necessary, by external consultants.

Also, each building is regularly evaluated. Buildings in the portfolio, which do no longer comply with our demands, are renovated or sold.

In general, the average age² of the office buildings in the Grand Duchy of Luxembourg is older than in Belgium, which can be explained by the controlled permit planning of the government.

The age of an office building can result in a weaker technical performance of a building, which is largely compensated, in the Grand Duchy of Luxembourg, by the excellent location of most of the buildings. An investment program for renovation of some of the buildings to align the technical installations of the buildings to the current Luxembourg legislation, is foreseen, by which, the buildings will be able to compete with new buildings.

² For more information, see page 53 of the real estate report.

Financing risk

The consolidated debt ratio³ of Leasinvest Real Estate on 30/06/07 amounted to 40.93% (30/06/06: 44.15%), which is considerably lower than the legally maximum allowed debt ratio of 65% as imposed by the RD of 21/06/06, which modified the RD of 10/04/95 on this point.

Leasinvest Real Estate has with its banks the necessary long-term credit and back-up facilities for its commercial paper lines to cover existing and future investment needs. These credit and back-up facilities enable Leasinvest Real Estate to hedge its financing risk, or in other words the risk that, for example, the commercial paper market should dry up and these short-term debts would therefore become due. All credit facilities contain covenants, which mainly relate to the legal status as real estate fund (bevak/sicafi) and the related maximum allowed debt ratio.

The liquidity risk is limited through, on the one hand, the diversification of the financing among different bankers and, on the other hand, by diversifying the expiry dates of the credit facilities.

As no reimbursement is provided in any of the credit facilities before the expiry date (these are namely "bullet loans"), the net cash flow of Leasinvest Real Estate is more than sufficient to cover the interest costs.

Leasinvest Real Estate aims at keeping its proportion between short term financing (through issuing commercial paper and bank advances) and long term bank loans at 50% - 50%. On 30/06/07 this proportion short / long term was 54% - 46%.

Interest rate risk

The hedging policy is intended to cover the interest rate risk for approximately 80% of the financial debt. Since Leasinvest Real Estate's debt financing is based on a floating interest rate, there is an interest rate risk if the interest rate would rise, which would increase the financing cost. This interest rate risk is hedged using financial instruments such as spot and forward interest rate collars and interest rate swaps.

The expiry dates for the interest rate hedges lie between 2008 and 2013. On 30/06/07 86% of the financial debt was hedged. The fixed interest rates of the interest rate swaps lie between 3.15% and 3.87%, excluding the credit margin.

Exchange risk

Leasinvest Real Estate is only active in the EURO-zone, namely in Belgium and in the Grand Duchy of Luxembourg and has no exchange risk.

³ Calculated according to the RD of 21/06/06.

Important events in the development of Leasinvest Real Estate

1999/2000

- Leasinvest Real Estate SCA was granted the real estate fund (bevak/sicafi) status by the Banking and Finance Commission (currently the Banking, Finance and Insurance Commission) on 07/06/99
- Listing on the first market of the Brussels' Stock Exchange

2000/2001

- Acquisition of 3 buildings of Phase I of the Axxes Business Park

2001/2002

- Acquisition of the remaining 4 buildings of Phase I of the Axxes Business Park
- Acquisition of Brussimmo SA (rue de Trèves 74, Brussels) and Ekiport SA (Route de Lennik 451, Anderlecht)
- Listing in the NextPrime segment of Euronext

2002/2003

- Divestment of smaller, non-strategic buildings

2003/2004

- Merger by absorption of Brussimmo SA (rue de Trèves 74, Brussels) and Ekiport SA (Route de Lennik 451, Anderlecht)
- Entering into the long term lease of 27 years with the European Union concerning the building rue de Trèves 74

2004/2005

- Entering into the framework agreement with AXA Belgium SA in order to sustain further growth
- Acquisition of the majority of the shares of Square de Meeûs 5-6 SA

- Contribution in kind of the building Montoyer 63 through the partial splitting-up of Extensa Group SA
- Sale of the long-term lease receivables concerning rue de Trèves 74

2005/2006

- Acquisition of a participation of 51.13% in the Luxembourg si-cav Leasinvest Immo Lux (ex-Dexia Immo Lux), (joint-)owner of 13 buildings in the Grand Duchy of Luxembourg and of 100% of Leasinvest Immo Lux Conseil, ex-Dexia Immo Lux Conseil (March 2006).
- Launch of a public take over bid for the acquisition of the remaining Leasinvest Immo Lux (ex-Dexia Immo Lux) shares, held in the public, resulting in an additional 38.99%, or a total of 90.12% in Leasinvest Immo Lux (ex-Dexia Immo Lux).
- Acquisition of a portfolio of buildings (Malines, Tongres) of Extensa Group SA (ex-Leasinvest SA) through the contribution in kind of the shares by AXA Belgium SA and, as a consequence, the realisation of the investment program of AXA Belgium SA.

2006/2007

- Modification of the name of Dexia Immo Lux in Leasinvest Immo Lux and of Dexia Immo Lux Conseil in Leasinvest Immo Lux Conseil
- Divestment of Extensa Square in Evere and the building situated in Wommelgem
- Acquisition of the building 'Torenhof' in Merelbeke (Ghent)
- Acquisition of the remaining shares of Square de Meeûs 5-6 SA, followed by a merger by absorption of Square de Meeûs 5-6 SA
- Increase of the participation in Leasinvest Immo Lux to 96.04%



Brixton Business Park,
Zaventem, Belgium



Avenue J.F. Kennedy
Luxembourg







Letter to the shareholders

The past financial year 2006/2007 was again a very good year. A record net result, share of the group, of 34.9 million EUR was reached, or an increase of 77% compared to the previous financial year.

The important acquisitions realised during the last quarter of the previous financial year 2005/2006, i.e. the acquisition of the listed sicav Leasinvest Immo Lux SA and of a part of the Extensa Group portfolio have had a full annual impact during the past financial year 2006/2007.

In the financial year 2006/2007 our focus has been the integration of the Luxembourg real estate portfolio, the optimisation of the total real estate portfolio, the further improvement of the occupancy rate, the loyalty of the current tenants and the extension and renovation of our buildings in portfolio, wherever possible.

| Real estate portfolio in Belgium

The occupancy rate in Belgium on 30/06/07, excluding "Torenhof" mentioned hereafter, amounted to 97% compared to 96.2% the previous financial year.

Within the framework of the dynamic management of our real estate portfolio, two office buildings part of "Extensa Square", situated rue Colonel Bourg in Brussels were sold to a Spanish private investment fund. A smaller office building in Wommelgem (Antwerp) has been sold as well.

On the existing exterior parking of our site Axxes Business Park at Merelbeke (Ghent), the construction of 192 additional park-

ings has started. This extra parking will respond to the tenant's needs for additional parking space.

A castle-farm "Torenhof" has been acquired during the financial year, and will be entirely renovated into a facility center in order to better respond to the demand for facility services of the tenants of our site Axxes Business Park.

| Real estate portfolio in Luxembourg

In Luxembourg a project manager has been hired for the management of the Leasinvest Immo Lux portfolio. The occupancy rate of the Luxembourg portfolio (excluding the building "Bian", which is entirely renovated) amounted to 97.03% on 30/06/07 compared to 95.14% the previous year.

The full renovation of the current office building "Bian" situated at Gasperich/Cloche d'Or, including an extension of 2,000 sqm on the current site will be completed at the end of 2008. The marketing of the building has already started. The outlook for letting off-plan is very good.

A renovation with an extension of 4,700 sqm of respectively the office and storage buildings "CFM", also situated at Gasperich/Cloche d'Or has started in June 2007 and will be entirely let by the current tenants.

On 26/06/07 Leasinvest Real Estate has published its intention to launch a counter-offer on all shares of the listed Luxembourg sicav Immo-Croissance. The offer has been withdrawn at the beginning of July 2007 because an extremely high counter-offer was announced by a third party.



Riverside Business Park,
Anderlecht, Belgium

| Excellent results

The consolidated occupancy rate further improved from 95.87% to 97.01% thanks to our continuous commercial efforts, a slightly improved rental market and the quality & good location of our buildings.

In 2006/2007 a very important non-realised gain of 16.6 million EUR on the real estate portfolio was recorded, compared to 3.9 million EUR the previous financial year. This further revaluation of our real estate portfolio is mainly due to the still decreasing rental yield caused by the important amount of capital which creates, worldwide, a serious demand for real estate.

The consolidated net result rose by 51.9% from 23.3 million EUR to 35.5 million EUR. The share of the group of this amount is 34.9 million EUR (30/06/06: 19.7 million EUR, + 77%). The net result, share of the group, per share amounted to 8.71 EUR (compared to 5.94 EUR per diluted¹ share the previous financial year). This is a record profit since the creation of the real estate fund (sicafi/bevak).

The increasing trend of the net asset value per share (including dividend) and calculated based on the fair value has been maintained, compared to the previous financial year, or an increase of 10.1%, or from 59.28 EUR to 65.31 EUR.

The consolidated fair value of the real estate portfolio² (excluding development projects and including the assets held for sale) decreased compared to the previous financial year due to the divestments mentioned above, i.e. from 467.2 million EUR to 445.9 million EUR.

We wish to thank all our tenants, suppliers and shareholders in Belgium and in the Grand Duchy of Luxembourg for their confidence and support. We also thank all our employees for their sustained efforts, without whom we could not have achieved these results.

Jean-Louis Appelmans
CEO

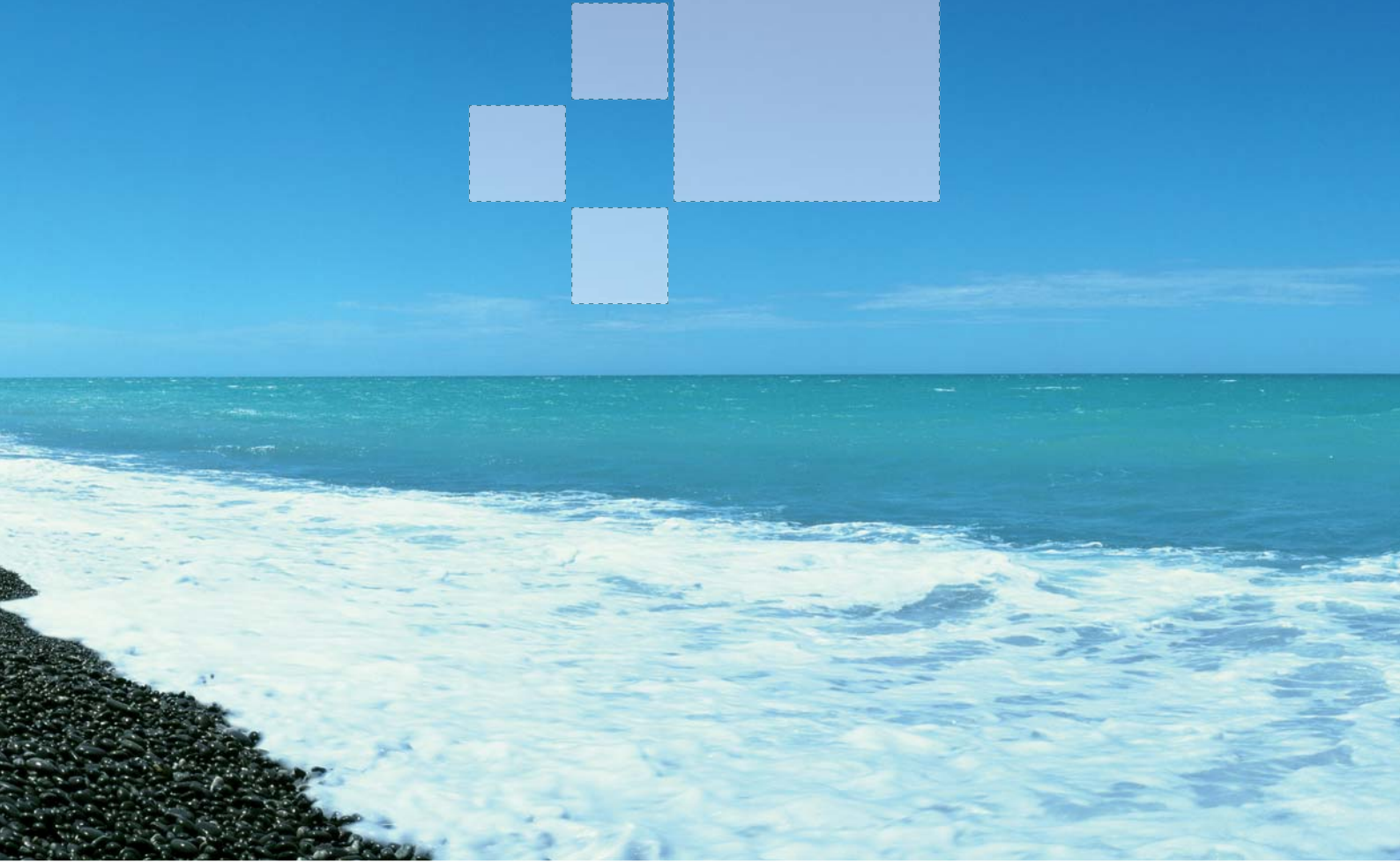
Luc Bertrand
*President of the
board of directors*

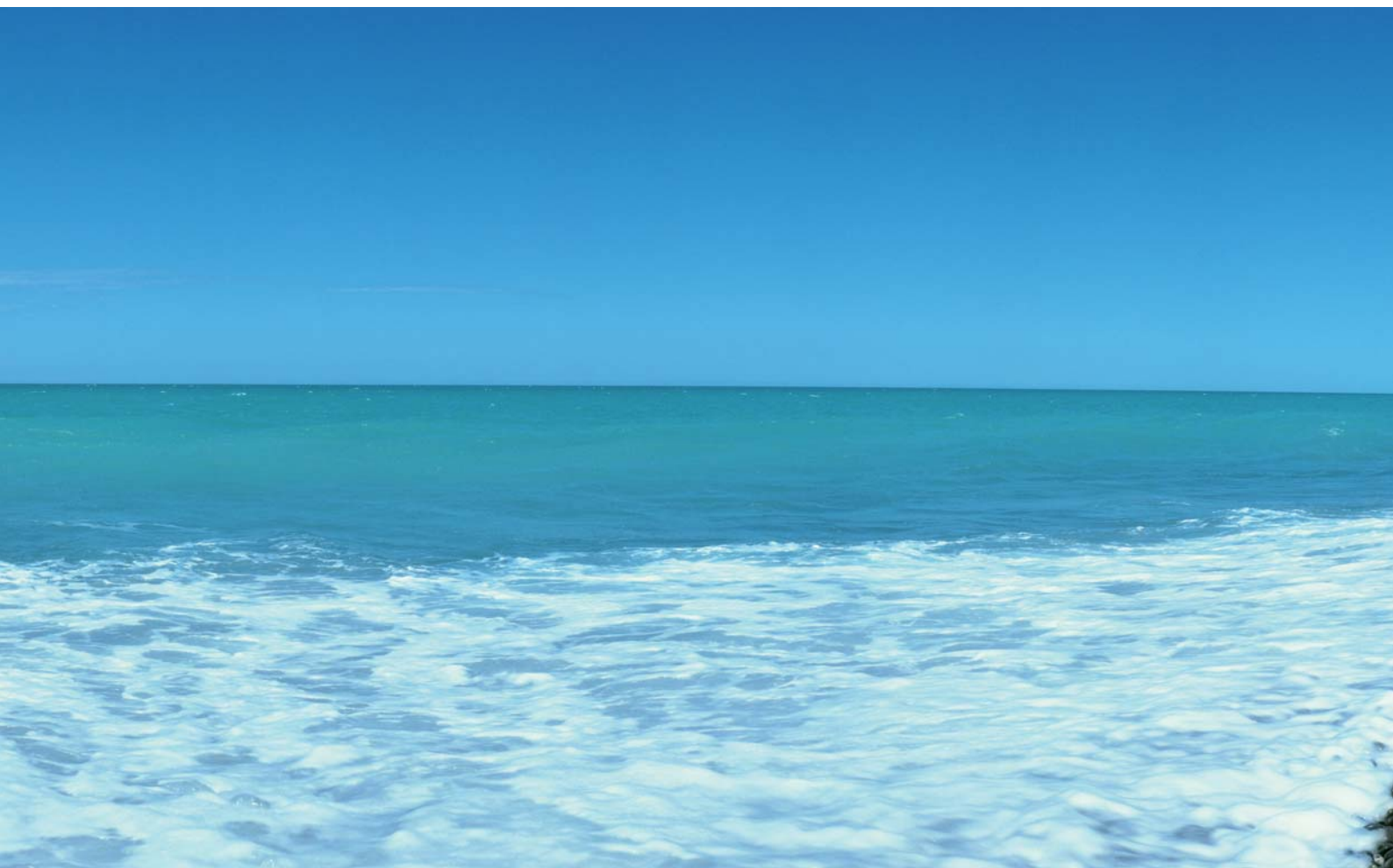
- ¹ The results per diluted share are calculated based on the pro rata number of shares. This is the number of shares pro rata of their entitlement to dividends. Following the capital increase which has taken place at the contribution in kind of the "Extensa" portfolio, 763,407 new shares were created in the financial year 2005/2006, which were entitled to dividends as from 29/05/06.
- ² The consolidated fair value of the real estate portfolio takes into account the full consolidation of Leasinvest Immo Lux sicav, of which Leasinvest Real Estate held 96.04% on 30/06/07.



Monnet,
Grand Duchy of
Luxembourg

Key figures





The key figures concern IAS/IFRS key figures.

On 30/06/07 Leasinvest Real Estate fully consolidates the following participations: the Luxembourg sicav Leasinvest Immo Lux SA, Leasinvest Immo Lux Conseil SA, Warehouse Finance SA, De Leewe SA, Logistics Finance I SA and Leasinvest Services SA (ex-Leasinvest Real Estate Facility Services SA).

On 30/06/06 the participation in Square de Meeûs 5-6 SA was also fully consolidated (50.07%). After the take over of the remaining stake at the beginning of the financial year 2006/2007, Square de Meeûs 5-6 SA was merged with Leasinvest Real Estate in December 2006 (merger by absorption).

Finally, Leasinvest Real Estate has increased its stake in Leasinvest Immo Lux from 90.12% (30/06/06) to 96.04%, through acquisitions on the stock market.

Real estate portfolio ⁽¹⁾			
Total surface (in sqm above ground)	30/06/07	30/06/06	30/06/05
Offices	126,621	144,961	104,262
Logistics	118,313	118,313	68,111
Retail	21,313	21,313	14,454
Total	266,247	284,587	186,827
	30/06/07	30/06/06	30/06/05
Fair value (x 1,000 EUR) ⁽²⁾⁽³⁾	445,859	467,182	268,584
Investment value (x 1,000 EUR) ⁽³⁾⁽⁴⁾	457,310	479,170	275,460
Occupancy rate (%) ⁽⁵⁾	97.01 ⁽⁶⁾	95.87	91.15
Rental yield (fair value) (%)	7.22 ⁽⁶⁾	7.45	7.32
Rental yield (investment value) (%)	7.04 ⁽⁶⁾	7.26	7.14

- (1) The real estate consists of the buildings in operation recorded in balance sheet items "Investment properties" and "Assets held for sale". The development projects are hereby not included.
- (2) Fair value: the investment value as defined by an independent real estate expert and of which the transaction costs, as defined on page 63 of this annual brochure, have been deducted; the fair value is the accounting value under IFRS.
- (3) Fair value and investment value estimated by real estate valuers Cushman & Wakefield /Winssinger en Associates.
- (4) The investment value corresponds to the previously used term "investment value" and is the value as defined by an independent real estate expert and of which the transaction costs have not yet been deducted.
- (5) The occupancy rate has been calculated based on the estimated rental value. All buildings of the Leasinvest Real Estate portfolio have been taken into account, excluding the development projects. Definition of occupancy rate in Glossary – 9.3 Terminology on page 100.
- (6) The occupancy rate and the rental yield take into account 100% of Leasinvest Immo Lux, of which Leasinvest Real Estate held 96.04% on 30/06/07.



EBBC,
Grand Duchy of
Luxembourg

| Key results

(in 1,000 EUR)	IAS/IFRS Consolidated 30/06/07	IAS/IFRS Consolidated 30/06/06	IAS/IFRS Consolidated 30/06/05
Rental income	33,154	23,958	19,868
Property result	33,003	23,818	19,421
Operating result before portfolio result (EBIT) ⁽¹⁾	25,583	23,195	14,269
Net current result ⁽²⁾	17,425	19,402	9,787
Net current result, share of the group	17,075	16,963	9,538
Portfolio result	18,095	3,923	3,331
Portfolio result, share of the group	17,859	2,760	2,910
Net result	35,520	23,325	13,118
Net result, share of the group	34,934	19,723	12,448
Net cash flow, share of the group	16,555	9,823	10,286

(1) Earnings Before Interests and Taxes.

(2) Net result minus result on the portfolio.

| Balance sheet

(in 1,000 EUR)	IAS/IFRS Consolidated 30/06/07	IAS/IFRS Consolidated 30/06/06	IAS/IFRS Consolidated 30/06/05
Total shareholder's equity	272,046	262,555	188,019
Shareholder's equity, share of the group	262,071	237,849	180,048
Balance sheet total	477,202	483,659	274,960
Debt ratio (%) ⁽¹⁾	40.93	44.15	28.92

(1) The debt ratio is calculated according to the RD of 21/06/06.



Diekirch, Grand Duchy of Luxembourg

| Data per share⁽¹⁾

(in EUR)	IAS/IFRS Consolidated 30/06/07	IAS/IFRS Consolidated 30/06/06	IAS/IFRS Consolidated 30/06/05
Number of listed shares (#)	4,012,832	3,249,221	2,830,371
Number of issued shares (#)	4,012,832	4,012,628	3,249,221
Pro rata number of shares (#)	4,012,832	3,318,241	3,047,255
Net asset value, share of the group ⁽²⁾			
- based on fair value	65.31	59.28	55.41
- based on investment value	68.13	62.10	57.47
Rental income	8.26	7.22	6.52
Property result	8.22	7.18	6.37
Operating result before portfolio result (EBIT) ⁽³⁾	6.38	6.99	4.68
Net current result	4.34	5.85	3.21
Net current result, share of the group	4.26	5.11	3.13
Portfolio result	4.51	1.18	1.09
Portfolio result, share of the group	4.45	0.83	0.95
Net result	8.85	7.03	4.30
Net result, share of the group	8.71	5.94	4.09
Net cash flow, share of the group	4.13	2.96	3.38

(1) The result data concern data per diluted share, taking into account a pro rata of the number of shares.

30/06/07: following the merger with Square de Meeûs 5-6 SA 204 new shares were issued. These are however entitled to dividends as from the beginning of the financial year, i.e. 01/07/06; therefore the pro rata number of shares is not applicable.

30/06/06: following the capital increase which took place with the bringing in of the Extensa Group SA portfolio by AXA Belgium SA, 763,407 new shares were created. These were entitled to dividends as from 29/05/06.

30/06/05: following the capital increase which took place with the acquisition of Montoyer 63, 418,850 new shares were created. These were entitled to dividends as from 23/12/04.

(2) Net asset value according to IFRS is before distribution of the result.

(3) Earnings Before Interests and Taxes.

| Key ratios⁽¹⁾

(in EUR)	30/06/07	30/06/06	30/06/05
Share price on coupon date ⁽²⁾		74.80	65
Coupon date	22/10/07	23/10/06	24/10/05
Price / cashflow (PCF)		25.27	19.23
Price / earnings (PER)		14.64	20.77
Price at end of financial year	78.10	65.90	64.40
Price / cashflow (PCF)	18.91	22.26	19.05
Price / earnings (PER)	18.33	12.90	20.58

(1) PCF and PER have been calculated compared to the net cash flow and earnings (= net current result), share of the group, at the end of the financial year.

(2) No figures available for 30/06/07 because the annual report precedes the coupon date.

Evolution of the number of shares

Initial number of shares Brixton Zaventem	61,250
New number of shares ⁽¹⁾	864,808
Acquisition of own shares and annulment of the acquired shares	-24,603
Contribution in kind of the "Extensa buildings" on 08/06/99	727,818
Contribution in kind of the Vierwinden Business Park	191,574
Total before the offer	1,759,597
Capital increase	370,851
Merger with Brixton Louise	394,672
Merger with Kapex	4
Decrease of the capital	
Number of shares after the offer	2,525,124
Contribution in kind buildings D4 and D5 of the Axxes Business Park on 28/06/01	200,500
Contribution in kind building D2 of the Axxes Business Park on 14/12/01	104,742
Merger with Brussimmo on 28/11/03	2
Merger with Ekiport on 28/11/03	3
Number of issued shares on 30/06/04	2,830,371
Partial splitting-up (Montoyer 63) on 23/12/04	418,850
Number of issued shares on 30/06/05	3,249,221
Contribution in kind of buildings Extensa-portfolio on 29/05/06	763,407
Number of issued shares on 30/06/06	4,012,628
Merger with Square de Meeûs 5-6 on 29/12/06	204
Number of issued shares on 30/06/07	4,012,832

(1) On 31/12/98 the registered capital of Brixton Zaventem amounted to 2,921,652 EUR, represented by 61,250 shares. On 04/05/99 there has been decided to divide the capital of Brixton Zaventem into 864,808 shares.

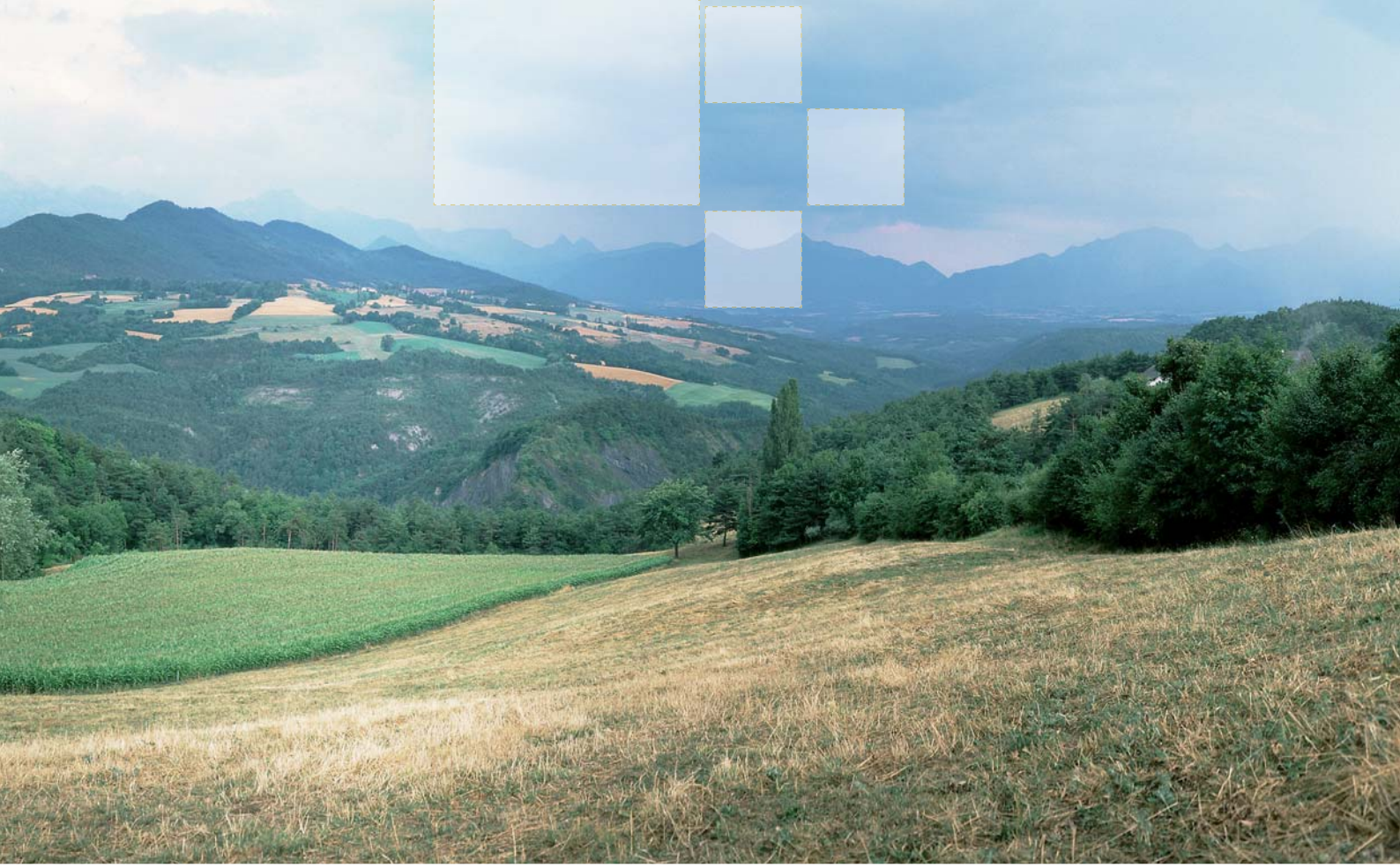
Leasinvest Real Estate on the stock exchange

(in EUR)	30/06/07	30/06/06	30/06/05
Number of listed shares (#)	4,012,832	3,249,221	2,830,371
Number of issued shares (#)	4,012,832	4,012,628	3,249,221
Pro rata number of shares (#)	4,012,832	3,318,241	3,047,255
Market capitalisation based on closing price	313,402,179	264,432,185	209,249,832
Closing price	78.10	65.90	64.40
Highest price	84.50	73.35	64.45
Lowest price	65.80	62.05	54.00
Average price	75.96	66.12	59.33
Annual traded volume (#)	720,881	706,725	1,055,903
Average monthly traded volume (#)	60,073	58,894	87,992
Annual turnover	56,300,806	46,728,657	62,646,725
Velocity ⁽¹⁾ (%)	17.96	21.75	37.31
Gross dividend	3.80	3.75	3.72
Net dividend	3.23	3.19	3.16
Dividend yield (%)	5.00	5.67	6.27
Pay-out ratio (%)	126	114	93

(1) Annual traded volume / total number of listed shares.



Corporate Governance



4.1 Decision-making bodies

Pursuant to the provisions of the RD of 10/04/95 on real estate funds (sicafi /bevak) Leasinvest Real Estate is managed in the exclusive interest of its shareholders.

The statutory manager

Real estate fund Leasinvest Real Estate is being managed by its limited (managing) partner and sole statutory manager, Leasinvest Real Estate Management SA, with registered office at 2018 Antwerp, Mechelsesteenweg 34 (Register of legal persons number 0466.164.776), a 100%-subsidiary of Extensa Group SA. The only activity of the manager is (and has always been) the management of Leasinvest Real Estate.

Leasinvest Real Estate Management SA had a shareholder's equity of 460,515.48 EUR on 30/06/07.

Extensa Group SA is the founder and promoter of Leasinvest Real Estate. Extensa Group SA is active in real estate investment and development for the corporate and residential market and is a 100% subsidiary of the listed investment group Ackermans & van Haaren.

Term of the mandate

Leasinvest Real Estate Management SA was appointed as the sole statutory manager for an indefinite term with a minimum of 15 years. The mandate is irrevocable until the general meeting of shareholders which will be held in 2014. After that, the mandate may be revoked provided that the attendance and majority conditions necessary to amend the articles of association are fulfilled, without the manager having a right of veto on this point. The statutory manager may resign at any time. The mandate of the manager may also be withdrawn under a court order as a result of a petition on lawful grounds, initiated by the general meeting of shareholders.

The team employed by the statutory manager of Leasinvest Real Estate, which is responsible for the general management, the commercial contacts with tenants and real estate agents, the accounting, the legal activities and the administration, consisted of 12 persons¹ on 30/06/07.

Authority

The statutory manager is empowered to perform all management operations which are necessary or useful to fulfil Leasinvest Real Estate's objective, except for those operations for which only the general meeting of shareholders is competent according to the law. The statutory manager manages the company through its collegial board of directors, which has appointed a managing director.

Remuneration of the manager

The remuneration of the statutory manager has been laid down by statute at 0.415% of the investment value of the portfolio and amounted to 2,004,063 EUR for the past financial year. No other remuneration is attributed to the statutory manager.

The board of directors of the statutory manager²

Composition of the board of directors

At present, the board of directors of the statutory manager, Leasinvest Real Estate Management SA is composed of ten directors, of whom four directors appointed on the proposal of Extensa Group SA, four independent directors and two directors appointed on the proposal of AXA Belgium SA.

The independent directors have the special task, based on the Corporate Governance Charter, of safeguarding the interests of all shareholders of Leasinvest Real Estate and of ensuring them an equal treatment.

In 2004 an investment agreement was signed with AXA Belgium SA. The investments in Leasinvest Real Estate agreed upon within the framework of this agreement have been fully realised by AXA Belgium SA in the financial year 2005/2006.

It has been agreed that a maximum of four directors on the proposal of AXA Belgium SA can be appointed, which agreement is incorporated in the articles of association of the statutory manager. In the financial year 2005/2006 two directors were appointed on the proposal of AXA Belgium SA.

The aforementioned framework agreement also contains certain transfer limitations and pre-emption rights with regard to the Leasinvest Real Estate and Leasinvest Real Estate Management shares.

The board of directors is chaired by Luc Bertrand, chairman of the executive committee of Ackermans & van Haaren.

¹ Leasinvest Real Estate itself has no personnel.



² Statements from the directors and the management: see chapter 12 Statements.

1) The independent directors³ are:


	Eric De Keuleneer, managing director of Credibe SA
	Bernard de Gerlache de Gomery, independent director of companies, including Floridienne SA and Sipef SA
	Christophe Desimpel, managing director of De Speyebeek SA
	Marcus Van Heddeghem, managing director of Redevco Retail Belgium SCS

Messrs. de Gerlache de Gomery, De Keuleneer, Van Heddeghem and Desimpel have explicitly been appointed as independent directors in the sense of art. 524 §2 of the company law (as modified by the Corporate Governance Law of 02/08/02). They meet the criteria of independence fixed in the Corporate Governance Charter.

3) The directors³ proposed by AXA Belgium SA are:

	Guy Van Wymersch-Moons, general manager of real estate of AXA Belgium SA		Thierry Rousselle, general manager of real estate of AXA Belgium SA
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2) The directors³ proposed by Extensa Group SA are:

	Luc Bertrand, chairman of the executive committee of Ackermans & van Haaren SA, chairman of the board of directors of Leasinvest Real Estate Management SA
	Jean-Louis Appelmans, CEO and managing director of Leasinvest Real Estate Management SA
	Jan Suykens, member of the executive committee of Ackermans & van Haaren SA
	Kris Verhellen, CEO ⁴ of Extensa Group SA

³ The addresses of the directors may be obtained, upon simple request, at the office of the company.

⁴ Via SITAS SPRL, which appointed Mr. Verhellen as its permanent representative.

Term of the mandate

Messrs. Appelmans, Suykens, Verhellen, de Gerlache de Gomery and Van Heddeghem have been appointed as directors as from 03/06/99; Messrs. Bertrand and De Keuleneer as from 18/06/99.

By a decision of the ordinary general meeting of shareholders, held on 18/10/04, their mandates have been extended for six years. Mr. Desimpel has been appointed as a director as from 20/10/03. Messrs. Rousselle and Van Wymersch have been appointed as from 26/01/06.

All mandates of the directors expire at the general meeting of shareholders of 2010.

Meetings of the board

The articles of association provide that the board of directors should meet, at least four times a year. Major transactions can require several meetings of the board. Thus, the board of directors has met eight times during the past financial year.

The global attendance quotient was 85%. The attendance quotient of the individual members was, for Messrs. Bertrand, Suykens and Appelmans 100%, for Messrs. Verhellen, Rousselle and De Keuleneer 87.5%, for Messrs. Van Heddeghem, Van Wymersch-Moons and Desimpel 75% and for Mr. de Gerlache de Gomery 62.5%.

Competences of the board of directors

The board of directors defines the policies of the sicafi and has the power to perform all acts which are useful or necessary to fulfil the objective of the statutory manager, in particular, the management of Leasinvest Real Estate, and to perform all acts which are not subject to the authority of the general meeting, according to the law or the articles of association.

In addition to the mandatory matters, such as drawing up the accounts, the year and half-year report, press releases or the preparation of general meetings, the board of directors proceeds to the annual approval of the budgets, the interim results and prospects, investments and possible divestments.

In 2006/2007 the following specific items on the agenda have been treated by the board of directors:

- approval of important additional investments in Luxembourg by the launch of a counter-offer on the Immo-Croissance shares and the withdrawal of this offer;
- approval of the divestment of Extensa Square and Wommelgem;
- decision to acquire the remaining shares of Square de Meeûs 5-6 SA followed by the proposal for a merger by acquisition of Square de Meeûs 5-6 SA;
- (re-)development of CFM and Bian in Luxembourg;
- decision to further develop and optimise the organisations in Belgium and Luxembourg, including the decision on the structuring of the property management.

Preliminary to the meeting, the directors receive an agenda with the list of items to be treated, accompanied by a documentation bundle, in order to prepare the meetings of the board of directors. The treated subjects by the board of directors are extensively clarified by the management, preliminary to the deliberation.

In the process of preparing certain decisions, the board of directors is advised by the audit committee, the appointments & remuneration committee or the committee of independent directors. Next to that, the directors can apply for the prior advice of an independent expert.

The minutes of the meetings present a summary of the deliberations, specify the decisions taken and mention the possible reservation of certain directors. The minutes are kept at the offices of the statutory manager.

The board can validly decide if the majority of its members are present or represented.

It is always the aim to take decisions by unanimity.

If for a certain decision, no consensus can be reached, the decision of the board of directors is taken on the simple majority of votes of the present or represented directors, and in the case of abstaining votes from one or more amongst them, on the simple majority of votes of the other directors present or represented, except in case of:

- a) decisions on the definition of the strategy of Leasinvest Real Estate and on the proposals for modification of the articles of association of the latter: these decisions are only taken if the simple majority is formed by at least three of the four independent directors and by at least the majority of the directors appointed on the proposal of Extensa Group SA (or a related company) and as far as there is no conflict of interest between them in the sense of art. 523 of the company law.
- b) decisions on the proposal for appropriation of the result of Leasinvest Real Estate: these decisions are only taken on a special majority of eighty percent of the votes of the present or represented directors.

Consultative committees⁵

The board of directors has established consultative committees as intended by the 'Code Lippens' and as further explained in the Corporate Governance Charter.

Also, a statutory committee of independent directors was established, holding specific consulting authorities, larger than those defined in art. 524 of the company law.

The function of the consultative committees is purely advisory. They are entrusted with the survey of specific matters and asked to give advice to the board of directors.

The board supervises the consultative committees and grants them all means and powers necessary to fulfil their task effectively. After notifying the president, each consultative committee can, as far as it considers it useful, appoint one or more external advisers or experts to support the execution of its mission.

The committees aim at taking decisions by unanimity.

If for a certain decision, no consensus can be reached, the decision on the advice is taken on the simple majority of votes.

⁵ The integral text of the latest version of the Corporate Governance Charter can be found on the website www.leasinvest.be.

Audit committee

The supervising mission of the audit committee and the related reporting duty concerns Leasinvest Real Estate and its subsidiaries.

The audit committee sees to it that the financial reporting of Leasinvest Real Estate presents a truthful, sincere and clear view of the situation and prospects of Leasinvest Real Estate. The audit committee controls in particular the annual and periodical financial statements before they are published and sees to a correct and consistent application of the accounting standards and valuation rules of Leasinvest Real Estate. Furthermore, the audit committee evaluates the systems of internal control and risk management established by the management.

The audit committee also evaluates the independency of the auditor and recommends on the internal and external audit.

The audit committee is also empowered, with regard to the statutory manager, as well as to the real estate fund (sicafi/bevak), to decide that the auditor can perform activities, other than those entrusted by law and of which the remunerations exceed the one of his control mission (i.e. it can grant derogations on the prohibition of article 133, §5 of the company law).

The audit committee is exclusively composed of non-executive directors and half of its members are independent directors.

The members of the audit committee are:

1. Eric De Keuleneer, independent director
2. Marcus Van Heddeghem, independent director
3. Jan Suykens, (Ackermans & van Haaren SA), president of the audit committee
4. Thierry Rousselle (AXA Belgium SA)

The audit committee met four times during the past financial year. The attendance quotient of the members of the committee was, globally, 68.75% and individually, for Mr. Rousselle 50%, for Messrs. Suykens and De Keuleneer 100% and for Mr. Van Heddeghem 25%.

Amongst other things, the following items on the agenda were treated by the audit committee:

- discussion of the quarterly financial reporting;
- modification of the statutory and consolidated IFRS valuation rules;
- discussion of the financing structure and the hedging policy;
- incorporation in the accounts of the merger by absorption of Square de Meeûs 5-6 SA.

The auditor is invited to the meetings of the audit committee. Except if the audit committee stipulates differently, the CEO has the right to attend the meetings of the audit committee.

Appointments & remuneration committee

The appointments & remuneration committee sees to an objective and professional development of the appointment procedure and assists the board regarding the remuneration of the members of the board and of the management and advises accordingly regarding the remuneration policy.

The appointments & remuneration committee consists exclusively of non-executive directors and half of its members are independent directors.

The members of the appointments & remuneration committee are:

1. Bernard de Gerlache de Gomery, independent director
2. Christophe Desimpel, independent director
3. Luc Bertrand (Ackermans & van Haaren SA), president of the appointments & remuneration committee
4. Guy Van Wymersch-Moons (AXA Belgium SA)

The appointments & remuneration committee met once during the past financial year. The global attendance quotient was 75%, and individually, for Messrs. Bertrand, de Gerlache de Gomery and Van Wymersch-Moons 100%. Mr. Desimpel was excused for this meeting.

Except if the appointments & remuneration committee stipulates differently, the CEO is entitled to attend the meetings of the appointments & remuneration committee.

Amongst other things, the following items on the agenda were considered to be by the appointments & remuneration committee:

- development of the organisation in Luxembourg;
- proposals for the remuneration of the executive management and of the managing director.

Committee of independent directors

The committee of independent directors is composed of all independent directors of the board of directors. The committee is presided by one of its members, in principle, the member having most seniority in his function.

Based on the Corporate Governance Charter a specific mission was assigned to the committee of independent directors. This mission has been defined in the articles of association (art. 8 of the articles of association of the statutory manager).

The committee of independent directors intervenes in the cases defined in art. 524 of the company law.

Furthermore, this committee is always consulted prior to each project of decision or operation of the board of directors, related to one of the following matters:

- decisions or operations to which art. 523 of the company law is applied;
- modification of the purpose or the investment policies of the sicafi;
- in case of large transactions regarding the sicafi, as far as these are related to more than 30% of the estimated value of the real estate portfolio of the sicafi, at the moment of the realisation of the transaction;
- important modifications in the organisation of the sicafi or the statutory manager, resulting in a modification of the licence of Leasinvest Real Estate as a sicafi.

The committee draws a well motivated report in writing to the board of directors. If the case arises, the board of directors mentions in the minutes, on which grounds the advise

of the committee was not followed. The written advice remains attached to the minutes of the board of directors.

The committee of independent directors met twice during the past financial year. The attendance quotient of the members amounted to 100%.

The committee of independent directors has, prior to the decisions taken by the board of directors, drawn up a written advice regarding the project of modification of the statutory investment policies of the sicafi, for which a general meeting has been convened, and regarding the investment proposal of Immo-Croissance (large transaction; this concerns the counter-offer referred to in the management report, which has consequently been withdrawn, because of a higher counter-offer).

Supervision of the daily management

At least two members (physical persons) of the board of directors are in charge of securing the collegial supervision of the daily management of the real estate fund according to art 4 § 1, 5° of the RD on real estate funds (sicafis/bevaks). During the past financial year, this assignment has been entrusted to the managing director, Jean-Louis Appelmans, CEO, and a second director, Kris Verhellen.

Daily management – effective management

The daily management during the past financial year was entrusted to the executive management, which has the effective management, since 13/02/07, in accordance with article 38 of the Law of 20/07/04 regarding certain forms of collective management of investment portfolios. Taking into account the current size, activities and needs of Leasinvest Real Estate, the executive management is currently composed of the managing director, Jean-Louis Appelmans, and of Michel Van Geyte, commercial manager, empowered to the daily management.

Jean-Louis Appelmans (CEO)

Jean-Louis Appelmans (54) is, since its establishment in 1999, managing director of Leasinvest Real Estate Management SA and, since the end 2002, also its permanent representative. He was CEO of Extensa Group SA (ex-Leasinvest SA) from 1989 until 2005. He fulfils a number of other director's mandates in the following listed companies: sicafi Retail Estates (independent director) and Leasinvest Immo Lux (director). Previously he worked in corporate banking at Crédit Lyonnais Belgium (1986-1989) and Chase (currently JPMorgan Chase) from 1979 until 1986.

Michel Van Geyte

Michel Van Geyte (41) is commercial manager of Leasinvest Real Estate Management SA since August 2004. Previously, he worked at Knight Frank as a managing partner and has fifteen years of experience in real estate.

Management

The members of the management, other than the members of the effective direction, are:

Micheline Paredis, legal manager & compliance officer.

Sophie Wuyts, financial manager.

The permanent committee

The permanent committee meets regularly to discuss the current affairs of Leasinvest Real Estate, to ensure an appropriate communication and to monitor the implementation of the decisions of the board of directors. The permanent committee consists of the managing director, the commercial manager, the legal advisor, the financial manager and the property manager.

The investment committee

The investment committee will meet according to the agenda and prepares the investment and divestment decisions for the board of directors. The investment committee consists of the managing director, the legal, technical and commercial advisors and the financial manager.

AXA Belgium SA can attend the meetings, with an advisory vote, of the investment committee and permanent committee, as long as AXA Belgium SA holds a minimum participation of 10% in Leasinvest Real Estate.

External representation

The statutory manager, Leasinvest Real Estate Management SA, represents the company in all judicial and extrajudicial affairs.

Permanent representative

Pursuant to the provisions of article 61, §2, of the company law, the statutory manager has appointed a permanent representative among its directors, charged with the execution of the mandate of the statutory manager, in the name and on behalf of Leasinvest Real Estate Management SA, and who is authorised to represent and legally bind the real estate fund in relation to third parties, acting solely, without infringing the provisions of art. 18 of the RD of 10/04/95 on real estate funds (sicafi/bevak), nor any other provision applicable on collective investment institutions.

Since the end of 2002 Jean-Louis Appelmans has been appointed as permanent representative of Leasinvest Real Estate Management SA within the framework of its mandate as statutory manager, without infringing art. 18 of the aforementioned RD.

Acts of disposal to its real estate

Pursuant to art. 18 of the aforementioned RD, the real estate fund is represented by its statutory manager, acting through its permanent representative, together with one director, both acting jointly, for each act of disposal to its real estate in the sense of art. 2, 4° of the aforementioned RD.

Remuneration

During the past financial year, the directors of the statutory manager of Leasinvest Real Estate SCA, received, directly and/or indirectly, for all services rendered on behalf of the statutory manager, remunerations for a total amount of 459,000 EUR.

EUR	
Independent directors	74,000
Jean-Louis Appelmans	385,000
Total directors	459,000

1) Non-executive directors

The following remunerations were granted, on an individual basis, to the non-executive directors, during the past financial year:

to Messrs. De Keuleneer, de Gerlache de Gomery, Desimpel and Van Heddeghem, independent directors, a total amount of 74,000 EUR was paid as follows:

- a fixed remuneration of 12,500 EUR per financial year;
- an additional fixed remuneration of 4,000 EUR per financial year as a member of the audit committee or of the appointments & remuneration committee;
- and an additional remuneration of 2,000 EUR per financial year as a member of the committee of independent directors.

The remunerations within the framework of the advising committees are fixed, irrespective of the number of meetings of each committee held during the financial year.

2) Executive director – CEO

Mr. Appelmans has fixed and variable remunerations covering his functions of member of the board of directors and CEO, as well as a pension savings scheme. The following remunerations mentioned in the table below were granted, for the past financial year, to the CEO on an individual basis, directly and indirectly; his management agreement comprises the usual possibilities for giving notice and the related settlements.

3) The effective management

The effective management is executed by Jean-Louis Appelmans, who is the managing director, and Michel Van Geyte. Michel Van Geyte is not a director of the statutory manager; he is an employee and benefits from a fixed and variable remuneration, a hospitalisation insurance and a group insurance. He also has a company car at his disposal. His employment contract does not contain any particular repatriation settlements.

The members of the effective management have no stock options or other share-related remunerations. For the past financial year they received the following amounts:

Remuneration effective management	fixed	variable ⁶	total
Jean-Louis Appelmans	310,000 ^(*)	75,000	385,000
Michel Van Geyte	143,963	40,000	183,963
Total	453,963	115,000	568,963
^(*) of which insurance premium	40,932		

4.2 Corporate Governance Charter⁷

On 09/12/04 the Corporate Governance Committee, on the initiative of the Banking, Finance and Insurance Commission, Euronext Brussels and the FEB has announced the Belgian Corporate Governance Code (the “Code Lippens”). The Corporate Governance Charter of Leasinvest Real Estate, established as an implementation of this code, aims at defining the rules for an efficient internal functioning and organisation of the management of the real estate fund, without infringing however the legal provisions regarding the functioning and powers of the board of directors (including the legal supervision and management powers of each member of the board of directors) and the provisions of the RD on real estate funds (sicafis/bevaks).

The Charter will be updated, as many times as necessary, in function of the development of corporate governance policies so that a correct view on the management of the real estate fund (sicafi/bevak) is ascertained at any given moment.

During the past financial year, the Charter has f.i. been amended to reflect the settlement imposed by the RD of 05/03/06. The most recent version of the Charter can be found on the website (www.leasinvest.be).

⁶ The variable amount related to the financial year 2005/2006, but has been paid in the financial year 2006/2007. The variable amount related to the financial year 2006/2007, and which still has to be fixed, will be paid in the financial year 2007/2008.

⁷ The integral text of the latest version of the Corporate Governance Charter can be found on the website www.leasinvest.be.

Comply or Explain - Derogations of the Corporate Governance Charter compared to the "Code Lippens"

Generally, it should be clarified that the "Code Lippens" only provides recommendations which should be adapted to the specific structure and/or specific activities of Leasinvest Real Estate as a real estate fund (sicafi).

Leasinvest Real Estate' Charter differs from the recommendations of the Code, only for a limited number of items.

The corporate governance principles are mainly applied to the management structure of the statutory manager, because of the particular management structure of Leasinvest Real Estate SCA.

Composition of the audit committee and appointments & remuneration committee

The composition of the audit committee and appointments & remuneration committee do not follow the recommendations of 5.3.1 of appendix D, respectively of 5.4.1 of appendix E of the Corporate Governance Code: the Code prescribes that the remuneration committee should be exclusively composed of non-executive directors; for both committees, at least the majority of the members should be independent.

The board of directors has decided not to entirely follow this recommendation. The Corporate Governance Charter prescribes that only half of the members of these committees should be independent directors. This derogation of the "Code Lippens" is acceptable, taking into account the relatively limited size of the board of directors (ten members, maximum twelve, of whom four are independent directors); this structure does not prevent an efficient deliberation and decision-making by the board of directors.

Frequency of the meetings of the appointments & remuneration committee

The appointments & remuneration committee meets at least once a year, instead of at least twice a year, as prescribed by the Code, as a second annual meeting is unnecessary due to the relatively limited size of the board of directors and of the personnel of the statutory manager.

Term of the mandate of the directors

The directors have been reappointed in 2004 for a term of six years. As from the reappointment in 2010 the mandates of the directors will be limited to a maximum of four years as foreseen by the Code.

Evaluation of the directors

Prior to the reappointment of a director, his individual contribution is evaluated, and not yearly, as the Code prescribes, and the evaluation of the composition and the functioning of the board of directors takes place every four years instead of every two or three years.

Both derogations seem justified to the board of directors, due to the nature of the activities of Leasinvest Real Estate, which are focused on real estate investments, allowing a less frequent evaluation.

The submission of proposals by a shareholder

The required minimum percentage of shares that a shareholder should own to be able to submit proposals for the general meeting, is 20%, and not a maximum of 5%, as foreseen in recommendation 8.9 of the Code. The board has chosen not to comply with this recommendation as the shareholders of Leasinvest



Brixton Business Park,
Zaventem, Belgium

Real Estate can ask all questions, related to the items of the agenda, to the board of directors and the auditor during the general meeting of shareholders.

4.3 Settlement of conflicts of interest

During the past financial year, no situations occurred in which the provisions of the articles 523 and 524 of the company law had to be applied.

The possibility that potential conflicts of interest arise between the directors of the statutory manager⁸ or members of the management and Leasinvest Real Estate, due to, among other things, the functions they hold in other companies in the real estate sector, is estimated as being small⁹.

The board of directors declares that, to his knowledge, no such situations of conflicts of interest occurred during the past financial year between the directors of the statutory manager or members of the management and Leasinvest Real Estate.

In its Corporate Governance Charter Leasinvest Real Estate has subscribed to the policy that a director or member of the management¹⁰ (or their closest relatives) who, directly or indirectly, has an interest non-related to the patrimony, that is opposed to, or, has a parallel interest, related or not to the patrimony, to a decision or transaction of Leasinvest Real Estate, that person should immediately inform the chairman. He will then decide whether he reports on the matter to the board of directors.

During the past financial year the chairman received no notification requiring the application of this policy.

4.4 Code of conduct for financial transactions

The board of directors has published its policy regarding the prevention of market abuse in its Charter.

A procedure has been established regarding transactions in Leasinvest Real Estate shares by the directors, the members of the management or personnel.

During the past financial year this procedure did not have to be followed. The Corporate Governance Charter has been amended to reflect the rules imposed by the RD of 05/03/06.

4.5 General meeting

Leasinvest Real Estate assures an equal treatment of all shareholders and respects their rights. The statutory manager encourages the shareholders to personally attend the meeting. On the demand of one or more shareholders who represent, individually or jointly, 1/5 of the subscribed capital, the statutory manager is obliged to convene an exceptional or extraordinary general meeting.

The invitations to the general meeting mention the agenda and the proposals of decision and are published in the *Moniteur Belge* and in at least one national newspaper, at least twenty-four days before the meeting.

The invitations are sent, fifteen days before the meeting, by ordinary mail, to the registered shareholders, unless they have consented, explicitly and in writing, to receive the invitation by means of another communication tool.

The minutes of the general meeting and the results of the votes are published on the website of Leasinvest Real Estate, as soon as possible after the general meeting.

4.6 Silent merger

An extraordinary general meeting of shareholders of Leasinvest Real Estate was convened on 15 October, to which the transaction equal to a merger by acquisition as intended by article 719 of the company law (the so-called 'silent merger'), with the subsidiaries De Leewe SA, Warehouse Finance SA en Logistics Finance I SA, will be presented for approval.

4.7 Modification of the investment policies – authorised capital – acquisition of own shares

To this extraordinary general meeting of shareholders the modification of article 5 of the articles of association will be presented for approval, in order to align it with the actual investment policies, and also several other amendments to the articles of association and empowerments, including a new power regarding the authorised capital, and also an extension of the powers to proceed to the acquisition and de-realisation of own shares.

The agenda of this general meeting has been published on the website (www.leasinvest.be).

⁸ A functional conflict of interest could occur in the capacity of directors appointed on the proposal of Extensa Group SA, if operations are carried out between Extensa Group SA and/or the statutory manager and Leasinvest Real Estate; or in the capacity of directors appointed on the proposal of AXA Belgium SA, if operations are carried out or decisions are taken, for which AXA Belgium SA has an interest that is opposed to an interest of the statutory manager and/or Leasinvest Real Estate.

⁹ Leasinvest Services is a 100% subsidiary of Leasinvest Real Estate, to which the property management is gradually outsourced (see Real estate report, point 6.8). A potential conflict of interest could occur between Leasinvest Real Estate and the statutory manager within the framework of a potential further restructuring of the property management.

¹⁰ To which Mr. Michel Van Geyte, effective director, belongs.

4.8 Audit of the annual accounts – auditor

The auditor, appointed by the general meeting of shareholders, audits the annual accounts and the half-year reports.

Ernst & Young Bedrijfsrevisoren, member of the 'Institut des Réviseurs d'Entreprises', Avenue Marcel Thiry 204, 1200 Brussels, were reappointed in 2005 for a term of three years to fulfil the function of auditor, till the annual meeting of 2008. Mrs. Christel Weymeersch, partner, has replaced Mrs. Danielle Vermaelen as permanent representative of the auditor as from 01/01/07.

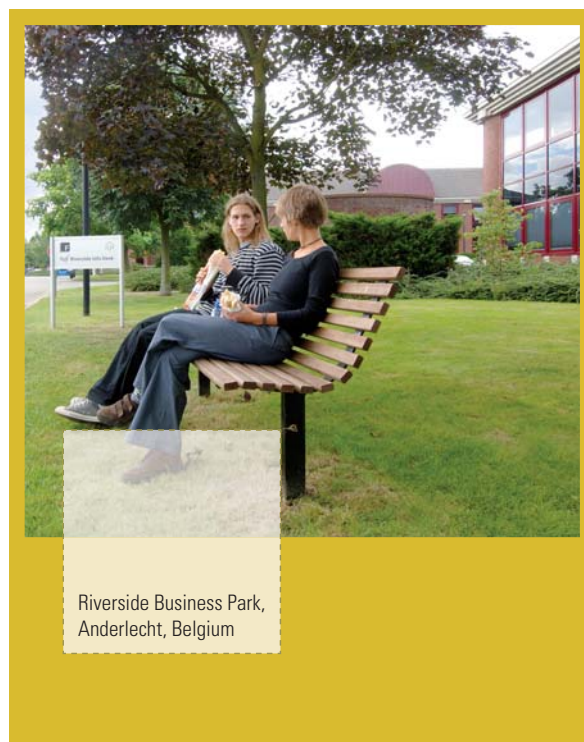
The remuneration of the auditor for auditing the annual accounts for the past financial year has been estimated at 28,200 EUR (excl. VAT). Next to that, remunerations were paid for an amount of 35,000 EUR (excl. VAT) for additional auditing missions executed during the financial year 2005/2006¹¹.

Finally, remunerations of 15,000 EUR (excl. VAT) were paid for the merger of Square de Meeûs 5-6 SA and 3,180 EUR (excl. VAT) for tax consulting. The remunerations for the audit of the subsidiaries of Leasinvest Real Estate amounted to 26,015.80 EUR (excl. VAT).

To the annual meeting of shareholders which will be held on 15/10/07, will be proposed to approve the increase of the remuneration of the auditor for the execution of its legal auditing mandate, by an amount of 10,000 EUR.

4.9 Valuation of the portfolio

The quarterly valuations of the real estate portfolio are made by two independent valuers. In the event of a conflict arising between the real estate agent's activity and that of the property valuer, the other expert shall make the valuation. The value of the real estate portfolio is determined by Cushman & Wakefield and Winssinger & Associates. The past financial year, a remuneration of 146,458.79 EUR (VAT excl.) (the value of the remuneration is defined as follows: 0.00625% on the investment value for quarterly valuations and 0.0625% for special assignments) has been paid to the real estate experts by Leasinvest Real Estate.



Riverside Business Park,
Anderlecht, Belgium

Cushman & Wakefield are represented by Mr. Eric Van Dyck and Mr. Kris Peetermans. Cushman & Wakefield VOF (company number 0418.915.383) is a subsidiary of the offices in The Netherlands ('General partnership existing under the laws of The Netherlands'), with registered office at Amstelveenseweg 760, 1081 JK Amsterdam, The Netherlands. The administrative and registered office of Cushman & Wakefield VOF are established at Avenue des Arts 58 boîte 7, 1000 Brussels (the company is registered in Brussels, by the number 416 303).

Since the foundation on 04/12/78 of the office in Belgium, there has always been a valuation department. The company values offices, retail and industrial properties in Belgium and Luxembourg.

In 2003 the name Healey & Baker has been transformed in Cushman & Wakefield Healey & Baker. In 2006 the name Cushman & Wakefield Healey & Baker has been transformed in Cushman & Wakefield. Cushman & Wakefield is not supervised by any official authority.

Winssinger & Associates is represented by Mr. Philippe Winssinger. Winssinger & Associates SA (company number 0422.118.165), with registered office at the Avenue Louise 380, 1050 Brussels, has been founded on 20/11/81 for an unspecified term and is subject to Belgian legislation. Today Winssinger & Associates is, among other things, the most important valuer of listed real estate funds and of properties of insurance groups. Winssinger & Associates is associated with one of the most important international networks for valuations (DTZ group), allowing Winssinger & Associates to closely follow the evolution of the foreign real estate markets.

¹¹ The remunerations for other auditing missions carried out by Ernst & Young at the level of Leasinvest Real Estate comprise the fee paid for the auditing of the pro forma financial information incorporated in the annual brochure 2005/2006 (15,000 EUR), and finally, an additional fee for IFRS activities in the financial year 2005/2006 (20,000 EUR).

Winssinger & Associates is a member of the Royal Institute of Chartered Surveyors (RICS) BeLux, and is not supervised by any official authority.

4.10 Depositary Leasinvest Real Estate

Bank Delen NV, with registered office at the Jan Van Rijswijcklaan 184, 2020 Antwerp, subject to the supervision of the Banking, Finance and Insurance Commission, has been appointed as depositary of Leasinvest Real Estate since 21/05/07 in replacement of ING Belgium, in accordance with the provisions of art. 12 and following of the RD regarding real estate funds (sicafis/bevaks). Bank Delen receives a fixed remuneration of 30,000 EUR (VAT-exempt) on an annual basis.

In its capacity of depositary Bank Delen must comply with the obligations imposed by the Law of 20/07/04 and the RD of 10/04/95 regarding real estate funds (sicafis). The depositary is put in possession of all official documents and deeds relating to changes in the assets of the real estate fund, and ensures that any change in the real estate portfolio is incorporated into the inventory.

The remuneration of the depositary (partly ING Belgium, partly Bank Delen) for the past financial year amounted to 74,929.22 EUR¹².

4.11 Liquidity Provider

ING Financial Markets is appointed as liquidity provider. Next to that, as from the financial year 2007/2008 Bank Degroof is also appointed as liquidity provider.

¹² A remuneration of 70,958 EUR was paid by Leasinvest Immo Lux to RBC Dexia Investor Services Bank (14, Porte de France, L-4360 Esch-sur-Alzette) which was appointed as depositary of Leasinvest Immo Lux and is subject to the supervision by the 'Commission de Surveillance du Secteur Financier' and is charged to comply with the obligations in accordance with the legislation applicable on Luxembourg sicavs.



Management report



Management report¹

5.1 Important events during the financial year 2006/2007

Divestments

Leasinvest Real Estate has divested its 2 office buildings part of "Extensa Square" in Brussels and the building in Wommelgem in the second semester of 2006/2007.

Acquisition

Leasinvest Real Estate has acquired a castle-farm called "Torenhof", during the third quarter of the financial year 2006/2007, mainly designed as an office building with restaurant, for an amount of 1.5 million EUR. This building with character will be an added-value to the facility services for the neighbouring phase I of the Axxes Business Park in Merelbeke (Ghent). Torenhof is being renovated and will be fully operational in the summer of 2008.

Conditional voluntary public take over counter-offer in cash on Immo-Croissance

On 26/06/07 Leasinvest Real Estate announced its intention to launch a conditional voluntary public take-over counter-offer in cash on all distribution and capitalisation shares issued by the Luxembourg collective investment fund Immo-Croissance, in the Grand Duchy of Luxembourg and in Belgium. The prices offered by Leasinvest Real Estate corresponded to a premium of 5% per share compared to the conditional voluntary public take over offer by Cofinimmo SA, announced on 21/05/07 and modified on 21/06/07.

5.2 Important events which occurred after the closing of the financial year

Withdrawal of conditional voluntary public take over counter-offer in cash on Immo-Croissance

On 04/07/07 the manager of Leasinvest Real Estate, as a consequence of the counter-offer announced on 27/06/07 by the Iceland Baugur group to acquire the shares of the Luxembourg collective investment institution Immo-Croissance, which exceeded the public counter-offer of Leasinvest Real Estate by 10.98%, decided to withdraw its offer according to Luxembourg legislation.

Divestment

On 04/07/07 Leasinvest Immo Lux has sold the building Aubépines, situated in the Grand Duchy of Luxembourg to the "Commission de Surveillance du Secteur Financier (CSSF)", the Luxembourg supervising authority of the banking sector. On this sale a gain of 3.7 million EUR was realised.

5.3 Statement with regard to research and development

During the past financial year, no specific research and development activities were carried out, nor by Leasinvest Real Estate, nor by the companies which are part of the consolidation scope of the company.

5.4 Acquisition of own shares

The Company has not acquired any own shares during the past financial year. However, 204 shares of the Company are held by a subsidiary, due to the merger with Square de Meeûs 5-6 SA; these have an accounting value on 30/06/07 of a total of 11,936 EUR, with a par value per share of 10.99 EUR.

5.5 Comments on the consolidated balance sheet and on the results of the financial year 2006/2007

In the first quarter of the past financial year Leasinvest Real Estate became a 100% shareholder of Square de Meeûs 5-6 SA (30/06/06: 50.07%); then, in December 2006 was proceeded to a merger by absorption on which 204 new Leasinvest Real Estate shares² were issued. Since then, the total amount of shares reaches 4,012,832.

¹ The text mentioned hereafter comprises an extract of the report of the statutory manager to the ordinary general meeting of shareholders of Leasinvest Real Estate which will be held on 15/10/07 with regard to the consolidated IFRS figures for the financial year 2006/2007 and the related comments, which are integrally reported. The statutory annual accounts, drawn up according to IFRS, which will be presented for approval to the general meeting of shareholders of Leasinvest Real Estate on 15/10/07, as well as the comments in the annual report are not integrally reported in this annual brochure. The statutory annual accounts, the annual report of the statutory manager and the report of the auditor concerning the statutory annual accounts of the financial year 2006/2007 can be obtained on simple demand, for free, by anyone who asks, at the office of the company and can be consulted on the website of Leasinvest Real Estate (www.leasinvest.be). All risk factors, characteristic for Leasinvest Real Estate, are reported in the separate chapter 1 Risk factors upfront in this annual brochure on page 6.

² The newly issued shares participate in the profit as from 01/06/06.

Results

The following observation has to be made: during the financial year 2005/2006 the companies Warehouse Finance SA, De Leeuwe SA and Logistics Finance SA ("Extensa portfolio") have not yet contributed to the current result of Leasinvest Real Estate³ and the contributions of Leasinvest Immo Lux and Leasinvest Immo Lux Conseil were limited to 6 months.

Consequently, the rental income has risen by 38% to 33.2 million EUR compared to 24 million EUR the previous year. If, for the calculation of the total rental income of the previous financial year, 12 months of rental income for Leasinvest Immo Lux and the "Extensa portfolio" were taken into account, the increase would amount to 1.1%, notwithstanding the sale of "Extensa Square" and Wommelgem, and the vacancy of the building Bian in Luxembourg (due to renovation).

The increase of the property charges amounted to 16%, to 5.9 million EUR (5.1 million EUR on 30/06/06) and takes into account the full annual impact of the management fee of Leasinvest Real Estate Management NV (the statutory manager of the real estate fund), calculated based on the total real estate portfolio⁴, and the higher real estate agent fees, resulting in a further improvement of the occupancy of the portfolio.

The increase of the corporate operating charges from 0.8 million EUR to 1.9 million EUR is, among other things, due to exceptional consultancy costs.

The other operating charges and income have substantially decreased from an income of 5.2 million EUR to 0.4 million EUR. For the financial year ending on 30/06/06 this item contained an important exceptional badwill of 5.2 million EUR realised on the acquisition of Leasinvest Immo Lux and the Extensa portfolio. This financial year, only a badwill of 0.8 million EUR has been recorded, as a result of the acquisition of the remaining shares of Square De Meeûs, and 0.2 million EUR following the increase of the participation in Leasinvest Immo Lux from 90.12% (30/06/06) to 96.04%.

The result on the portfolio consists of a realised gain of 1.5 million EUR on the sale of "Extensa Square" on the one hand, and a positive change in fair value of the real estate portfolio of 16.6 million EUR (3.9 million EUR on 30/06/06) on the other hand. Also thanks to the substantial increase of the portfolio result, the operating result has increased by 61% compared to the previous financial year, namely 43.7 million EUR on 30/06/07 compared to 27.1 million EUR on 30/06/06.

The financing by bank debts of the acquisition of Leasinvest Immo Lux the previous financial year, has led to an increase of the financial charges. The impact of the increasing market interest rate on the financial charges has partly been mitigated by an accurate hedging policy.

³ The Extensa portfolio did contribute to the net result of the financial year 2005/2006 through the item "badwill".

⁴ The consolidated real estate portfolio takes into account the full consolidation of Leasinvest Immo Lux (previously Dexia Immo Lux), of which Leasinvest Real Estate held 96.04% on 30/06/07, and the Extensa portfolio.

⁵ Badwill or negative goodwill equals the amount by which the stake of the party acquiring, in the fair value of the acquired identifiable assets, liabilities and contingent liabilities, exceeds the price of the business combination on the date of the transaction.



Avenue Louise 250, Brussels, Belgium

The recurring net result, making abstraction of the portfolio result and the badwill, ended at 16.34 million EUR (this is 4.07 EUR per share) compared to 14.2 million EUR (this is 4.27 EUR per share) the previous financial year, or an increase of 16% (this is a decrease of 5% per share).

The net result, share of the group, has risen by 77% and amounts to 34.9 million EUR compared to 19.7 million EUR the previous financial year. In terms of net result per share⁶ this results in 8.71 EUR on 30/06/07 compared to 5.94 EUR the year before, or an increase of 47%.

Balance sheet

The fair value of the investment properties and of the assets held for sale has been estimated at 445.86 million EUR by the independent real estate experts. The fair value is recorded in the consolidated balance sheet in application of the IAS 40 and IFRS 5 standards and is obtained by subtracting the transaction costs of the investment value.

The investment value of the portfolio is the value as defined by the independent real estate experts, before deduction of the transaction costs. In terms of investment value the real estate amounted to 457.3 million EUR (479.17 million EUR on 30/06/06).

The decrease of the real estate portfolio is explained, on the one hand, by the sale in the second semester of 2006/2007 of the building in Wommelgem (fair value 30/06/06: 2.5 million EUR) and of 2 office buildings, part of "Extensa Square" in Brussels (fair value 30/06/06: 25.1 million EUR). On the other hand, the office building Bian in Luxembourg and the new castle-farm "Torenhof" situated in Merelbeke, are recorded as development projects, due to the complete renovation.

The assets held for sale comprise the building 'Aubépines' in Luxembourg for which a sale agreement has been concluded on 04/07/07.

The shareholder's equity, share of the group, amounted to 262.1 million EUR on 30/06/07 compared to 237.8 million EUR at the end of the previous financial year.

The debt ratio, calculated according to the RD of 21/06/06, decreased from 44.15 % (30/06/06) to 40.93% on 30/06/07, because of the realised sales of "Extensa Square" and Wommelgem in the 2nd semester, of which the cash has been used to pay back loans. Based on the maximum allowed debt ratio of 65% Leasinvest Real Estate still had an investment capacity of 328 million EUR on 30/06/07.

5.6. Dividend

The profit for appropriation of the current financial year 2006/2007 amounts to 17,046,902.54 EUR. Taking into account the profit carried forward from the past financial year of 7,810,240.87 EUR this results in a profit for appropriation of 24,857,143.41 EUR.

The board of directors of the statutory manager proposes to the ordinary general meeting of shareholders to appropriate the profit of 24,857,143.41 EUR as follows:

- 9,608,381.81 EUR to be carried forward to the next year and
- 15,248,761.60 EUR to pay out as dividends.

The proposed dividend amounts to 126% of the non-consolidated mandatory result to be distributed (compared to 114% the previous year), and is considerably higher than the minimum 80% of the adjusted result as imposed by the RD of 21/06/06 on the accounting, annual accounts and consolidated annual accounts of public real estate closed-end funds (sicafis).

Consequently the gross dividend is 3.8 EUR, compared to 3.75 EUR for the previous financial year and net, free of withholding tax, 3.23 EUR (compared to 3.19 EUR for the financial year 2005/2006) according to the participation in the dividends of all 4,012,832 shares⁷.

Subject to the approval of the ordinary general meeting, dividends will be paid out on presentation of coupon nr. 8 as from 22/10/07 at the branches of ING Bank, Dexia Bank, Fortis Bank and Bank Degroof.

⁶ On 30/06/07 the number of shares entitled to dividends amounted to 4,012,832 for the entire financial year; on 30/06/06 this was 3,318,241.

⁷ Given the capital increase which occurred following the merger of Square de Meeûs 5-6 SA with Leasinvest Real Estate, 204 new shares were created. These are entitled to dividends as from 01/07/06.

5.7 Outlook

Given the sale of the 2 buildings situated in Brussels, realised in the past financial year, the sale of the building "Aubépines" realised at the beginning of the current financial year and the fact that the building "Bian" is being renovated, the rental income of the current financial year will decrease. The realised gains on the building "Aubépines" should compensate the loss in rental income. Except in case of unforeseen circumstances and without taking into account unrealized gains on the property portfolio, a net result comparable to the one of the financial year 2006/2007 is expected for the financial year 2007/2008.

5.8 Financial instruments

Leasinvest Real Estate values its participations in its statutory annual accounts at the acquisition price. Trade receivables are valued at par value, after deduction of writedowns due to doubtful receivables or uncollectable receivables. Debts are recorded at par value.

Leasinvest Real Estate has no exchange rate risk. The only hedges which Leasinvest Real Estate has, are interest rate hedges.

The hedging policy is aimed at protecting the interest rate risk for approximately 80% of the financial debts. In view of the fact that Leasinvest Real Estate's debt financing is based on a floating interest rate, the risk is real that, with an increase of the interest rates, the financing costs increase. This interest rate risk is hedged by financial instruments, such as spot and forward interest rate collars and interest rate swaps. The expiry dates for the interest rate hedges lie between 2008 and 2013. The fixed interest rates of the interest rate swaps lie between 3.15% and 3.87%, excluding the credit margin.

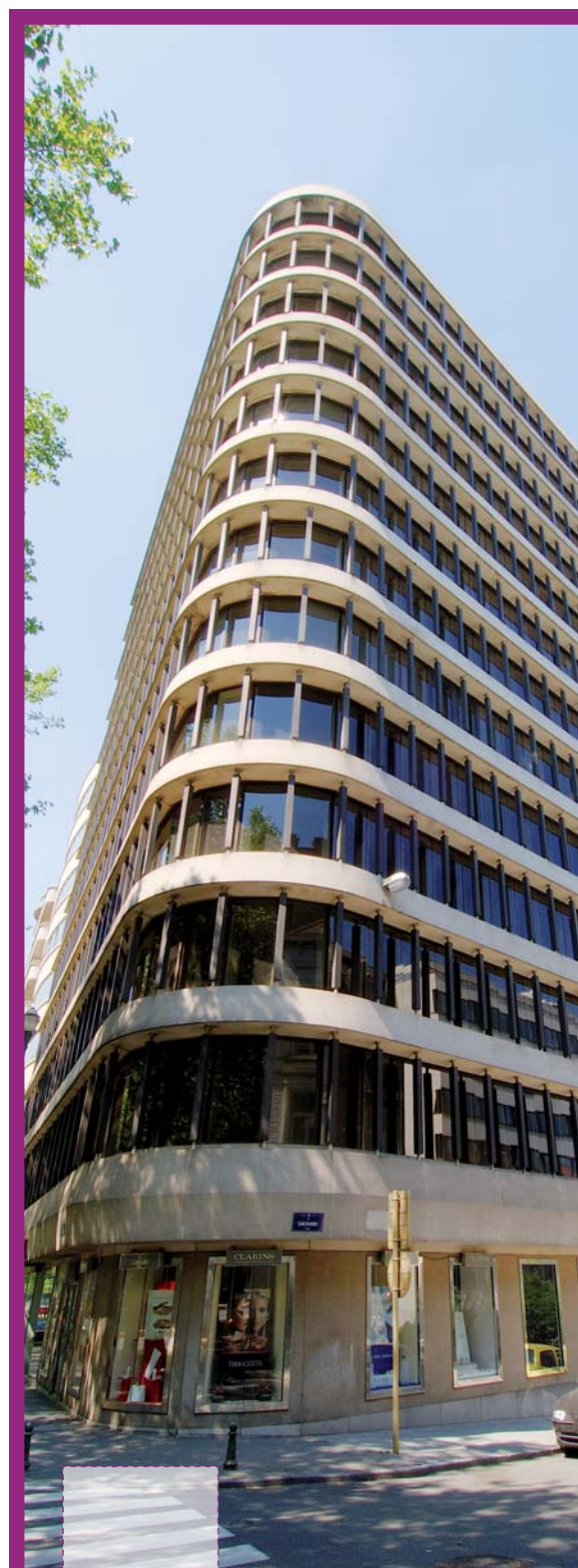
5.9 Discharge to the manager and the auditor

At the general shareholders' meeting the proposal is made to discharge the statutory manager and the auditor for the execution of their mandates during the financial year closed on 30/06/07.

Drawn up in Antwerp on 16/08/07.

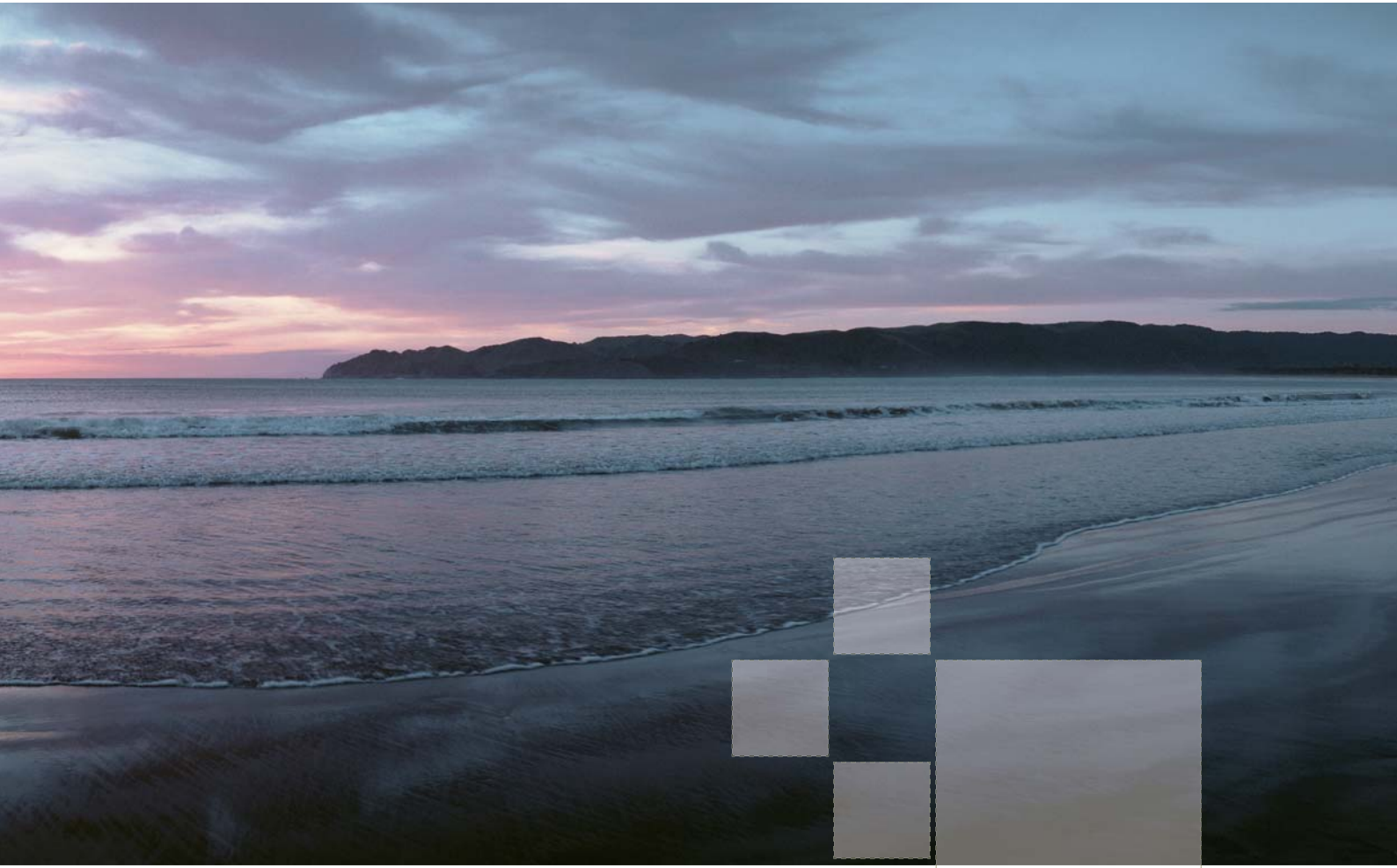
Jean-Louis Appelmans
CEO

Luc Bertrand
President of the
board of directors

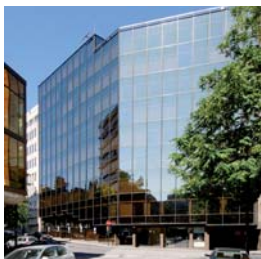


Avenue
Louise 250,
Brussels, Belgium





Real estate report



Square de Meeûs 5-6,
1000 Brussels



Rue Montoyer 63,
1000 Brussels

6.1 Real estate market

1. Real estate market¹ Belgium

Offices

The first semester of 2007 announces a take-up in Brussels between 250,000 sqm and 300,000 sqm, which confirms the stable real estate image of Brussels. The average annual take-up over the last 6 years amounted to approximately 590,000 sqm (source Cushman & Wakefield) and will again reach this level by the end of this year.

Interesting to note about these figures is that the take-up is mainly situated in the corporate sector (70%), of which the bank and insurance sectors are the most active, and less in the public sector (30%), of which the Ministry of Justice has the largest part with 55,000 sqm. This trend had already been noticed in 2006, when there was a more regular transaction level and when Brussels could no longer only count on the major players such as the European institutions.

This points to a continuation of a better economic activity, which can also be felt in our portfolio, because tenants take up further extensions or need larger buildings.

By this stronger take-up and the slow-down of the speculative moments, we notice a decrease of the vacancy rate in Brussels to below 10%, of which the centre reaches a historically low vacancy rate of below 4%.

We do however have to put into perspective this favourable trend. The development projects that have been approved are being launched and over 850,000 sqm of new office projects are expected for the coming 3 years, of which the 'Finance tower' (120,000 sqm – non-speculative) and Covent Garden (70,000 sqm) are part of the larger projects.

In the regional markets such as Antwerp and Ghent efforts are being made to reinforce the image of their cities as economic poles of attraction. In Antwerp a take-up of 35,000 sqm was registered. In the coming years over 300,000 sqm of projects is being designed and in Ghent preparations are made for further developments such as the 'Arteveldestadion' and Flanders Expo.

The rents in the regions are maintained and reach peak levels of 140 EUR/sqm for top locations in these cities.

The investment volume in Belgium could still achieve a record in 2007 and end at over 5 billion EUR.

In the first semester of 2007 an investment volume of 1.5 billion EUR was recorded in Brussels.

What stands out, is that the regions are more and more attractive to foreign investors and that 0.5 billion EUR was invested in the Antwerp/Malines region, of which the sale of the 'Kievitplein' to KanAm was the most remarkable transaction. The acquisition yields in the Brussels Central Business District remain around 5.75% and in the regions Antwerp and Ghent around 6.25%.

The increase of the interest rates since January have, until now, not led to a slow-down of the buying intentions on the real estate market.

Logistics and semi-industrial buildings

It is clarified that in the current annual brochure the general term "logistics" is used to indicate the logistics as well as the semi-industrial buildings. Logistics in a strict sense concerns a minimum of 5,000 sqm as a European/national distribution centre and a minimum of 10,000 sqm if it concerns logistics with loading docks of 1/1.000 sqm, 8 meter of height, 3T/sqm and the offices amount to less than 20%. Semi-industrial is usually below 5,000 sqm, loading docks are not always present and the purpose is mainly storage and/or light manufacturing. If we apply these definitions on the Leasinvest Real Estate portfolio, Prins Boudewijnlaan (Kontich) and SKF (Tongres) can be considered as logistics in the strict sense. Zeutestraat (Malines) and CFM (Grand Duchy of Luxembourg) which also function as logistics centres not really; as a consequence, the relevance of the difference is too small for our portfolio to split up.

Belgium remains on top of the list as one of the most interesting countries for logistics activities, because of its dense traffic infrastructure, its ports and the relatively low rents.

The take-up lies around 460,000 sqm for the first half of the year, which looks promising for the entire calendar year. The ideal axis is still situated between Antwerp and Brussels, where a couple of projects have been launched around the A12, but the growing interest for buildings between Antwerp and Liège is also striking.

¹ Sources: Expertise, Research CBRE, King Sturge Brussels Report 2007, Jones Lang LaSalle Industrial Report 2006, Snapshots Q3-Q4 2006 & Q1-Q2 2007 of Cushman & Wakefield, Jones Lang LaSalle Luxembourg City Profile H1 2007, De Tijd and Trends.



Avenue Louise 250,
1000 Brussels



The planned development volume lies around 1.3 million sqm for the coming years, especially in Wallonia (Charleroi, La Louvière).

The rents remain between 38 and 42 EUR/sqm/year, depending on the location and the level of flexibility and finishing.

The acquisition yields for logistics real estate have been under pressure for a while and vary between 6.5% and 7.5% for well let projects, depending on the region. In the first semester a volume of 180 million EUR was recorded, compared to 560 million EUR in 2006, of which the acquisition of the ABX portfolio by Fortis was by far the most important one.

Retail

The Belgian retail market remains at peak performance. New brands and international chains are introduced in Belgium. Current retailers launch new concepts and seek further extensions in the subregions.

Also thanks to the increasing demand over 900,000 sqm of retail projects are planned and the demand for retail by investors is also very high.

In the first half of this year 130 million EUR was invested in retail compared to 571 million EUR in 2006. This leads, also here, to a downward pressure on the acquisition yields leading to offers of 5% for top locations in the shopping streets to 6% for retail warehouses.

2. Office market² Luxembourg

In the first half of 2007 again a take-up of 80,000 sqm was reached, which again can lead to a record. The most active zones were Kirchberg (17%) and the surroundings of the station (16%), and the zone in Strassen (26%) as the majority of the supply can be found in these regions.

The vacancy rate reached 2.2% in the centre, which really means that there simply is no offer and 11.1% in the periphery. The rents have increased on average by 10% and the magical border of 40 EUR/sqm/month, for top products in the centre is nearing.

These strong figures lead to the fact that the offer of investment products can not satisfy the demand resulting in a drop of the acquisition yields in 1 year of time. Leasinvest Real Estate has experienced this in the public takeover battle regarding the Immo-Croissance case. The average acquisition yields for offices remain below 6%, and for top locations 5.25% is paid, without a tenant. Notwithstanding, a large number of projects is being developed, mainly situated at Kirchberg, of around 120,000 sqm for the coming 2 years. The letting of our own project 'Bian', a renovation with a new construction³ at Cloche d'Or, should, in principle, be no problem.

6. 2 Leasinvest Real Estate versus the market

The overview hereafter is limited to the two largest market segments where Leasinvest Real Estate is active, namely the office market in Brussels and the Grand Duchy of Luxembourg, which represent respectively 32.4% and 23.8%, or 56.2% of the total portfolio in operation. Only the buildings in operation are being taken into account for the analysis below.

The conclusions presented hereafter can not, just like that, be applied to the other market segments.

For the uniformity of our information, we base our analysis, as was the case the previous years, on the figures of the research departement of Jones Lang LaSalle

The occupancy for the total portfolio is excellent, as we have reached the 97% border.

² Sources: Expertise, Research CBRE, King Sturge Brussels Report 2007, Jones Lang LaSalle Industrial Report 2006, Snapshots Q3-Q4 2006 & Q1-Q2 2007 of Cushman & Wakefield, Jones Lang LaSalle Luxembourg City Profile H1 2007, De Tijd and Trends.

³ For more details, see 6.6 on page 50.

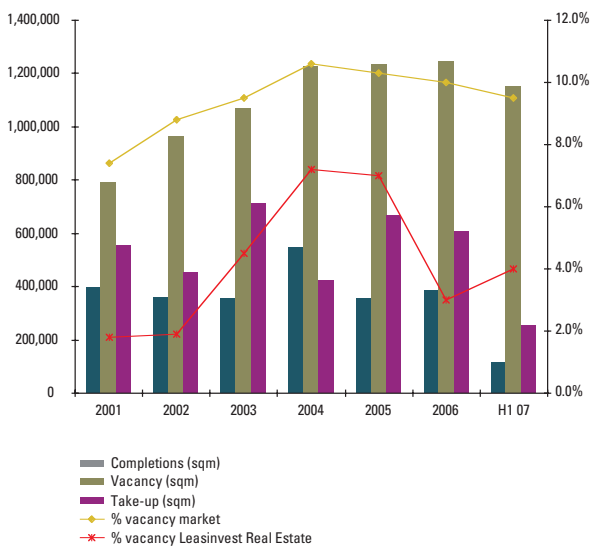


Avenue Louise 66,
1000 Brussels



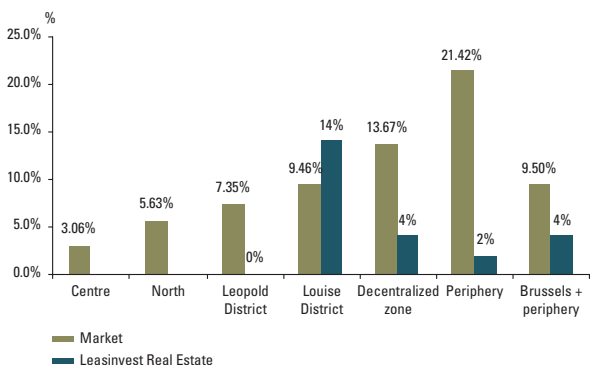
6.2.1 Brussels

Completions, take-up and vacancy



The occupancy rate of our portfolio in Brussels remains good at 95.8% with a vacancy rate of 4.2%, which is a nice performance compared to the Brussels office market vacancy of 9.6%. The commercial efforts of the past 3 years have led to a confirmation of this effect. The improved market and the commercial efforts have resulted in the fact that business parks, such as Brixton Business Park and Riverside Business Park, and the buildings on the Avenue Louise were relet very soon after other tenants had left.

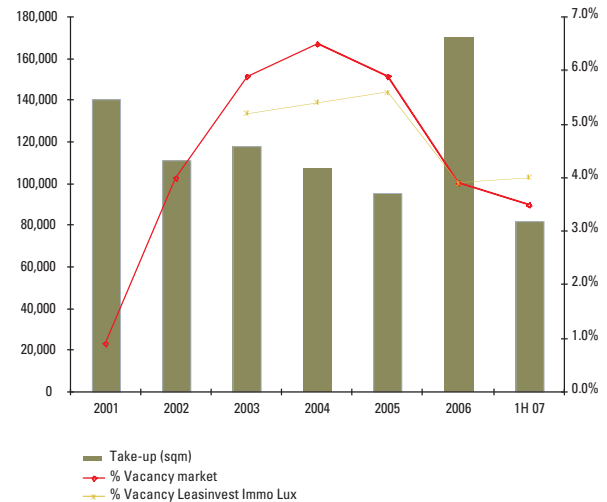
Vacancy per region 30/06/07



The vacancy per region scores well compared to the market; only the Avenue Louise has a higher vacancy rate than the average market vacancy rate, i.e. 14% compared to 9.46%. This can mainly be explained by the fact that a couple of tenants left, but these spaces have in the meanwhile been relet (start of the lease in the financial year 2007/2008). Due to the sale of 'Extensa Square' the portion of the decentralised zone is mainly situated in Anderlecht and Drogenbos, where we are doing well with a vacancy rate of 4% compared to 14%.

6.2.2 Grand Duchy of Luxembourg

Office rental market Luxembourg



The Luxembourg market is heading for its 3rd spectacular year in a row, with a vacancy rate of 3.5% in the last quarter, which approximately corresponds to our portfolio (4%). The lettings in Luxembourg have also led to an overall increase of the occupancy rate of the portfolio by 1.13% (from 95.87% to 97%).

This enabled Leasinvest Real Estate to realise a couple of extensions and additional leases, of which European Investment Fund at 'Kennedy' and the extension with a new construction for a lease term of 15 years on the CFM site.

The tenant 'Bâloise' has left the Bian building, but this allows Leasinvest Real Estate to complete a unique building by the end of 2008 (see further projects).



Route de Lennik 451,
1070 Anderlecht



6.3 Real estate portfolio

6.3.1. Real estate portfolio in operation

Belgium

Square de Meeûs 5-6, 1000 Brussels

Very well situated office building
Year of construction 1974, important renovations in different phases (period 1996-2002)
Area rented 5,965 sqm

rue Montoyer 63, 1000 Brussels

Extremely well situated office building
Year of construction 1974, partially renovated in 2003
Area rented 6,745 sqm

Avenue Louise 250, 1000 Brussels

Prestige office complex consisting of 12 floors
Year of construction 1975/76, 4 of the 12 floors entirely renovated since the end of 2000
Area rented 9,948 sqm

Avenue Louise 66, 1000 Brussels

Office complex opposite the Conrad Hotel, consisting of 2 interconnected buildings and 1 commercial ground floor
Year of construction 1974/75, renovated in 1987, 6 floors renovated in 2001
Area rented 3,593 sqm

Route de Lennik 451, 1070 Anderlecht

New office building in the Erasmus Science Park in Anderlecht
Year of construction 2002
Area rented 15,132 sqm

Riverside Business Park, Boulevard International 55, 1070 Anderlecht

Business park in a verdant setting consisting of 12 buildings, 9 of which are office buildings and 3 are semi-industrial units
Year of construction 1992/96 – partial renovation in 2005
Area rented 26,826 sqm

rue Lusambo, 1190 Forest

Semi-industrial building consisting of offices and storage
Year of construction 1993
Area rented 3,191 sqm

Brixton Business Park / Brixtonlaan 1-30, 1930 Zaventem

Business park alongside the E40 motorway, consisting of 6 semi-industrial buildings and 1 large retail space
Year of construction 1975/88, renovations carried out as required for new tenants
Area rented 36,122 sqm

Axxes Business Park / Guldensporenpark 22-40, 9820 Merelbeke

Business park in a newly landscaped park alongside the E40 motorway, consisting of 7 new buildings
Year of construction 2000/01
Area rented 23,388 sqm

Prins Boudewijnlaan 7, 2550 Kontich

Distribution centre
Year of construction 1989, extension in 2000
Area rented 27,589 sqm

Delta Business Park, Kontichsesteenweg / Technologiepark Satenrozen, Satenrozen 1A box 1, 2550 Kontich

Business park in a newly landscaped park where Leasinvest Real Estate is the owner of one office building
Year of construction 2000
Area rented 1,792 sqm

Vierwinden Business Park / Leuvensesteenweg 532, 1930 Zaventem

Semi-industrial business park
Year of construction 1973, renovated in 1994 and 1998
Area rented 13,623 sqm

Motstraat-Zeustestraat, 2800 Malines

Office building and logistics centre
Year of construction 2002
Area rented 21,537 sqm

SKF, 3700 Tongres

Distribution centre consisting of storage halls and offices
Year of construction 1993/2003
Area rented 25,872 sqm



Riverside Business Park,
1070 Anderlecht



Luxembourg⁴

Avenue Monterey 20, 2163 Luxembourg

Office building with standing, situated at the Boulevard Monterey, one of the most prestigious locations in Luxembourg

Year of construction 2001

Area rented 1,555 sqm

Mercure, Avenue de la Gare 41, 1611 Luxembourg

3 office floors of a complex with shopping galleries, apartments and offices

Year of construction 1989

Area rented 807 sqm

Avenue Pasteur 16, 2520 Luxembourg

Office building situated nearby the wellknown Glacis, in a semi-shopping street

Year of construction 1980

Area rented 4,928 sqm

Aubépines, Route d'Arlon 283, 1150 Luxembourg

Corner building situated at the entry of Luxembourg along the Route d'Arlon in Strassen

Year of construction 1990

Area rented 2,530 sqm

Sold on 04/07/07

Rue du Kiem 145, 8080 Strassen

Is part of a complex of three buildings and is situated parallel to the Route d'Arlon in Strassen nearby Aubépines

Year of construction 2002

Area rented 1,834 sqm

EBBC, Route de Trèves 6, 2633 Senningerberg

Is part of an office complex of six buildings nearby the airport of Luxembourg

Year of construction 1988

Area rented 4,474 sqm

Rue Jean Monnet 4, 2180 Luxembourg

Flagship of the portfolio due to its location, architecture and excellent finishing

Year of construction 1992

Area rented 3,866 sqm

Avenue J.F. Kennedy 43, 1855 Luxembourg

Exceptional location at the heart of Kirchberg, next to the Auchan shopping centre

Year of construction 1999

Area rented 2,270 sqm

Route d'Esch 25, 1470 Luxembourg

Situated nearby Dexia Luxembourg's head offices at the route d'Esch

Year of construction 1992

Area rented 1,839 sqm

CFM, Rue Guillaume Kroll, 1822 Luxembourg

Industrial complex which serves as service centre, distributor, wholesale in sanitary fittings, on the one hand, and office complex of 3,400 sqm on the other hand

Year of construction 1990

Area rented 13,826 sqm

Place Schwarzenweg, 3474 Dudelange

Commercial building consisting of galleries, commercial spaces, bakeries, reserves, sales points, offices and a cafeteria

Year of construction 1991

Area rented 3,759 sqm

Rue du Curé, 9217 Diekirch

Mixed-use building commercial/residential

Year of construction 1994

Area rented 3,100 sqm

6.3.2. Buildings recorded in the balance sheet under development projects

Rue Emile Bian 1, 1235 Luxembourg

Stand-alone building amidst the business park area Cloche d'Or, considered to be one of the new poles of the European Community

Year of construction 1990 – entire renovation 2007-2008

Area rented 3,600 sqm

Torenhof / Guldensporenpark, 9820 Merelbeke

Castle-farm as a facility centre for the Axxes Business Park

Year of construction first part 19th century, second part 1974 and third part end of the eighties – entire renovation 2007-2008

Area rented 1.882 sqm

⁴ Co-ownership: Aubépines, Avenue de la Gare, Diekirch, EBBC and Kennedy.



Brixton Business Park,
1930 Zaventem



Besides, a couple of projects developments regarding a number of buildings in operation are in progress: see point 6.6.

6.3.3. Investments and divestments

Investments

The main investments of the past financial year are the acquisition of the castle-farm "Torenhof" and the acquisition of

the ground floor of the office building 1 of the Axxes Business Park.

Divestments

Leasinvest Real Estate has sold the 2 buildings of Extensa Square (Evere) and the building in Wommelgem.

For more information on the investments and divestments we refer to note 4.1.2. of the financial statements.

6.4 Composition of the real estate portfolio

6.4.1 Geographical classification Belgium – Grand Duchy of Luxembourg (primary segmentation)

	Fair value (mio EUR)	Investment value (mio EUR)	Share in portfolio based on fair value (%)	Contractual rents (mio EUR/year)	Rental yield based on fair value (%)	Rental yield based on investment value (%)	Occupancy rate (%)
Belgium	307.11	314.96	69	22.39	7.29	7.11	97
Luxembourg	138.75	142.35	31	9.81	7.06	6.88	97
Total of buildings in operation	445.86	457.31	100	32.20	7.22	7.04	97
Projects Belgium ⁽¹⁾	1.66	1.7					
Projects Luxembourg ⁽¹⁾	11.66	11.95					
Grand total real estate	459.18	470.96					

(1) The development projects are recorded in the balance sheet under the item "Project developments" at acquisition price and not at fair value.



Axxes Business Park,
9820 Merelbeke

6.4.2 Segmentation based on asset class (secondary segmentation)

	Fair value (mio EUR)	Investment value (mio EUR)	Share in portfolio based on fair value (%)	Contractual rents (mio EUR/year)	Rental yield based on fair value (%)	Rental yield based on investment value (%)	Occupancy rate (%)
Offices							
Offices Brussels	144.66	148.27	32.45	9.85	6.81	6.64	95
Offices Malines	28.06	28.76	6.29	1.99	7.11	6.93	100
Offices Antwerp	2.29	2.52	0.51	0.21	9.1	8.27	97
Offices Ghent	39.61	40.61	8.88	3.37	8.5	8.29	99
Offices Luxembourg	105.98	108.76	23.77	7.46	7.04	6.86	96
Total offices	320.60	328.92	71.91	22.88	7.14	6.96	96
Logistics							
Logistics Belgium	69.74	71.48	15.64	6.14	8.8	8.59	98
Logistics Luxembourg	21.44	21.98	4.81	1.42	6.6	6.44	100
Total logistics	91.18	93.46	20.45	7.56	8.29	8.08	99
Retail							
Retail Belgium	22.75	23.32	5.1	0.83	3.65	3.56	100
Retail Luxembourg	11.33	11.61	2.54	0.93	8.16	7.97	100
Total retail	34.08	34.93	7.64	1.76	5.15	5.03	100
Total of buildings in operation	445.86	457.31	100	32.20	7.22	7.04	97
Projects Belgium	1.66	1.7					
Projects Luxembourg	11.66	11.95					
Grand total real estate	459.18⁽¹⁾	470.96					

(1) The difference between the fair value as taken into account into the valuation report by the experts Cushman & Wakefield (459.34 million EUR), results from a different calculation of the fixed mutation costs of the building Satenrozen. Because of the fact that the investment value of Satenrozen (2.52 million EUR) as from 30/06/07 for the first time exceeded the limit of 2.5 million EUR, the value took into account 2.5% mutation costs, whereas in the consolidated financial statements, for reasons of consistency with prior periods, still 10% is applied (see valuation rules on page 62).



Rue Lusambo,
1190 Forest



Prins Boudewijnlaan 7,
2550 Kontich

6.4.3 Total breakdown of the real estate portfolio⁽¹⁾

	Total surface (in sqm)	Contractual rents (mio EUR/year)	Occupancy rate (%)	Contractual rents + estimated rents on vacancy (mio EUR/year)	Estimated rental value (mio EUR/year)
OFFICES					
Square de Meeûs 5-6	5,965	1.24	100%	1.24	1.14
Rue Montoyer 63	6,745	1.67	100%	1.67	1.49
Avenue Louise 250	9,948	1.72	90%	1.87	1.42
Avenue Louise 66	3,398	0.42	73%	0.57	0.40
Riverside BP - Phase I, III and IV	21,645	2.66	92%	2.88	2.64
Route de Lennik, Anderlecht	15,132	2.14	100%	2.14	2.05
Total offices Brussels (Belgium)	62,833	9.85	95%	10.38	9.14
WKB offices, Motstraat	14,174	1.99	100%	1.99	1.89
Total offices Malines (Belgium)	14,174	1.99	100%	1.99	1.89
Delta Business Park	1,792	0.21	97%	0.21	0.19
Total offices Antwerp (Belgium)	1,792	0.21	97%	0.21	0.19
Axxes BP	23,719	3.37	99%	3.41	3.04
Total offices Ghent (Belgium)	23,719	3.37	99%	3.41	3.04
Aubepines	2,530	0.84	100%	0.84	0.70
EBBC	4,473	1.61	97%	1.65	1.41
ESCH	1,839	0.45	76%	0.58	0.42
Kennedy	2,270	0.83	100%	0.83	0.84
Kiem	1,834	0.47	97%	0.49	0.51
Mercure	807	0.15	68%	0.20	0.10
Monnet	3,866	1.31	100%	1.31	1.41
Monterey	1,555	0.64	100%	0.64	0.55
Pasteur	4,928	1.16	96%	1.20	1.17
Total offices Grand Duchy of Luxembourg	24,103	7.46	96%	7.75	7.13
TOTAL OFFICES	126,621	22.88	96%	23.75	21.40

(1) Classification of buildings according to their main destination.



Delta Business Park,
2550 Kontich



Vierwinden Business Park,
1930 Zaventem

Total breakdown of the real estate portfolio⁽¹⁾ (continued)

	Total surface (in sqm)	Contractual rents (mio EUR/year)	Occupancy rate (%)	Contractual rents + estimated rents on vacancy (mio EUR/year)	Estimated rental value (mio EUR/year)
LOGISTICS					
SKF, Tongres	25,872	1.14	100%	1.14	1.04
Prins Boudewijnlaan 7	27,589	1.60	100%	1.60	1.35
Riverside BP - Phase II	5,181	0.43	100%	0.43	0.42
Brixton BP	21,668	1.36	93%	1.45	1.17
Vierwinden BP	13,624	0.90	100%	0.90	0.74
Alcan	3,191	0.20	100%	0.20	0.22
WKB Warehouses, Zeutestraat	7,362	0.51	100%	0.51	0.37
Total Logistics Belgium	104,487	6.14	98%	6.23	5.28
CFM	13,826	1.42	100%	1.42	1.71
Total Logistics Luxembourg	13,826	1.42	100%	1.42	1.71
TOTAL LOGISTICS	118,313	7.56	99%	7.65	6.99
RETAIL					
Brixton BP - Unit 4/5/6	14,454	0.83	100%	0.83	2.10
Total Retail Belgium	14,454	0.83	100%	0.83	2.10
Diekirch	3,100	0.60	100%	0.60	0.45
Dudelange	3,759	0.32	100%	0.32	0.36
Total Retail Luxembourg	6,859	0.93	100%	0.93	0.80
TOTAL RETAIL	21,313	1.76	100%	1.76	2.90
TOTAL OF BUILDINGS IN OPERATION	266,247	32.20	97.01%	33.16	31.29

PROJECTS		
Torenhof (Axxes BP)	2,019	0.04
Total offices Belgium	2,019	0.04
Bian	3,864	0.00
Total offices Luxembourg	3,864	0.00
PROJECT DEVELOPMENT	5,883	0.04

GRAND TOTAL	272,130	32.24
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(1) Classification of buildings according to their main destination.

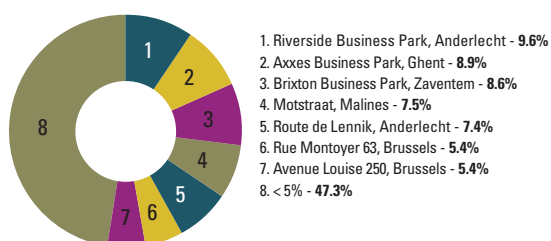


Motstraat,
2800 Malines



SKF,
3700 Tongres

6.4.4 Overview of the buildings with a share of more than 5% in the total real estate portfolio



6.4.5 Insured value

Belgium	(in million EUR)
Offices	203.5
Logistics	56.2 ⁵
Retail	9.3
TOTAL	269.0
Luxembourg	(in million EUR)
Offices	554.0
Logistics	19.8
Retail	24.4
TOTAL	598.2⁶

5 Excluding SKF: takes care of the insurance of the buildings by means of a group insurance for a total amount of 500,000,000 EUR.

6 These amounts take into account 100% of the insured value, while Leasinvest Immo Lux is co-owner of the buildings: Aubépines, Avenue de la Gare, Diekirch, EBBC and Kennedy. The total insured value for the buildings, which Leasinvest Immo Lux owns for 100%, amounts to 86,067,956.25 EUR.

6.5 Valuation report^{7,8}

Valuation update as at 30/06/07 of the Leasinvest Real Estate SCA portfolio

Report by the external valuer Cushman & Wakefield

We are pleased to report our valuation of the investment value of the Leasinvest Real Estate SCA portfolio as at 30/06/07.

Our valuation has been prepared on the basis of the information provided to us by Leasinvest Real Estate SCA. Such information is supposed to be correct and complete, and on there being no undisclosed matters which would affect our valuation.

Our valuation methodology is the capitalisation of the market rent with corrections to take into account the difference between the current rent and the market rent. We based ourselves on comparables that were available at the date of valuation.

The values were determined taking current market parameters into account.

We would like to draw your attention on the following points:

1. The portfolio consists of business parks, offices and semi-industrial buildings or distribution centres and shops, situated in Belgium (Brussels, Zaventem, Mechelen, Antwerp, Tongres and Ghent-Merelbeke) and in the Grand Duchy of Luxembourg.
2. The average of the current rental income (+ the market rent on vacant space) is 2.80% higher than the market rent (respectively 3.30% and 1.66% for the Belgian and Luxembourg portfolios).

7 The conclusions of the valuation report concern, unless mentioned otherwise, the real estate portfolio of Leasinvest Real Estate, including the development projects.

8 The valuation report has been reproduced with the agreement of Cushman & Wakefield and Winssinger & Associates.



Monterey,
2163 Luxembourg



Mercure,
1611 Luxembourg



3. The occupancy rate⁹ of the total portfolio (excluding the Bian and the Torenhof projects) is 97.01% (respectively 97.00% and 97.03% for the Belgian and the Luxembourg portfolios excluding the Bian and the Torenhof projects).
4. The office building at the Schranshoevebaan 18 in Wommelgem and the two office buildings "Extensa Square" in Evere have been sold and are consequently not in the portfolio anymore.
5. The Bian office building even as the Torenhof office building are not in the active portfolio anymore but are now placed separately under 'projects'.
6. The groundfloor of the Axxess Business Park, office 1, has been bought by Leasinvest. It concerns a surface of 340 sqm office place, 65 sqm stock and 4 exterior parking places.
7. We have made a split for the Wolters Kluwers Warehouses building between the ground share (respectively 1,330,000 EUR and 1,300,000 EUR as investment value and as fair value) and the property share (respectively 4,040,000 EUR and 3,940,000 EUR as investment value and as fair value).

For all buildings of Leasinvest Real Estate CVA, we determined the following values, as at 30/06/07, including the part that has been valued by Winssinger & Associés:

1. an **investment value** of 470,960,000 EUR (four hundred seventy million nine hundred and sixty thousand euros), with respectively 316,660,000 EUR and 154,300,000 EUR as investment values for the Belgian and Luxembourg portfolios;
2. a **fair value** of 459,340,000 EUR (four hundred fifty-nine million three hundred and forty thousand euros), with respectively 308,940,000 EUR and 150,400,000 EUR as fair values for the Belgian and Luxembourg portfolios.

On this basis, the initial yield of the complete portfolio (excluding the projects Bian en Torenhof) in terms of investment value is 7.04% (with respectively 7.11% and 6.88% for the Belgian and Luxembourg portfolios) and the initial yield of the complete portfolio in terms of fair value is 7.22% (with respectively 7.29% and 7.06% for the Belgian and Luxembourg portfolios).

Cushman & Wakefield

6.6 Development projects

Bian



Bian is an existing office building situated at a strategic location at the business park Cloche d'Or. This environment is more and more presented as the 2nd central pole for the European institutions, after Kirchberg.

The project consists of an existing office building of 3,600 sqm, which is entirely stripped and is being extended to a total project of 5,600 sqm. Thanks to the high-end finishing, the flexible character of the building and its strategic location, Leasinvest Real Estate expects to let this building soon.

The completion is expected by the end of 2008.

CFM



⁹ The occupancy rate is valid on the date of the valuation and does not take into account future availability (already known or not) nor with future new contracts (signed or not). This figure is calculated on the basis of the following formula: (market rent of all let areas) / (market rent of the complete portfolio).



Avenue Pasteur,
2520 Luxembourg



Rue du Kiem,
8080 Strassen

CFM signed a lease agreement for 15 years with Leasinvest Immo Lux for the re-development of the current site. CFM is the market leader in sanitary equipment in Luxembourg and wished to centralise its showroom, headquarters and the distribution centre at the current location. Therefore, the current storage facility is extended by 3,500 sqm and 1,200 sqm of offices are being built.

The total project will ultimately comprise 5,000 sqm of offices, 2,000 sqm of showroom and 10,000 sqm of storage.

The project will be completed in March 2008.

Torenhof and parking building Axxes Business Park in Merelbeke



In order to complete the Axxes Business Park, Torenhof was acquired at the beginning of this year. This building is at the border of the park and will have the function of a facility center offering the lease of flexible offices, catering and other services related to the Business Park.

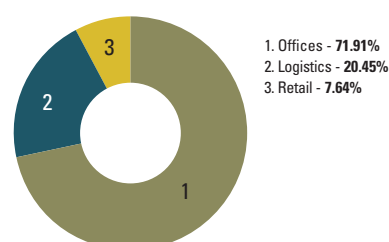
The building will be renovated, but the structure and the typical character of a castle-farm will be maintained, with a modern design. The completion is foreseen for the summer of 2008.

Next to that, the construction of the parking building of the Axxes Business Park has started, resulting in 192 additional parking spaces.

The Axxes Business Park is entirely let and will become the top location in Ghent in the future.

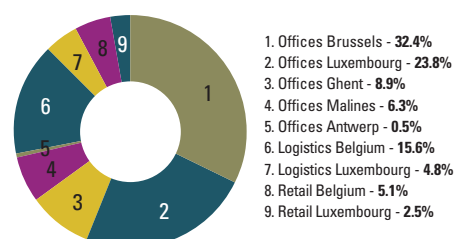
6.7 Analysis of the real estate portfolio in operation¹⁰ based on the fair value

Asset class



The major part of the real estate portfolio of Leasinvest Real Estate consists of offices, namely 71.91%, followed by logistics (20.45%) and retail (7.64%). The portion of the offices has decreased compared to the previous year (74.02% the previous year) by the sale of the 'Extensa Square' buildings and the building in Wommelgem, Schranshoevebaan.

Breakdown of the portfolio



Of the total portfolio in operation, the offices Brussels, with a fair value of 144.7 million EUR or 32.4% represent the largest part, despite the sale of 'Extensa Square'. Second, remain the offices in the Grand Duchy of Luxembourg with 23.8% or 106.0 million EUR. The logistics part in Belgium is third with 69.7 million EUR or 15.6% of the total portfolio. The Axxes Business park in Merelbeke (Ghent) remains fourth with 39.6 million EUR or 8.9%.

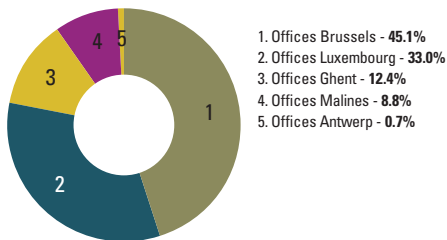
¹⁰ The development projects are not recorded in the analysis.



EBBC,
2633 Senningerberg



Offices portfolio



Similar to the total portfolio, the offices in Brussels represent the largest part with 144.7 million EUR or 45.1%. 33.1% of the portfolio is for the account of our Luxembourg offices. Thereafter follow the offices in Ghent, in Malines and in Antwerp.

Logistics portfolio



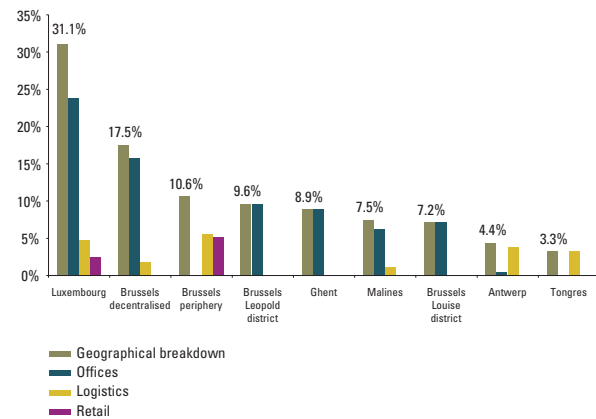
The largest part is taken in by the logistics buildings in Belgium, situated at the Brixton Business Park and the Vierwinden Business Park, both in Zaventem, and the buildings 'SKF' in Tongres and the building of the Prins Boudewijnlaan in Kontich, followed by the logistics building in the Grand Duchy of Luxembourg.

Retail portfolio



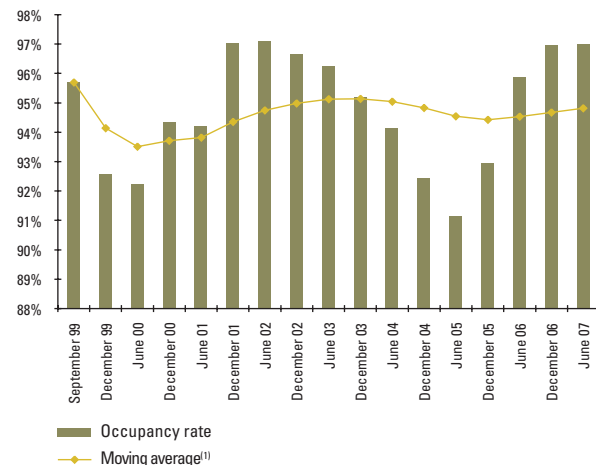
Retail in Belgium mainly consists of the shops at the Brixton Business Park in Zaventem.

Assets class according to geographical breakdown



Through the sale of the buildings 'Extensa Square' and the building in Wommelgem all percentages compared to last year, have substantially changed. Of the total portfolio in operation Luxembourg represents 31.1%, of which 23.8% offices, 4.8% logistics and 2.5% retail. The percentage of the decentralised zone of Brussels has decreased by the sale of 'Extensa Square' and consists mainly of offices (15.7% of 17.5%). The part of Ghent amounts to 8.9% and consists entirely of offices; the same applies to the Leopold district and the Louise district, namely 9.6% and 7.2% of offices. Further more, a smaller part of the portfolio is situated in the Antwerp region; this mainly concerns the logistics building of the Prins Boudewijnlaan.

Occupancy rate



(1) A moving average is a type of average value based on a weight of the current occupancy rate and the previous occupancy rates.



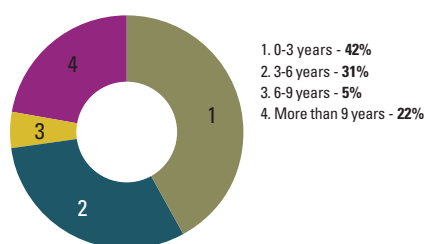
Rue Jean Monnet,
2180 Luxembourg



Avenue J.F. Kennedy,
1855 Luxembourg

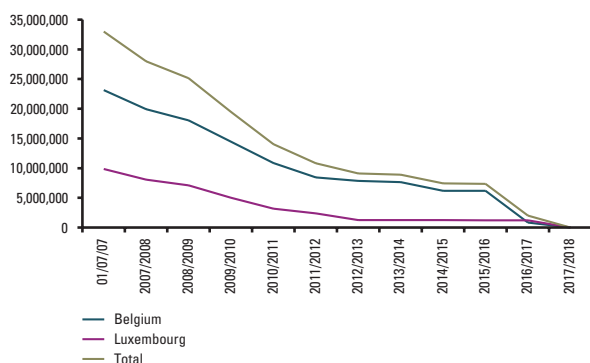
The occupancy rate of 97% has been confirmed since the end of 2006, which points to a better economic situation on the one hand, and a continuous follow-up of the tenants, on the other hand. Due to renovations and marketing expenses, Leasinvest Real Estate has succeeded in maintaining this favourable occupancy rate.

Remaining lease terms and contractually guaranteed rental income



The graph is based on the first break date of the current leases and on the contractual rents. 58% of the annual contractual rents are guaranteed until 30/06/10¹¹.

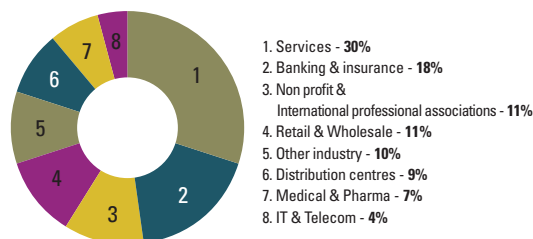
The Leasinvest Real Estate portfolio mainly comprises players of the private sector, and to a lesser extent, of the public sector. The consequence hereof is that corporates prefer more flexible contracts with shorter fixed durations.



¹¹ For more information, see note 5 of the Financial Statements.

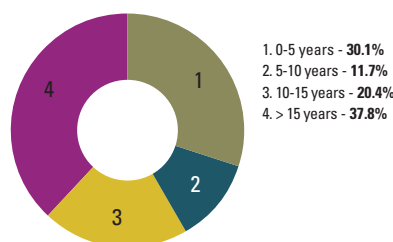
The theoretical breaks in the financial year 2007/2008 amount to around 5 million EUR. The following clarification is hereby necessary: of this amount, 0.8 miljoen EUR comes from Dexia, tenant of 'Aubépinés' in Luxembourg, which has been sold in the meanwhile. Furthermore, most breaks are at the end of the financial year 2007/2008 and already now 85% of extensions by current tenants through verbal or written confirmations and/or intentions have been received.

Type of tenants



The portfolio of Leasinvest Real Estate is more directed towards the private sector as to the public sector. As a result non-profit and the public sector only account for 11% of the portfolio. Further, the services and banking & insurance represent almost 50% of the portfolio, noting that over 80% of the Luxembourg portfolio consists of banking and insurance.

Average age



The average age of the office buildings in the Grand Duchy of Luxembourg is higher than in Belgium, due to the controlled permit planning of the government¹².

¹² Because of the fact that the portfolio in Luxembourg is, on average, older (more than ten years) than in Belgium, the average age of the portfolio has increased, following the acquisition of Leasinvest Immo Lux in the financial year 2005/2006. In the financial year 2004/2005 71.6% of the buildings of Leasinvest Real Estate was younger than ten years.



Route d'Esch,
1470 Luxembourg



CFM,
1822 Luxembourg

41.8% of the portfolio is younger than ten years, of which 30.1% is younger than 5 years; the previous financial year, 36.3% of the buildings was younger than ten years, of which 27.2% younger than 5 years. On the other hand, the portion of buildings of over 15 years has increased from 29.2%, at the end of the previous financial year, to 37.8%.

The age of an office building can be related to a weaker performance of the technical aspects of a building, which is largely compensated in Luxembourg, by the excellent location of the majority of the buildings.

An investment program for renovation of some buildings, to align the technical installations of the buildings to the current Luxembourg legislation is foreseen, which will result in the fact that the buildings will be able to compete with new buildings.

6.8 Technical management of the buildings

Belgium - Leasinvest Services

The property management of Leasinvest Real Estate has, until now, been executed by Bopro Real Estate Services BVBA.

Leasinvest Real Estate has decided to insource the property management of its portfolio as from 01/07/07 because of the growing need to reinforce its direct communication with the tenants. See also footnote page 29 of Corporate Governance.

Therefore the management contract with Bopro has been terminated and the property management of the portfolio will be gradually transferred by Bopro to the new subsidiary of Leasinvest Real Estate, Leasinvest Services (ex-Leasinvest Real Estate Facility Services SA), which will exclusively take care of the property and project management.

Leasinvest Services SA (company number 0878.901.063, register of legal persons Antwerp) has been established as Leasinvest Real Estate Facility Services SA on 17/01/06; on 29/06/07 the name has been modified into Leasinvest Services SA. The registered and administrative offices are situated at Mechelsesteenweg 34, 2018 Antwerp. Leasinvest Services is not under the supervision of an official body.

Leasinvest Services SA is directed by Sven Janssens, head of property management and consists of a team of 5 persons.

The property management comprises administrative, financial and technical activities.

The administrative and financial management consist of:

- Verification of compliance with the leases and the internal regulations;
- Updating rental tenancy schedules;
- Calculating, requesting and monitoring the payments of rents due and each tenant's share of common charges, property tax and insurance premiums and drawing up the annual final accounts of rent and charges, and if necessary, charging against the rental guarantees provided;
- Calculating and monitoring the establishment and updating of rental guarantees;
- Management of any overdue rent and charges;
- Arranging for reports on the state of the premises to be drawn up and monitoring them at the start and end of leases; recovery of any damage recorded from the tenant or the party liable;
- Managing the insurance portfolio.

A number of assignments of administration and financial management are executed by the personnel of the statutory manager.

The technical management implies:

- Regular inspection of the buildings to maintain them in good rental condition;
- Maintenance of the common areas and the technical facilities;
- Taking the necessary protective measures;
- Handling claims with the insurance companies.

A customer satisfaction survey has already been carried and will be repeated this year. This survey serves to enable us to further respond to the needs of our tenants.

Leasinvest Services SA is a separate company within (i.e. subsidiary of) Leasinvest Real Estate and will be self-supporting by a tariffication of 3% (excluding 21% VAT) of the rental income of the buildings managed by the company. For unlet premises a management fee of 1.5% (excluding 21% VAT) on the estimated rental income as defined by the real estate expert, is charged. This remuneration is included in the rental charges paid by the tenants. Extra performances and/or services (e.g. facility management in case of moving) that are not included in the normal management may be charged by the property manager based on the scales produced by the Professional Institution.



Place Schwarzenweg,
3474 Dudelange



Rue du Curé,
9217 Diekirch

During the past financial year, Leasinvest Real Estate has paid a remuneration of 41,310.69 EUR (excl. VAT) to Bopro Real Estate Services.

Bopro Real Estate Services BVBA (company number BE 0455.502.892, company under Belgian law) is directed by its two managers, Peter Garré and Philip Borremans and is a 100% subsidiary of Bopro NV.

Bopro Real Estate Services BVBA is not subject to the supervision of an official body. Since its foundation on 21/06/95 the company has been active as a property manager. The registered and administrative offices are situated at Zandvoortstraat C27/20, 2800 Malines.

Grand Duchy of Luxembourg

A management contract has been concluded, for the entire portfolio, with one property manager.

The centralisation on the level of reporting, quality of execution and uniform services are of utmost importance to reach an acceptable quality level.

The centralisation of the technical property management is outsourced to Property Partners for a term of five years.

For its normal property management assignment, Property Partners will receive a management fee of 2% on average of the annual rental income, where an adapted price is fixed for buildings in co-ownership.

Established in 1999 and 100% owned by its current directors, Property Partners SA (company number 1999 2228 302 – register of commerce RCB 72.368, company under Luxembourg law) is part of the Cushman & Wakefield network, as an Alliance Partner. With a solid experience and a diversity of competences, its 20 employees offer a number of services regarding management and investments, and also advice and expertise on the sectors of offices, retail and industrial property. The registered office is situated at rue Jean Engling, 12 in the Grand Duchy of Luxembourg. Property Partners SA is not subject to the supervision of an official body.

The past financial year, Leasinvest Immo Lux paid a fee of 4,085.32 EUR (excl. VAT) to Property Partners.

Investment advice

For its investments, Leasinvest Immo Lux is advised by Leasinvest Immo Lux Conseil under an agreement concluded on 14/01/99 for an unspecified term, and which can be ended by each party provided that a notice of six months is given.

Leasinvest Immo Lux Conseil has to submit an investment plan for real estate and other values of a different nature, to Leasinvest Immo Lux, in accordance with the investment policy, developed by the board of directors of Leasinvest Immo Lux. The mission of Leasinvest Immo Lux Conseil comprises (but is not limited to) finding real estate that corresponds to the investment plan defined by Leasinvest Immo Lux and which it could acquire, and making divestment proposals for buildings, which could be sold.

Leasinvest Immo Lux Conseil has to keep Leasinvest Immo Lux informed of the developments on the financial markets and assist the company by means of advice and recommendations in the management of its investment properties, in accordance with the defined investment policy.

For these services Leasinvest Immo Lux Conseil receives an annual remuneration of:

- 0.75%, payable in fourth parts at the end of each quarter and calculated on the gross value of the real estate assets of Leasinvest Immo Lux as they have been estimated, at the end of each quarter, by the independent real estate experts;
- a maximum of 0.50%, payable in fourth parts at the end of each quarter, calculated on the average net value of the other assets of Leasinvest Immo Lux at the end of each quarter;
- next to that, Leasinvest Immo Lux Conseil will receive a premium equal to 5% of the net gain on sold buildings.

Leasinvest Immo Lux Conseil owns a participation of 60 shares in Leasinvest Immo Lux.

Leasinvest Immo Lux Conseil is a 100% subsidiary (directly and indirectly) of Leasinvest Real Estate. The remuneration which it received from Leasinvest Immo Lux for the past financial year amounted to 1.3 million EUR.



Financial statements



Consolidated results

(in 1,000 EUR)			30/06/07	30/06/06	30/06/05
	Notes		IFRS	IFRS	IFRS
(+)	Rental income		33,154	23,958	19,868
(+)	Write-back of lease payments sold and discounted		0	0	0
(+/-)	Related rental expenses		0	1	-151
NET RENTAL INCOME		5	33,154	23,959	19,717
(+)	Recovery of property charges	6	228	31	369
(+)	Recovery income of charges and taxes normally payable by tenants on let properties	7	2,168	3,457	2,702
(-)	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	6	-143	-129	-668
(-)	Charges and taxes normally payable by tenants on let properties	7	-2,168	-3,500	-2,702
(+/-)	Other rental-related income and expenditure		-236	0	3
PROPERTY RESULT			33,003	23,818	19,421
(-)	Technical costs	8	-2,406	-2,152	-2,012
(-)	Commercial costs	9	-400	-179	-464
(-)	Charges and taxes on unlet properties	10	-569	-1,019	-506
(-)	Property management costs	11	-2,004	-1,494	-1,155
(-)	Other property charges		-514	-242	-138
PROPERTY CHARGES			-5,893	-5,086	-4,275
PROPERTY OPERATING RESULT			27,110	18,732	15,146
(-)	Corporate operating charges	12	-1,944	-770	-877
(+/-)	Other current operating income and expenditure		417	5,234	0
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO			25,583	23,195	14,269
(+/-)	Gains or losses on disposals of investment properties	13	1,486	0	1,126
(+/-)	Changes in fair value of investment properties	14	16,609	3,923	2,205
OPERATING RESULT			43,678	27,118	17,600
(+)	Financial income	15	3,406	2,286	1,825
(-)	Interest charges	16	-10,316	-4,592	-6,210
(-)	Other financial charges	17	-364	-700	-402
FINANCIAL RESULT			-7,274	-3,006	-4,786
PRE-TAX RESULT			36,404	24,112	12,814
(+/-)	Corporate taxes	18	-469	-787	-430
(+/-)	Exit tax		-415	0	734
TAXES			-884	-787	304
NET RESULT			35,520	23,325	13,118
Attributable to:					
Minority interests			586	3,602	670
Group share			34,934	19,723	12,448

Results per share

(in EUR)	30/06/07	30/06/06	30/06/05
Net result per share, share of the group ⁽¹⁾	8.71	5.94	4.09
Net result per diluted share, share of the group ⁽¹⁾	8.71	5.94	4.09

(1) Net result, share of the group, divided by the weighted average number of shares.

Consolidated balance sheet

(in 1,000 EUR)			30/06/07 IFRS	30/06/06 IFRS	30/06/05 IFRS
	Notes				
ASSETS					
NON-CURRENT ASSETS			454,174	469,946	269,881
Investment properties	19		436,376	467,182	268,584
Development projects	20		13,397	101	0
Other tangible assets	21		17	54	72
Non-current financial assets	22, 23		4,384	2,609	1,225
CURRENT ASSETS			23,028	13,713	5,080
Assets held for sale	19		9,483	0	0
Current financial assets	24		6,626	2,616	31
Trade receivables	25		4,000	4,697	2,357
Tax receivables and other current assets	26		252	357	425
Cash and cash equivalents	27		1,472	5,518	1,986
Deferred charges and accrued income	28		1,195	526	282
TOTAL ASSETS			477,202	483,659	274,960
LIABILITIES					
TOTAL SHAREHOLDER'S EQUITY	cfr. statement of mutation		272,046	262,555	188,019
SHAREHOLDER'S EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE MOTHER COMPANY			262,071	237,849	180,048
Capital	29		44,128	44,126	35,729
Share premium account	29		70,622	70,611	31,280
Own shares (-)	29		-12	0	0
Reserves	29		117,205	99,051	98,840
Result	29		34,934	30,597	22,202
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	31		-6,219	-6,910	-6,686
Change in fair value of financial assets and liabilities on financial assets available for sale	32		1,413	375	-1,317
on derivative financial instruments			336	0	0
			1,077	375	-1,317
MINORITY INTERESTS	33		9,975	24,706	7,970
LIABILITIES			205,156	221,104	86,942
NON-CURRENT LIABILITIES			88,943	95,581	31,898
Provisions	34		1,751	27	0
Non-current financial debts	35		86,300	94,800	29,800
Other non-current financial liabilities	36		33	82	1,443
Other non-current liabilities			859	672	656
CURRENT LIABILITIES			116,213	125,523	55,043
Provisions			0	0	0
Current financial debts	35		100,321	108,524	42,697
Trade debts and other current debts	37		6,698	8,529	5,494
Other current liabilities			1,125	1,004	885
Accrued charges and deferred income	38		8,069	7,466	5,967
TOTAL EQUITY AND LIABILITIES			477,202	483,659	274,960

Consolidated cash flow statement (see also note 27)

(in 1,000 EUR)	Notes	30/06/07	30/06/06	30/06/05
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	27	5,518	1,986	6,456
1. Cash flow from operating activities		12,551	11,200	9,704
Net results		35,520	23,325	13,118
Amendment of the profit for non-cash and non-operating elements		-18,511	-8,939	-2,899
Depreciations and write-downs		36	107	40
- Depreciations and write-downs on intangible and other tangible assets (+/-)		36	35	22
- Write-downs on current assets (+/-)		0	72	18
Other non-cash elements		-17,061	-9,045	-2,939
- Changes in fair value of investment properties (+/-)		-16,609	-3,712	-2,205
- Movements in provisions (+/-)		1,723	0	0
- Phasing of gratuities (+/-)		110	0	0
- Changes in the fair value of derivative financial instruments (+/-)		-959	0	0
- Other non-current transactions		-1,326	-5,333	0
- Write-back exit tax provision		0	0	-734
Non-operating elements		-1,486	0	0
Gains or losses on disposals of investment properties		-1,486	0	0
Change in working capital requirements:		-4,458	-3,187	-515
Movements in asset items:		-3,538	-3,889	-119
- Current financial assets		-3,670	-2,593	3
- Trade receivables		697	-1,527	40
- Tax receivables and other current assets		104	440	-335
- Deferred charges and accrued income		-669	-208	173
Movements in liability items:		-920	702	-396
- Trade debts and other current debts		-1,643	447	226
- Other current liabilities		120	119	-605
- Accrued charges and deferred income		603	137	-18
2. Cash flow from investment activities		12,547	-177,543	-8,080
Investment properties		28,614	-3,007	-728
Development projects		-1,910	-101	0
Other tangible assets		0	-16	-95
Non-current financial assets		-14,157	-212,534	-7,853
Effect in consolidation of new participations		0	38,115	596
3. Cash flow from financing activities		-29,144	169,877	-6,093
Change in financial liabilities and financial debts				
Increase (+) / Decrease (-) of financial debts		-16,703	135,243	-19,189
Increase (+) / Decrease (-) of other financial liabilities		0	-1,360	1,443
Change in other liabilities				
Increase (+) / Decrease (-) in other liabilities		0	16	0
Change in shareholder's equity (+/-)				
Variation of capital and share premium account (+/-)		14	47,728	23,820
Increase (+) / Decrease (-) of own shares		-12		
Dividend of the previous financial year		-12,443	-11,328	-10,557
Increase (+) / Decrease (-) in fair value of financial assets and liabilities				
- on derivative financial instruments		0	1,691	-1,317
Increase (+) / Decrease (-) of transaction costs		0	-2,114	-293
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	27	1,472	5,518	1,986

Statement of mutation of shareholder's equity

(in 1,000 EUR)	Capital	Share premium account	Own shares (-)	Reserves + Result	Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	Change in fair value of financial assets and liabilities	Shareholder's equity attributable to the shareholders of the parent company	Minority interests	Total shareholder's equity
Balance sheet under IFRS on 30/06/05	35,729	31,280	0	121,043	-6,686	-1,317	180,048	7,970	188,018
- Distribution of dividend of the previous financial year				-11,328			-11,328		-11,328
- Capital increase contribution in kind of Extensa Group SA portfolio	8,397	39,331					47,728		47,728
- Profit of the financial year 2005/2006				19,723			19,723		19,723
- Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties					-224		-224		-224
- Change in fair value of financial assets and liabilities						1,691	1,691		1,691
- Share in the result of Square de Meeûs 5-6 SA								1,756	1,756
- Participation Leasinvest Immo Lux SA								14,980	14,980
- Various				210			210		210
Balance sheet under IFRS on 30/06/06	44,126	70,611	0	129,648	-6,910	375	237,849	24,706	262,555
- Distribution of dividend of the previous financial year				-12,443			-12,443		-12,443
- Capital increase merger Square de Meeûs 5-6 SA	2	11					13		13
- Profit of the financial year 2006/2007				34,934			34,934	582	35,516
- Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties					691		691		691
- Change in fair value of financial assets and liabilities						1,038	1,038	4	1,042
- Various			-12				-12	-15,317	-15,329
Balance sheet under IFRS on 30/06/07	44,128	70,622	-12	152,139	-6,219	1,413	262,071	9,975	272,046

Note 1. General business information

Leasinvest Real Estate SCA ("the Company") is a real estate fund (sicafi /investment company with fixed capital), under Belgian Law, with its administrative offices in Antwerp.

The consolidated annual accounts of the Company of the financial year ending on 30/06/07 comprise the Company and its subsidiaries. The statutory and consolidated annual accounts were authorised for issue by the board of directors on 16/08/07 and will be proposed to the annual general meeting of shareholders for approval, on 15/10/07. The statutory annual accounts as well as the consolidated annual accounts are prepared according to IFRS.

Leasinvest Real Estate is included in the consolidation of Extensa Group SA, in its turn included in Ackermans & van Haaren SA.

I Note 2. Significant accounting principles

IFRS valuation rules

A. Statement of compliance

The consolidated financial statements are prepared in accordance with International Reporting Standards and IFRIC interpretations, entering into force as of 30/06/07, as adopted by the European Commission.

In accordance with IFRS 1, Leasinvest Real Estate (further « LRE ») has made use of the exemption from the requirement to restate comparative information in the opening balance as of 01/07/04 for the standards IAS 32 « Financial Instruments: Disclosure and Presentation » and IAS 39 « Financial Instruments: Recognition and Measurement ».

B. Basis of preparation

The consolidated financial statements are presented in Euro, rounded to the nearest thousand, except when otherwise indicated. The consolidated financial statements are prepared on the historical cost basis, except for financial instruments and assets stated at fair value. The opening balance sheet as of 01/07/04 is prepared in accordance with IFRS 1.

C. Basis of consolidation

The consolidated financial statements comprise the financial statements of LRE and its subsidiaries.

Subsidiaries

Subsidiaries are those enterprises controlled by the group. Control exists when LRE, directly or indirectly, via subsidiaries, holds more than half of the voting rights of an entity, unless, in exceptional circumstances, clearly can be demonstrated that these voting rights do not include governing power. Governing power is also present if LRE controls half or less than half of the voting rights, if it disposes of:

- a) the governing power on more than half of the voting rights based on an agreement with other investors;
- b) the governing power to govern the financial and operating policies of the entity, pursuant to the law or an agreement;
- c) the governing power to appoint or dismiss the majority of the members of the board of directors or the equivalent decision-making entity, and the governing power on the entity is held by that board of directors or decision-making entity; or
- d) the governing power to give the majority of the votes, during the meetings of the board of directors or the equivalent decision-making entity, and the governing power on the entity is held by that board of directors or decision-making entity.

The financial statements of subsidiaries are fully consolidated from the date of acquisition until the date that such control ceases.

The financial statements of the subsidiaries cover the same accounting period as these for LRE, using uniform IFRS accounting policies. All intra-group transactions, unrealized intra-group profits and losses on transactions between group entities are eliminated. Unrealized losses are eliminated in full, unless there is an evidence of impairment.

New acquisitions are accounted for by applying the purchase method, in accordance with IFRS 3.

D. Goodwill

Goodwill is the excess of the cost of the business combination over the group's interest in the fair value of the identifiable acquired assets, liabilities and contingent liabilities of the subsidiaries at the time of the acquisition. The cost of the business combination includes the price of acquisition and all directly attributable transaction costs.

Goodwill is not amortized, but has to be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

Negative goodwill (badwill):

Badwill or negative goodwill equals the amount by which the stake of the party acquiring, in the fair value of the acquired identifiable assets, liabilities and contingent liabilities, exceeds the price of the business combination on the date of the transaction. This negative goodwill has to be recorded in the results, immediately, by the party acquiring.

E. Intangible assets

Intangible assets with a finite useful life are carried at cost less any accumulated depreciation and any possible impairment losses. Intangible assets are depreciated over their estimated useful life using the straight-line method.

The estimated useful life, as well as the residual value is reviewed annually.

Intangible assets with an indefinite useful life also carried at cost, are not depreciated but are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

Formation expenses are recognized as expense when incurred.

F. Other tangible fixed assets

The other tangible fixed assets, excluding real estate, are carried at acquisition value less any accumulated depreciation and any possible impairment losses.

Other tangible fixed assets are depreciated using the straight-line method over their economic useful life. The estimated economic useful life, as well as the residual value is reviewed annually.

G. Investment properties

Investment properties are properties held to earn rental income for the long term and that are ready for letting. Investment properties are stated at fair value in accordance with IAS 40. After the acquisition of a building, every gain or loss arising from a change in fair value is recognized in profit or loss.

An external independent real estate valuer determines, upon request of management, every quarter, the investment value of the property, (this term corresponds to the previously used term 'investment value'), i.e. costs, transfer taxes and fees included. The valuers carry out their valuation on the basis of the method of calculating the present value of the rental income in accordance with the International Valuation Standards 2005, issued by the International Valuation Standards Committee as set out in the corresponding report.

In accordance with the opinion of the working group of the Belgian Association of Asset Managers "BEAMA", LRE applies the following principles to the investment value to determine the fair value:

1. For transactions relating to buildings in Belgium with an overall value lower than 2.5 million EUR, transfer taxes of 10% need to be taken into account (Flemish Region) or 12.5% (Brussels Capital and Walloon Region).
2. For transactions relating to buildings in Belgium with an overall value higher or equal to 2.5 million EUR, and considering the range of methods of property transfer that are used, the estimated transaction cost percentage for hypothetical disposal of investment properties is 2.5%.

It is the opinion of the statutory manager, Leasinvest Real Estate Management SA, that for the definition of the fair value of the real estate situated in the Grand Duchy of Luxembourg with a value higher than 2.5 million EUR, the fixed transfer taxes of 2.5% applicable on real estate in Belgium, can be applied.

Property investments are no longer recorded on the balance sheet when the investment property is disposed of or permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property are recognized in profit or loss in the year during which the retirement or disposal occurs.

Subsequent expenditure

The expenditure incurred by the owner to refurbish a property is accounted for in two different manners, depending on their nature.

The expenses relating to repair and maintenance that do not add additional functions, nor raise the level of comfort of the building, are accounted for as expenses of the ordinary activities of the financial year and are therefore deducted from the operational result.

On the other hand, charges related to renovations and significant improvements adding a function to the investment property or raising its level of comfort, in order to allow a raise of the rent and consequently of the estimated rental value, are recorded in the book value value of the concerned asset as far as an independent real estate valuer acknowledges a corresponding increase in value of the building.

H. Development projects

Development projects comprise lands and buildings under (re)development as a result of which, for a particular period, they only require investments without generating income.

During the development phase development projects shall be measured at its cost as the works progress. The cost of an item comprises the directly attributable costs including additional expenses such as registration charges and nondeductible VAT.

Interest costs related to the financing of the project shall be capitalised as part of the cost of the project, as far as they relate to the period prior to the accomplishment of the project.

To the extent that funds are borrowed generally to acquire assets, the amount of interests eligible for capitalisation shall be determined by applying a rate reflecting the average borrowing cost of the group during that period.

At the moment of completion of the project, the building will be transferred to the account investment properties and will be valued at fair value in accordance with IAS 40. The difference between the fair value and the cost value, at that date, shall be recognized in profit or loss.

At each closing, an assessment is made by an independent real estate valuer on whether the fair value of these projects exceeds their cost value. If not, an impairment is recorded.

I. Assets held for sale

The investment properties held for sale are presented separately in the balance sheet and are valued at the lowest value of the fair value or the sales price minus sales costs.

J. Impairment of fixed assets (excl. Investment properties)

Leasinvest Real Estate assesses at each reporting date whether there is any indication that an asset may be impaired. If such indication exists, an estimate will be made as to the recoverable amount of the asset.

An asset is impaired when the book value is higher than the recoverable value by reducing its book value with an exceptional depreciation amount to the respective recoverable value.

The recoverable value of an asset is defined as the highest of its fair value less sales costs (supposing a non-forced sale) or its value in use (based on the current value of the estimated future cash flows). The resulting impairment losses are recognized immediately in profit or loss.

Earlier booked impairment losses, except for goodwill and shares available for sale, are reversed through profit or loss if there has been a change in the valuation used to determine the recoverable value of the asset since the recognition of the last impairment loss. Earlier booked impairment losses for goodwill can not be reversed, earlier booked impairment losses for shares available for sale can, depending on the type of instrument, be reversed through shareholder's equity or profit or loss.

K. Financial instruments

Financial assets at fair value through profit or loss

The fair value changes of the financial assets recorded at fair value through the result, are taken into the income statement.

Financial assets available for sale

Financial assets available for sale and bonds are recorded at fair value. The fair value changes are recognized in equity until the time of the sale or the impairment loss, whereby the cumulated revaluation is taken into profit or loss.

When a decline in fair value of a financial asset available for sale is recognized in equity and there is objective evidence that the asset is impaired, cumulative loss previously recognized in equity, has to be removed from equity and recognized in profit or loss.

Financial assets held to maturity

Financial assets held to maturity are measured at amortized cost.

Interest-bearing loans and receivables

Interest-bearing loans are measured at amortized cost using the effective interest method whereby the difference between acquisition cost and the reimbursement value is recognized pro rata temporis in profit or loss based on the effective interest rate.

Long-term receivables are revalued based on their discounted value according to the current interest rate at the time of their emission.

Trade payables and receivables/ Other debts and receivables

These accounts are measured at par value, less impairment loss for uncollectible receivables.

Cash and cash equivalents

Cash and cash equivalents, consisting of cash at banks, cash in hand and short-term investments (< 3 months) are recognized at par value.

L. Derivative financial instruments

Leasinvest Real Estate uses financial instruments in order to hedge its exposure to interest rate risk arising from the operational, financial and investment activities.

Derivative financial instruments are recognized initially at cost and are revaluated to fair value at the subsequent reporting date.

Changes in fair value of derivative financial instruments, which are not formally attributed as derivative financial instrument or do not qualify for hedge accounting, are taken into profit or loss.

Cash flow hedges

The effective portion of gains or losses from fair value changes of derivative financial instruments, specifically attributed to hedge the exposure to variability in cash flows associated with a recognized asset or liability or a highly probable forecasted transaction, is recognized directly in equity. The ineffective portion is recognized in profit or loss.

The moment the forecasted transaction occurs, the cumulative gain or loss on the derivative financial instrument is taken out of equity and is reclassified into profit or loss.

If the hedge results in the recognition of a non-financial asset or a non-financial liability, the amounts recognized in equity are removed and included in the initial cost of the related non-financial asset or liability.

Cumulative gains or losses related to expired derivative financial instruments remain included in equity, for as long as it is probable that the forecasted transaction will occur. Such transactions are accounted for as explained in the above paragraph. When the hedged transaction is no longer probable, all cumulative unrealized gains or losses at that time, are taken into profit or loss.

M. Issued capital and reserves**Shares**

The costs relating to a capital transaction with the issuance of new shares are deducted from capital.

Repurchase of own shares

Repurchased own shares are deducted from equity at acquisition cost. A subsequent sale or disposal does not have an impact on result; gains and losses related to own shares are recognized directly in equity.

Dividends

Dividends are recognized as a liability when they are approved by the general meeting of shareholders.

N. Provisions

If LRE or a subsidiary has a (legal or indirect) obligation as a result of a past event, and it is probable that the settlement of this obligation will require an outflow of resources embodying economic benefits, and the amount of the obligation can be reliably estimated, a provision is recognized on balance sheet date.

In case the difference between par value and present value is material, a provision is recognized for the present value of the estimated expenses based on the discount rate, and taking into account the current market assessments of the time value of money and the risks specific to the liability.

If LRE expects that (some or all of) a provision will be reimbursed, for example under an insurance contract, the reimbursement is only recognized as a separate asset when it is virtually certain that it will be received.

The expense relating to any provision is presented in the income statement, net of any reimbursement.

O. Contingent assets and liabilities

Contingent assets and liabilities are disclosed, if their impact is material.

P. Taxes

Income tax

Income tax on the profit or loss for the financial year comprises current and deferred tax.

Both taxes are recognized in the income statement and under liabilities in the balance sheet, except to the extent that they relate to items recognized directly in equity, in which case they are recognized in equity. The tax amount is calculated based on the legal tax rates and tax legislation in force.

Deferred taxes are calculated using the balance sheet liability method, applied on the temporary differences between the book value of the recognized assets and liabilities and their fiscal value. Deferred taxes are recorded based on the expected taxes rates.

Deferred tax liabilities are recognized for all taxable temporary differences:

- except to the extent that the deferred tax liability arises from the original recognition of goodwill or the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction neither affects the accounting profit nor the taxable profit ;
- except in respect to taxable temporary differences associated to investments in subsidiaries, branches and associates, where the group is able to control the timing of the reversal of temporary difference and it is probable that temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carryforwards of unused tax credits or tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be offset. The book value of the deferred income tax assets is assessed at each balance sheet date and deducted to the extent that is no longer probable that sufficient taxable profit is available against which all or some of the deferred taxes can be offset.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the year when the temporary differences will be realized or settled, based on tax rates that have been enacted or substantively enacted at balance sheet date.

Exit tax

The exit tax is the tax on gains arising upon the merger of a real estate fund (sicafi) with an entity that is not a real estate fund (sicafi). When the latter first enters in the scope of consolidation, the exit tax is recorded as a liability. Every subsequent adjustment to the exit tax liability is recognized in the income statement.

Q. Discontinued operations

The assets, liabilities and net results of discontinued operations are separately reported under one heading in the consolidated balance sheet and the consolidated income statement. The same reporting is also valid for assets and liabilities held-for-sale.

R. Events after the balance sheet date

It is possible that certain events that occur after balance sheet date provide additional evidence over the financial position of an entity (adjusting events). This information permits the improvement of estimates and allows to better reflect the current situation on balance sheet date. These events require an adjustment of the balance sheet and the result. Other events after balance sheet data are disclosed if their impact is potentially important.

S. Earnings per share

The group calculates both basic and diluted earnings per share in accordance with IAS 33. Basic earning per share is calculated based on the weighted average number of outstanding shares during the year.

T. Revenue

Rental income comprises the gross rental income. Costs of gratuities and advantages granted to tenants are recorded as deduction of the rental income (through « rent free periods ») for the duration of the lease, defined as the period between the start and the first break.

U. Financial result

The net finance costs comprise the interest payable on loans, calculated using the effective interest rate method, as well as gains or losses on derivative financial instruments that are recognized in the income statement. Interest income is recognized in the income statement as it accrues, taking into account the effective yield of the asset. Dividend income is recognized in the income statement on the day that the dividend is declared.

V. Segment reporting

The primary segmentation splits up the group in two geographical segments, namely Belgium and the Grand Duchy of Luxembourg.

The secondary segmentation splits up the group based on the type of asset, namely offices, logistics and retail. Only key figures are presented for the secondary segmentation.

| Note 3. Financial risk management

Financing risk

The consolidated debt ratio of Leasinvest Real Estate amounted to 40.93% on 30/06/07 (30/06/06: 44.15%), which is considerably lower than the maximum allowed debt ratio of 65% as imposed by the RD of 21/06/06, which modified the RD of 10/04/95 on this matter.

Leasinvest Real Estate has the necessary long-term credit facilities and back-up lines for its commercial paper lines with its banks, to cover existing and future investment needs. These credit facilities and back-up lines enable Leasinvest Real Estate to hedge its financing risk, or in other words the risk that, for example, the commercial paper market should dry up and these short-term debts would therefore become due. All credit facilities contain covenants, which mainly relate to the status as real estate fund (bevak/sicafi) and the related maximum allowed debt ratio.

The liquidity risk is limited through, on the one hand, the diversification of the financing among different bankers and, on the other hand, by diversifying the expiry dates of the credit facilities.

As no reimbursement is provided in any of the credit facilities before the expiry date (these are namely "bullet loans"), the net cash flow of Leasinvest Real Estate is more than sufficient to cover the interest costs.

Leasinvest Real Estate aims at keeping its proportion between short term financing (through issuing commercial paper and bank advances) and long term bank loans at 50% - 50%. On 30/06/07 this proportion was 54% - 46%.

Interest rate risk

The hedging policy is intended to cover the interest rate risk for approximately 80% of the financial debts. Since Leasinvest Real Estate's debt financing is based on a floating interest rate, there is an interest rate risk if the interest rate would rise, which would increase the financing cost. This interest rate risk is hedged using derivative financial instruments such as spot and forward interest rate collars and interest rate swaps.

The expiry dates for the interest rate hedges lie between 2008 and 2013. On 30/06/07 86% of the financial debts was hedged. The fixed interest rates of the interest rate swaps lie between 3.15% and 3.87%, excluding the credit margin.

Rental and credit risk

Efforts are being made to reduce the relative importance of the largest tenants and obtain a better spread both in terms of the number of tenants and the sectors in which these tenants are active in order to limit the number of bad debts and bankruptcies by tenants. Our tenant spread by sector of our portfolio is good.

The main sectors are the services sector (30%), the financial institutions (18%), followed by public institutions, non-profit organisations and international professional associations (11%) on the one hand and retail and wholesale (11%) on the other hand.

Therefore the vulnerability of the real estate fund to losing a tenant due to the termination of the lease agreement or bankruptcy, for example, is reduced.

In addition, we look for creditworthy tenants and the signing of long-term lease agreements to ensure the recurrent rental income flow and therefore increase the duration of the lease agreements. For the financial year 2006/2007 the leases with break possibility within a year were limited, but important break possibilities are mainly to be found in the next financial year 2007/2008. 58% of the annual contractual rents are guaranteed until 30/06/10¹.

The creditworthiness of our tenants' portfolio is very good. This is proven by the fact that barely any write-offs were booked due to bad debts in the past financial years.

¹ For more information, see Note 5 of the Financial Statements and the real estate report.

Thanks to the dynamic management which led to new leases and lease extensions, the real estate fund (sicafi/bevak) succeeded in increasing the duration of the Luxembourg portfolio from 2.3 years to 4.1 years on 30/06/07. This duration is shorter than the duration of the Belgian portfolio, which amounts to 5.3 years (on 30/06/06: 5.6 years).

Tenant loyalty is very important to Leasinvest Real Estate. The tenants generate the rental income and define the vacancy. By a professional, dynamic and client-focused commercial and operational management we respond to tenant needs.

As a consequence, Leasinvest Real Estate performs better than the market with regard to the vacancy in specific market segments in Belgium and has a vacancy of 4.2% in its Brussels office portfolio, which is better than the global vacancy in the Brussels office market which amounted to 9.6%. The vacancy rate for the office market in the Grand Duchy of Luxembourg was 3.5% on 30/06/07, which corresponds approximately to the offices portfolio of Leasinvest Immo Lux. These conclusions can not be extended, as such, to the other market segments (logistics and retail).

| Note 4. Segment information

The primary segmentation splits up the group in two geographic segments, namely Belgium and the Grand Duchy of Luxembourg. The Luxembourg segment corresponds to the Leasinvest Immo Lux sicav portfolio.

The category “corporate” comprises all non-assigned fixed costs carried on group level, and the financing costs.

The secondary segmentation splits up the group based on the type of asset, namely offices, logistics (and semi-industrial) and retail. For the secondary segmentation, only key figures are presented.

4.1. Primary segmentation – geographical

4.1.1. Consolidated results (geographical segmentation)

(in 1,000 EUR)	Belgium		Luxembourg		Corporate		TOTAL	
	30-06-2007	30-06-2006	30-06-2007	30-06-2006	30-06-2007	30-06-2006	30-06-2007	30-06-2006
(+) Rental income	22,999		18,724	10,155	5,234		33,154	23,958
(+) Write-back of lease payments sold and discounted							0	0
(+/-) Related rental expenses			1				0	1
NET RENTAL INCOME	22,999	18,725	10,155	5,234	0	0	33,154	23,959
(+) Recovery of property charges	64	31	164				228	31
(+) Recovery income of charges and taxes normally payable by tenants on let properties	2,168	3,457					2,168	3,457
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	-143	-129					-143	-129
(-) Charges and taxes normally payable by tenants on let properties	-2,168	-3,500					-2,168	-3,500
(+/-) Other rental-related income and expenditure	-236						-236	0
PROPERTY RESULT	22,684	18,584	10,319	5,234	0	0	33,003	23,818
(-) Technical costs	-2,155	-2,152	-251				-2,406	-2,152
(-) Commercial costs	-400	-179					-400	-179
(-) Charges and taxes on unlet properties	-264	-693	-305	-326			-569	-1,019
(-) Property management costs	-2,004 ⁽¹⁾	-1,333		-161			-2,004	-1,494
(-) Other property charge	-263	-218	-251	-24			-514	-242
PROPERTY CHARGES	-5,086	-4,575	-807	-511	0	0	-5,893	-5,086
PROPERTY OPERATING RESULT	17,598	14,009	9,512	4,723	0	0	27,110	18,732
(-) Corporate operating charges					-1,944	-770	-1,944	-770
(+/-) Other current operating income and expenditure	797	433	286	4,900	-666	-99	417	5,234
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	18,395	14,442	9,798	9,623	-2,610	-869	25,583	23,195
(+/-) Gains or losses on disposals of investment properties	1,486	0	0	0	0	0	1,486	0
(+/-) Changes in fair value of investment properties	10,697	3,923	5,912	0	0	0	16,609	3,923
OPERATING RESULT	30,578	18,365	15,710	9,623	-2,610	-869	43,678	27,118
(+) Financial income					3,406	2,286	3,406	2,286
(-) Interest charges					-10,316	-4,592	-10,316	-4,592
(-) Other financial charges					-364	-700	-364	-700
FINANCIAL RESULT	0	0	0	0	-7,274	-3,006	-7,274	-3,006
PRE-TAX RESULT	30,578	18,365	15,710	9,623	-9,884	-3,875	36,404	24,112
(+/-) Corporate taxes					-469	-787	-469	-787
(+/-) Exit tax					-415	0	-415	0
TAXES	0	0	0	0	-884	-787	-884	-787
NET RESULT	30,578	18,365	15,710	9,623	-10,768	-4,662	35,520	23,325
Attributable to:								
Minority interests							586	3,602
Group shares							34,934	19,723

(1) The property management costs consist exclusively of the fee paid by Leasinvest Real Estate and its Belgian subsidiaries to the statutory manager Leasinvest Real Estate Management SA. This fee is calculated based on the consolidated real estate portfolio, i.e. including the portfolio situated in Luxembourg. Of the total fee paid by Leasinvest Real Estate during the financial year 2006/2007 0.6 million EUR is related to the Luxembourg real estate portfolio. The fee is however fully recorded in the Belgian segment because Leasinvest Real Estate is the actual debtor.

4.1.2. Consolidated balance sheet (geographical segmentation)

(in 1,000 EUR)	Belgium		Luxembourg		Corporate		TOTAL	
	30/06/07	30/06/06	30/06/07	30/06/06	30/06/07	30/06/06	30/06/07	30/06/06
ASSETS								
Investment properties	307,111	323,194	129,265	143,988			436,376	467,182
Development projects	1,742		11,655				13,397	
Assets held for sale			9,483				9,483	
Other assets	13,412	11,881	4,534	4,596			17,946	16,477
ASSETS PER SEGMENT	322,265	335,075	154,937	148,584	0	0	477,202	483,659
LIABILITIES								
Non-current financial liabilities					86,300	94,800	86,300	94,800
Current financial liabilities					100,321	108,524	100,321	108,524
Other liabilities	16,700	12,828	457	727	1,378	4,225	18,535	17,780
LIABILITIES PER SEGMENT	16,700	12,828	457	727	187,999	207,549	205,156	221,104
OTHER SEGMENT INFORMATION								
<i>Investment properties</i>								
investments			978	49,776	234	143,988	1,212	193,764
divestments			-27,649				-27,649	
<i>Development projects</i>								
investments			1,641		270		1,911	
<i>Other tangible assets (other)</i>								
investments				20				20
depreciations			-37	-33			-37	-33
disposals				-5				-5
net book value at the end of the financial year			17	54			17	54

In contradiction to the financial year 2005/2006 the **investments** were limited to 1.2 million EUR in investment properties and 1.9 million EUR in development projects. The investments in investment properties concern, among other things, the acquisition of the ground floor of the office building Axxes Business Park, building 1 situated in Merelbeke. The acquisition of the castle-farm "Torenhof" for an amount of 1.5 million EUR is recorded as development project as this building will be entirely renovated.

The investments in investment properties on 30/06/06 (193.8 million EUR) consist of, among other things, the acquisition of Leasinvest Immo Lux on the one hand and the three real estate companies of Extensa Group on the other hand. For more information on this subject we refer to the annual brochure of the financial year 2005/2006.

The **divestments** on 30/06/07 (27.6 million EUR) comprise mainly the sale, during the second semester of 2006/2007, of the building in Wommelgem (fair value on 30/06/06: 2.5 million EUR) and the sale of 2 office buildings part of "Extensa Square" in Brussels (fair value on 30/06/06: 25.1 million EUR).

4.1.3 Main key figures (geographical segmentation)

(in 1,000 EUR)	Belgium		Luxembourg		TOTAL	
	30/06/07	30/06/06	30/06/07	30/06/06	30/06/07	30/06/06
REAL ESTATE PORTFOLIO						
Fair value of the real estate portfolio	307,111	323,194	138,748	143,988	445,859	467,182
Investment value of the real estate portfolio	314,960	331,440	142,350	147,730	457,310	479,170
Yield (in fair value) of the segment	7.29%	7.53%	7.06%	7.26%	7.22%	7.45%
Yield (in investment value) of the segment	7.11%	7.35%	6.88%	7.08%	7.04%	7.26%
Total rentable surface (sqm)	221,460	235,935	44,787	48,651	266,247	284,586
Occupancy rate	97.00%	96.19%	97.03%	95.14%	97.01%	95.87%
Weighted average duration till first break possibility (# years)	5.3	5.6	4.1	2.3	4.9	4.6

The key figures of the real estate portfolio concern the buildings in operation recorded under the balance sheet items "Investment properties" and "Assets held for sale". The development projects, including, among other things, the building Bian in Luxembourg and the castle-farm Torenhof, are not included.

4.2. Secondary segment information – per type of asset

4.2.1. Main key figures

(in 1,000 EUR)	Offices		Logistics		Retail		TOTAL	
	30/06/07	30/06/06	30/06/07	30/06/06	30/06/07	30/06/06	30/06/07	30/06/06
Rental income	24,117	18,237	7,297	4,445	1,740	1,276	33,154	23,958
Fair value of the real estate portfolio	320,601	345,865	91,180	90,556	34,078	30,761	445,859	467,182
Investment value of the real estate portfolio	328,920	354,820	93,460	92,820	34,930	31,530	457,310	479,170
Yield (in fair value) of the segment	7.14%	7.41%	8.29%	8.21%	5.15%	5.65%	7.22%	7.45%
Yield (in investment value) of the segment	6.96%	7.22%	8.08%	8.01%	5.03%	5.51%	7.04%	7.26%
Occupancy rate	96.09%	95%	98.67%	97%	100%	100%	97.01%	95.87%
Weighted average duration till first break possibility (# years)	4.1	4.2	5.9	4.2	8.4	8.8	4.9	4.6

The real estate portfolio only consists of buildings in operation recorded under the balance sheet items “Investment properties” and “Assets held for sale” and do not include the development projects. As well the investments (1.2 million EUR) as the divestments (27.6 million EUR) of the investment properties took place in the segment “Offices”. Regarding the other assets, other than the real estate portfolio, it is irrelevant to apply the segmentation per type.

Note 5. Net rental result

(in 1,000 EUR)	30/06/07	30/06/06
Rental income	33,154	23,958
Rents	32,979	23,958
Guaranteed income		
Rent free periods	-110	
Rental incentives		
Indemnities for early termination of the leases	285	
Income from finance leases and comparable items		
Write-back of lease payments sold and discounted	0	0
Rental-related expenses	0	1
Rent payable on rented premises		
Write-downs on trade receivables		-14
Write-backs of write-downs on trade receivables		15
NET RENTAL RESULT	33,154	23,959

The increase of the rents by 37.7% are mainly the consequence of 12 months of rental income from Leasinvest Immo Lux (contribution on 30/06/06: 6 months) and the contribution of the companies acquired from Extensa Group (no contribution on 30/06/06).

The table below indicates how much of the rental income on an annual basis could drop, this is, if each tenant having a break possibility would also leave the building and no new rentals would occur.

(in 1,000 EUR)	30/06/07
Within one year	5,010
Between one and five years	17,171
More than five years	10,800
TOTAL	32,981

Note 6

(in 1,000 EUR)	30/06/07	30/06/06
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	-143	-129
Recovery of property charges	228	31
Compensations received for rental damage	228	31
Recovery of refurbishment costs at end of lease		
TOTAL	85	-98

Note 7

(in 1,000 EUR)	30/06/07	30/06/06
Recovery income of charges and taxes normally payable by tenants on let properties	2,168	3,457
Rebiling of rental charges paid by the landlord	325	463
Rebiling of taxes on let properties	1,843	2,994
Rental charges and taxes normally payable by tenants on let properties	-2,168	-3,500
Rental charges paid by the landlord	-325	-506
Taxes on let properties	-1,843	-2,994
RENTAL CHARGES BORNE BY THE LANDLORD ON LET PROPERTIES	0	-43

Under usual lease terms these charges and taxes are borne by the tenants through rebiling by the landlord. This concerns, among other things, the property taxes and other taxes. During the past financial year all charges and taxes, for the account of the tenant, have been rebilled.

Note 8: Technical costs

(in 1,000 EUR)	30/06/07	30/06/06
Recurring technical costs	-2,397	-2,059
Maintenance	-2,353	-2,033
Compensation for total guarantees		
Insurance premiums	-44	-26
Non-recurring technical costs	-9	-93
Major repairs (building contractors, architects, engineering, ...)		-76
Claims	-9	-17
TOTAL	-2,406	-2,152

Leasinvest Real Estate disposes of a ten year maintenance and renovation planning for the total portfolio. To ensure that the buildings keep responding to the increasing demands of comfort and image, each year a number of maintenance and renovation works are carried out. This mainly occurs when a new tenant enters the building.

Note 9: Commercial costs

(in 1,000 EUR)	30/06/07	30/06/06
Letting fees paid to real estate agents	-344	-128
Marketing expenses	-12	-4
Lawyer fees and legal expenses	-44	-46
TOTAL	-400	-179

The increase of fees paid to the real estate agents last year resulted in a further improvement of the occupancy rate. This namely rose from 95.87% on 30/06/06 to 97.01% on 30/06/07.

Note 10: Charges and taxes on unlet properties

(in 1,000 EUR)	30/06/07	30/06/06
Charges on unlet properties of the financial year	-449	-652
Property taxes on unlet properties	-120	-367
TOTAL	-569	-1.019

The charges on unlet properties are the charges related to vacant spaces, which can not be recuperated and are consequently to be borne by the owner. The decrease of these charges is also explained by the decreased vacancy of the buildings.

Note 11: Property management costs

(in 1,000 EUR)	30/06/07	30/06/06
External management costs	-2,004	-891
Costs of the internal management of the property	-603	-603
TOTAL	-2,004	-1,494

Leasinvest Real Estate has no own personnel. The statutory manager, Leasinvest Real Estate Management SA ("LREM"), is responsible for the management of the real estate fund (sicafi/bevak) and had a staff of eleven persons on 30/06/07 under the direction of the permanent representative (twelve in total).

The property management costs consist of the remuneration of the statutory manager, which is defined at p 0.415% of the investment value of the consolidated real estate portfolio, according to the articles of association.

Because the management fee of LREM for the past financial year, for an entire year, has been calculated based on a real estate portfolio including the buildings of Leasinvest Immo Lux and including the Extensa portfolio, the external management costs have significantly increased compared to the previous financial year.

Note 12: General corporate charges

(in 1,000 EUR)	30/06/07	30/06/06
ICB tax	-309	-186
Despositary	-146	-53
Auditor fees	-142	-26
Liquidity provider	-9	-9
Other expenses	-1,338	-496
TOTAL	-1,944	-770

The general corporate charges regroup the overhead costs of the company, which have as such nothing to do with the actual activity, namely generating rental income.

These are, among other things, the costs carried by the real estate fund (sicafi/bevak) as a legal, listed entity and are mainly related to all kinds of prescriptions/obligations regarding transparency, liquidity of the share and financial communication.

The considerable increase of the item other charges during the financial year 2006/2007 is due to unique consulting costs

Note 13: Result of disposal of investment properties

(in 1,000 EUR)	30/06/07	30/06/06
Net gains on investment properties (selling price – Transaction costs)	29,826	
Book value of real estate sold (fair value)	-27,649	
Write-back of impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-691	
TOTAL	1,486	0

The realised gains for the financial year ending on 30/06/07 are the result of the sale of Extensa Square in Evere and the sale of a smaller building situated Schranshoevebaan 18 in Wommelgem.

Because the fixed mutation costs, are deducted directly from the shareholder's equity through "Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties" on the acquisition of an investment property, these mutation costs must be deducted from the gain of the later disposal of the concerned real estate asset.

Note 14: Changes in fair value of property investment

(in 1,000 EUR)	30/06/07	30/06/06
Positive changes in fair value of investment properties	19,985	7,043
Negative changes in fair value of investment properties	-3,376	-3,120
TOTAL	16,609	3,923

The positive changes on 30/06/07 are mainly due to the buildings Route de Lennik in Anderlecht, Brixton Business Park, Avenue Louise 66 and the building Kennedy in Luxembourg.

The negative changes on 30/06/07 mainly relate to the building Bian in Luxembourg, which has been transferred, during the second half of the financial year, to the balance sheet item "Development projects" because of a full renovation.

Note 15: Financial income

(in 1,000 EUR)	30/06/07	30/06/06
Interests and dividends received	430	592
Income from finance leases and comparable items	14	45
Income from derivative financial instruments	2,002	1,015
Change in the fair value of financial assets	960	634
Net realised gains on the disposal of financial assets		
TOTAL	3,406	2,286

The interests and dividends received are almost exclusively interests from temporary, short term deposits of cash surplusses. The main part of the financial income consists of floated interests received from interest rate swaps, for which Leasinvest Real Estate always pays a fixed interest rate. This fixed interest rate can be found under the section "costs of derivative financial instruments" of the interest charges (see note 16).

The changes in the fair value of financial assets concern evolutions of the fair value of non-effective hedges (see Note 23).

Note 16: Interest charges

(in 1,000 EUR)	30/06/07	30/06/06
Nominal interest charges on loans	-8,397	-3,082
<i>Interest charges on non-current financial debts</i>	-4,371	-987
<i>Interest charges on current financial debts</i>	-4,026	-2,095
Re-composition of the nominal amount of the financial debts		
Costs of derivative financial instruments	-1,944	-1,414
Other interest charges	25	-96
TOTAL	-10,316	-4,592

The increase of the nominal interest charges on loans is a consequence of the financing charges of the acquisitions of Leasinvest Immo Lux and Leasinvest Immo Lux Conseil during the previous financial year, which are fully financed with bank debts. The bank debts have been partly reimbursed with the revenue of the sold buildings (Extensa Square and Wommelgem).

The costs of derivative financial instruments comprise, among other thing, the fixed interest rate which Leasinvest Real Estate pays within the framework of the interest rate swap's (see Note 15).

Note 17: Other financial charges

(in 1,000 EUR)	30/06/07	30/06/06
Bank costs and other commissions	-364	-700
TOTAL	-364	-700

Note 18: Income taxes

(in 1,000 EUR)	30/06/07	30/06/06
Parent company LRE	185	-439
Pre-tax result	26,980	24,112
Result exempted from income tax due to the sicafi regime	26,980	11,218
Taxable result based on non-deductible costs	361	510
Tax rate of 33.99%	-123	-167
Income tax provision	300	-300
Withholding tax		-9
Previous tax year adjustment	8	37
Subsidiaries	-654	-348
TOTAL	-469	-787

Real estate funds (sicafis) enjoy a special fiscal regime, which makes that corporate taxes are only applicable on non-deductible expenses and, on abnormal and benevolent advantages and special amounts.

Leasinvest Immo Lux, subsidiary of Leasinvest Real Estate, enjoys, as a sicav, a special fiscal regime in Luxembourg. The other subsidiaries, on the contrary, are subject to income tax.

Note 19: Investment properties and assets held for sale (fair value method)

(in 1,000 EUR)	Investment properties		Assets held for sale		TOTAL	
	30/06/07	30/06/06	30/06/07	30/06/06	30/06/07	30/06/06
Balance at the end of the previous financial year	467,182	268,584	0	0	467,182	268,584
Investments	1,212	193,764			1,212	193,764
Divestments	-27,649				-27,649	
Transfer from/(to) project development	-11,385				-11,385	
Transfer from/(to) other accounts	-8,780		8,780			
Increase/(decrease) in fair value	15,796	4,834	703		16,499	4,834
Balance at the end of the financial year	436,376	467,182	9,483	0	445,859	467,182

The divestments consist of the sale of two office buildings, part of "Extensa Square" in Evere, and the sale of an office building in Wommelgem. A net gain of 1.49 million EUR was realised on these sales (see Note 13).

The balance sheet item "Assets held for sale" comprises the building Aubépines in Luxembourg for which a sales agreement was signed at the beginning of July 2007.

The transfer to development projects concerns the building Bian in Luxembourg which is fully renovated (see Note 20).

The IAS 40 standard prescribes that the investment properties have to be recorded at their **fair value** in the financial statements. The fair value corresponds to the investment value as defined by an independent real estate expert, minus the transaction costs, the so-called « mutation costs ». For more information on this matter we refer to the valuation rules.

The **investment value** is the value as defined by an independent real estate expert, of which the mutation costs have not been deducted. This value corresponds to the price which a third party investor (or hypothetical buyer) would pay to acquire the real estate in order to benefit from the rental income and realise a yield on his investment.

The investment value of the real estate in operation, excluding the development projects, amounted to 457.31 million EUR on 30/06/07. Of the total transaction costs (11.45 million EUR), deducted from the investment value to calculate the fair value, 6.2 million EUR have been directly deducted from the shareholder's equity through the item « Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties », or 1.55 EUR per share.

Leasinvest Real Estate has no contractual obligations for the acquisition of investment properties on 30/06/07.

Note 20: Development projects

(in 1,000 EUR)	30/06/07	30/06/06
Balance at the end of the previous financial year	101	0
Capital expenditures	366	101
Investments	1,545	
Divestments		
Increase/(decrease) in fair value	11,385	
Transfer from/(to) investment properties		
Balance at the end of the financial year	13,397	101

Development projects comprise lands and buildings under (re)development as a result of which, for a particular period, they only require investments without generating income. The development projects are measured at cost.

For more details we refer to the valuation rules (Note 2).

The building Bian in the Grand Duchy of Luxembourg will be fully renovated during the financial year 2007/2008.

This explains the transfer of the building from the item "Investment properties" to "Development projects" (11.4 million EUR). The end of the works is foreseen by the end of 2008.

The investments concern the acquisition of the castle-farm "Torenhof" acquired for 1.5 million EUR.

This building is renovated and will be fully operational by the summer of 2008.

Note 21: Other tangible assets

(in 1,000 EUR)	30/06/07	30/06/06
Tangible assets for own use		
Other	17	54
Other tangible assets	17	54
<i>Changes in other tangible assets</i>		
Balance at the end of the previous financial year	54	72
Gross amount	109	94
Accumulated depreciations (-)	-55	-22
Accumulated extraordinary write-downs		
Investments		20
Transfers and disposals (-)		-5
Depreciations (-)	-37	-33
Balance at the end of the financial year	17	54

The item "Other tangible assets" consists specifically of "equipment" and is written off in a linear way over a period of three years (at 33.3%).

Note 22: Non-current financial assets

(in 1,000 EUR)	30/06/07	30/06/06
Available for sale		
Loans and receivables	128	163
Other	889	690
Derivative financial instruments	3,367	1,754
Participations in associated companies		3
TOTAL	4,384	2,609

The non-current financial assets mainly consist of derivative financial instruments recorded at fair value in the balance sheet, in accordance with IAS 39.

For more information we refer to Note 23.

Note 23: Derivative financial instruments

The entire risk policy of Leasinvest Real Estate is explained in Note 3.

In order to limit the risks of an increase of the floating interest rate, Leasinvest Real Estate has partially hedged its loans by acquiring the financial products listed below:

Type	Notional amount	Strike price	Duration
Options			
Spot options			
acquisition CAP	25,000,000	3.50%	2010
disposal FLOOR	25,000,000	1.70%	2010
acquisition CAP	40,000,000	5.00%	2011
disposal FLOOR	40,000,000	3.15%	2011
acquisition CAP	30,000,000	4.50%	2013
disposal FLOOR	30,000,000	3.00%	2013
acquisition CAP	10,000,000	4.75%	2013
disposal FLOOR	10,000,000	3.00%	2013
Forward start			
acquisition CAP	20,000,000	4.00%	2011
disposal FLOOR	20,000,000	2.00%	2011

Type	Notional amount	Fixed interest rate	Duration
Swaps			
IRS	20,000,000	3.38%	2009
IRS	20,000,000	3.15%	2008
IRS	15,000,000	3.87%	2011

Regarding the swaps, hedge accounting is followed and the effectiveness of the hedges has been proved. They concern cash flow hedges, hedging issued commercial paper at floating interest rates, reprised at short term intervals (typically three months or less). Regarding the accounting, we refer to the IFRS valuation rules.

The caps and floors are non-effective hedges, resulting in the fact that changes in the fair value are recorded in profit and loss.

The fair value of the derivative financial instruments is composed as follows :

(in 1,000 EUR)	30/06/07		30/06/06	
	Assets	Liabilities	Assets	Liabilities
Bought caps	2,289		1,379	
Sold floors		-33		-82
Interest Rate Swaps	1,077		375	
	3,366	-33	1,754	-82

Changes in the fair value of the hedge instruments:

(in 1,000 EUR)	
Effective part of the fair value (cfr. Section in the shareholder's equity) (see note 32)	
Balance on 30/06/06	375
Variation in the effective part of the fair value of derivative financial instruments	702
Balance on 30/06/07	1,077
Non-effective part of the fair value	
Balance on 30/06/06	598
Variation in the non-effective part of the fair value of derivative financial instruments	960
Balance on 30/06/07	1,558

Note 24: Financial current assets

(in 1,000 EUR)	30/06/07	30/06/06
Assets held to maturity		
Assets available for sale	6,599	2,588
Assets at fair value through profit or loss		
Loans and receivables	27	28
Others		
TOTAL	6,626	2,616

The item "Assets available for sale" consists, on the one hand, of an investment in an investment fund at the level of Leasinvest Immo Lux and, on the other hand, of a participation in Immo-Croissance, a Luxembourg collective investment company.

The Immo-Croissance shares have, in the meanwhile, been brought in by Leasinvest Real Estate in the public offering launched by the Baugur group.

| **Note 25: Trade receivables**

(in 1,000 EUR)	30/06/07	30/06/06
Trade receivables	3,050	3,309
To be invoiced	945	1,383
Doubtful receivables	5	5
TOTAL	4,000	4,697

| **Note 26: Tax receivables and other current assets**

(in 1,000 EUR)	30/06/07	30/06/06
Taxes	222	219
Salaries and social security		
Other	30	138
TOTAL	252	357

| **Note 27: Cash and cash equivalents (see also the consolidated cash flow statement)**

(in 1,000 EUR)	30/06/07	30/06/06
Cash	1,472	2,825
Cash equivalents		2,693
TOTAL	1,472	5,518

On 30/06/07 the cash and cash equivalents consist exclusively of bank accounts at financial institutions.
The cash equivalents on 30/06/06 also comprised short term deposits and subscriptions to commercial paper.
For the evolution of the cash and cash equivalents we refer to the cash flow statement.

| **Note 28: Deferred charges and accrued income – assets**

(in 1,000 EUR)	30/06/07	30/06/06
Accrued and not due rental income		
Rent free periods and incentives for appropriation		
Prepaid property charges	830	255
Prepaid interests and other financial charges	335	253
Other	30	18
TOTAL	1,195	526

I Note 29

A. Subscribed capital

a) Evolution subscribed capital since the creation of the real estate fund (sicafi/bevak)

Date		(in 1,000 EUR) Issued capital	Number of shares
31/12/98	Initial capital Brixton Zaventem	2,922	61,250
04/05/99	New number of shares ⁽¹⁾		864,808
07/05/99	Acquisition of own shares and annulment of the acquired shares		-24,603
08/06/99	Contribution in kind of the "Extensa buildings"	2,788	727,818
08/06/99	Contribution in kind of the Vierwinden Business Park	9,370	191,574
	Total before the offering	15,080	1,759,597
01/07/99	Capital increase	20,334	370,851
01/07/99	Merger with Brixton Louise	7,561	394,672
01/07/99	Merger with Kapex		4
01/07/99	Decrease of the capital	-15,209	
	Capital and number of shares after the offering	27,765	2,525,124
28/06/01	Contribution in kind buildings D4 and D5 of the Axxes Business Park	2,206	200,500
14/12/01	Contribution in kind D2 of the Axxes Business Park	1,152	104,742
28/11/03	Merger with Brussimmo		2
28/11/03	Merger with Ekiport		3
	Issued capital and number of issued shares on 30/06/04	31,123	2,830,371
23/12/04	Partial splitting-up (Montoyer 63)	4,606	418,850
	Issued capital and number of issued shares on 30/06/05	35,729	3,249,221
29/05/06	Contribution in kind of buildings Extensa-portfolio	8,397	763,407
	Issued capital and number of issued shares on 30/06/06	44,126	4,012,628
29/12/06	Merger with Square de Meeûs 5-6 SA	2	204
	Issued capital and number of issued shares on 30/06/07	44,128	4,012,832

(1) On 31/12/98 the registered capital of Brixton Zaventem amounted to 2,921,652 EUR, represented by 61,250 shares. On 04/05/99 it has been decided to divide the capital of Brixton Zaventem into 864,808 shares.

b) Categories of shares:

Leasinvest Real Estate has only one category of shares, namely ordinary shares. Holders of ordinary shares are entitled to receive the declared dividend and to one vote per share on the annual meetings of shareholders of Leasinvest Real Estate.

All shares are fully paid. The shares are bearer shares or registered shares or, in case of preliminary appointment of an account holder by the statutory manager, in the form of dematerialised titles.

For more information on the nature of the shares, see articles of association (Article 8).

c) Authorised capital:

The statutory manager is authorised to increase the registered capital on the dates and subject to the conditions he will define, in one or more instalments, for a total amount of 31,122,909.49 EUR.

More on this: see articles of association (Article 7).

d) Costs related to capital increases:

For the financial years ending on 30/06/06 and 30/06/07 no costs related to a capital transaction or issuing of new shares have been deducted from the capital.

B. Share premium accounts

(in 1,000 EUR)		
Date	Transaction	
28/06/01	Contribution in kind buildings D4 and D5 of the Axxes Business Park	7,710
14/12/01	Contribution in kind building D2 of the Axxes Business Park	4,356
23/12/04	Partial splitting-up (Montoyer 63)	19,214
	Share premium account on 30/06/05	31,280
29/05/06	Contribution in kind buildings Extensa-portfolio	39,331
	Share premium account on 30/06/06	70,611
29/12/06	Merger Square de Meeûs 5-6 SA	11
	Share premium account on 30/06/07	70,622

C. Result

(in 1,000 EUR)	30/06/07	30/06/06
Result to be carried forward	19,685	18,154
Proposed dividend	15,249	12,443
TOTAL	34,934	30,597

The consolidated net result, share of the group, of the financial year 2006/2007 amounted to 34.93 million EUR.

The board of directors of the statutory manager proposes to the ordinary general meeting of shareholders to distribute a gross dividend of 3.8 EUR, which results in a total dividend of 15.25 million EUR, based on the fact that all 4,012,832 shares are entitled to dividends.

D. Acquired own shares

Following the merger of Square de Meeûs 5-6 SA with Leasinvest Real Estate 204 new shares have been created, at present held by Leasinvest Services SA, a subsidiary of Leasinvest Real Estate.

| Note 30: Comments on the number of shares, dividends and profit per share

30.1. Changes in the number of shares

	30/06/07 Number of shares	30/06/06 Number of shares
Number of shares at the beginning of the financial year	4,012,628	3,249,221
Creation of new shares following the contribution in kind (part of) Extensa portfolio		763,407
Additional shares following the merger with Square de Meeûs	204	
Number of shares at the end of the financial year	4,012,832	4,012,628
Number of shares entitled to dividends	4,012,832	3,318,241
Weighted average number of shares at the end of the financial year	4,012,832	3,318,241

30.2. Calculation of the amount of the mandatory dividend distribution (according to the statutory annual accounts)

(in 1,000 EUR)	30/06/07	30/06/06
Net result according to the statutory annual accounts	26,973	11,075
+ Depreciations	36	35
+ Write-downs		72
+/- Other non-monetary elements	-3,501	1,800
+/- Result disposal of real estate	-1,486	
+/- Changes in the fair value of property investments	-9,926	-2,096
Adjusted result (A)	12,096	10,886
Net gains from the realisation of investment properties not exempt from the mandatory distribution (B)		
A+B	12,096	10,886
Minimum mandatory distribution (80%)	9,677	8,709
Dividend (proposal)	15,249	12,443

On 30/06/06 the minimum mandatory distribution had been calculated according to the RD of 10/04/95 and based on the statutory annual accounts drawn up according to Belgian accounting standards.

On 30/06/07 the minimum mandatory distribution has been calculated according to the RD of 21/06/06 and based on the statutory annual accounts drawn up, for the first time, according to IFRS standards, but without taking into account the net decrease of the debt.

30.3. Calculation of the profit and dividend per share

The calculation of the result per share on the closing date is based on the net profit, share of the group, and on the weighted average number of issued shares during the financial year and is calculated as follows:

		30/06/07	30/06/06
Net profit, share of the group (in 1,000 EUR)	(a)	34,934	19,723
Weighted average number of shares at the end of the financial year	(b)	4,012,832	3,318,241
Net profit, share of the group, per share (EUR) ⁽¹⁾	(a)/(b)	8.71	5.94
Distributable profit per share (EUR) ⁽²⁾		3.01	3.28
		proposal 2007	paid 2006
Gross dividend attributable to the ordinary shareholders (EUR)		15,248,762	12,443,404
Gross dividend per share (EUR) ⁽³⁾		3.80	3.75
Net dividend per share (EUR)		3.23	3.19

(1) The net profit per share, is the net result, share of the group, as published in the income statement, divided by the weighted average number of shares.

(2) The distributable profit per share is the amount that is taken into account to calculate the mandatory distribution, divided by the number of shares entitled to dividends, but without taking into account the net decrease of the debt.

(3) For the financial year ending on 30/06/07 a gross dividend of 3.8 EUR (net 3.23 EUR) will be proposed to the general meeting of shareholders of 15/10/07.

Note 31: Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties

(in 1,000 EUR)	30/06/07	30/06/06
Balance at the end of the previous financial year	-6,910	-6,686
Change in fair value of investment properties		-224
Impact of disposal of investment properties	691	
Balance at the end of the financial year	-6,219	-6,910

The fixed transaction costs, which are deducted from the investment value to obtain the fair value, are directly deducted from the shareholder's equity when acquiring an investment property.

The change in the financial year 2006/2007 concerns the write-back of transaction costs following the sale of the buildings Extensa Square and Wommelgem (see Note 13).

In order to be in accordance with the valuation rules, which define that each gain or loss, after the acquisition of a building, arising from a change in fair value, is recognized in profit or loss, the change in fair value of the financial year 2006/2007 and the related change in the transaction costs, has been entirely incorporated in the results, for the total current portfolio, and this, contrary to the previous financial year.

Note 32: Change in fair value of financial assets and liabilities

(in 1,000 EUR)	30/06/07	30/06/06
On financial assets available for sale	336	
On derivative financial instruments	1,077	375
TOTAL	1,413	375

Note 33: Minority interests

(in 1,000 EUR)			
Company	Percentage of participation	30/06/07	30/06/06
Leasinvest Immo Lux Sicav ⁽¹⁾	96.04%	9,973	14,980
Square de Meeûs 5-6 SA ⁽²⁾	-		9,723
Leasinvest Services SA	99%	2	3
Total minority interests		9,975	24,706
TOTAL SHAREHOLDER'S EQUITY		272,046	262,555

(1) The percentage of participation has increased from 90.12% on 30/06/06 to 96.04% on 30/06/07.

(2) Leasinvest Real Estate had a participation of 50.07% in Square de Meeûs 5-6 SA on 30/06/06. After the take over of the remaining 49.93%, Square de Meeûs 5-6 SA is merged with Leasinvest Real Estate.

Note 34: Provisions

(in 1,000 EUR)	Provisions for guarantees	Other provisions	TOTAL
Balance at the end of the previous financial year	0	27	27
Additional provisions	1,725		1,725
Amount of provisions used (-)		-1	-1
Write-back of unused provisions			
Balance at the end of the financial year	1,725	26	1,751

The provisions for guarantees concern the provisions for rental guarantees granted within the framework of the sale of the two buildings "Extensa Square".

Note 35: Financial debts

(in 1,000 EUR)	30/06/07	30/06/06
Non-current financial debts:		
Credit institutions	86,300	94,800
Current financial debts:		
Other	100,321	108,524
TOTAL	186,621	203,324

Breakdown according to the expiry date of the credit lines and their draw-downs

(in 1,000 EUR)	30/06/07				30/06/06			
	Debts with a residual duration of				Debts with a residual duration of			
	Less than 1 year	More than 1 year and less than 5 years	More than 5 years	Total	Less than 1 year	More than 1 year and less than 5 years	More than 5 years	Total
Non-current financial debts								
Credit lines	12,500	107,500	30,000	150,000		125,000	30,000	155,000
Credit draw-downs		56,300	30,000	86,300		64,800	30,000	94,800
% share	0.0%	52.4%	100.0%	57.5%		51.8%	100.0%	61.2%
Current financial debts								
Commercial Paper program			210,000	210,000			160,000	160,000
Commercial Paper draw-downs	100,321			100,321	108,524			108,524
Back-up credit lines	64,100	40,000		104,100	54,100	50,000		104,100
Back-up credit draw-downs	0	0		0	0	0		0
% share CP / backup credit lines				96.4%				104.2%
% share CP / CP program				47.8%				67.8%

All credit lines are based on a floating interest rate, for which the interest risk is mainly covered by derivative financial instruments. For more details we refer to Note 23 (Derivative financial instruments).

Note 36: Other non-current financial liabilities

(in 1,000 EUR)	30/06/07	30/06/06
Derivative financial instruments	33	82
Other		
TOTAL	33	82

Note 37: Trade debts and other current debts

(in 1,000 EUR)	30/06/07	30/06/06
Exit tax	0	2,450
Other		
Suppliers	3,228	5,022
Taxes, salaries and social security	3,470	1,057
TOTAL	6,698	8,529

Note 38: Accrued charges and deferred income - liabilities

(in 1,000 EUR)	30/06/07	30/06/06
Property income received in advance	6,434	6,472
Interests and other charges accrued and not due	1,344	609
Other	291	385
TOTAL	8,069	7,466

| Note 39: Contingent liabilities

The tenants of the following buildings dispose of a call option at market value at the end of their leases, from Leasinvest Real Estate: the office building situated route de Lennik 451 in Anderlecht, the office building “Motstraat 30-32” in Malines and the distribution centre situated in Tongres (SKF).

Within the framework of the sale of the 2 buildings “Extensa Square” during the past financial year 2006/2007 a rental guarantee has been granted by Leasinvest Real Estate for a maximum amount of 2.1 million EUR. In relation to this risk, the accounts of Leasinvest Real Estate contain a provision of 1.7 million EUR on 30/06/07 (see Note 34).

| Note 40: Company acquisitions

The company acquisitions of Leasinvest Real Estate during the past financial year 2006/2007 are the following:

- increase of the participation in Leasinvest Immo Lux from 90.12% on 30/06/06 to 96.04% on 30/06/07 (+ 5.9%);
- increase of the participation in Square de Meeûs 5-6 SA from 50.07% to 100% (+ 49.93%), followed by a merger by acquisition.

As well Square de Meeûs 5-6 SA as Leasinvest Immo Lux have been fully consolidated in the previous financial year 2005/2006 by which the increase of the participations only leads to a decrease of the minority interests.

Both increases of the participations concern “business combinations”, incorporated in the financial statements according to the “purchase method” in accordance with IFRS 3.

Increase of participation in Leasinvest Immo Lux

During the financial year Leasinvest Real Estate has acquired, via different transactions, additional Leasinvest Immo Lux shares on the stock market; as a consequence, its stake in Leasinvest Immo Lux has risen to 96.04% on 30/06/07.

As the acquisition price (5.1 million EUR) of the acquired shares was lower than the net asset value⁽¹⁾ (5.3 million EUR), a goodwill of 0.2 million EUR has been realised, recognized in profit and loss, according to IFRS 3.

Increase of participation in Square de Meeûs 5-6 SA

In August 2006 Leasinvest Real Estate has become a 100% shareholder of Square de Meeûs 5-6 SA by two consecutive transactions. As the acquisition price (8.9 million EUR) was lower than the net asset value (9.7 million EUR)⁽¹⁾, a goodwill of 0.8 million EUR was realised, recognized in profit and loss, according to IFRS 3.

Consequently, in December 2006 was proceeded to a merger by acquisition of Square de Meeûs 5-6 SA. This merger had practically no impact on the consolidated figures of Leasinvest Real Estate.

(1) The net asset value corresponds to the revalued shareholder's equity based on the fair value.

| Note 41: Consolidation scope

The subsidiaries mentioned below are all part of the consolidation scope using the full consolidation method.

This consists in incorporating the entire assets and liabilities, on 30 June, as well as the results of the subsidiaries. The minority interests are recorded under a separate caption in the balance sheet and the income statement.

Name & address of the administrative offices	VAT or national number	Directly or indirectly part of the capital in ownership and voting rights (in%)		Annual accounts per
		30/06/07	30/06/06	
Leasinvest Services SA⁽¹⁾ Mechelsesteenweg 34/8 -2018 Antwerp	BE 878.901.063	99%	99%	30 June
Warehouse Finance SA Mechelsesteenweg 34/8 -2018 Antwerp	BE 419.819.463	100%	100%	31 December
De Leewe SA Mechelsesteenweg 34/8 -2018 Antwerp	BE 457.482.583	100%	100%	31 December
Logistics Finance I SA Mechelsesteenweg 34/8 -2018 Antwerp	BE 418.979.325	100%	100%	31 December
Leasinvest Immo Lux SA 69, Route d'Esch - L-2953 Luxembourg	LU 16372655	96.04%	90.12%	31 December
Leasinvest Immo Lux Conseil SA 69, Route d'Esch - L-2953 Luxembourg	LU 10355144	100%	100%	31 december
Square de Meeûs 5-6 SA⁽²⁾ Tervurenlaan 72 - 1040 Brussels	BE 866.486.251	-	50.07%	

(1) First closing of the financial year on 30/06/07. Previously Leasinvest Real Estate Facility Services SA.

(2) At the beginning of the financial year 2006/2007 Leasinvest Real Estate became a 100% shareholder of Square de Meeûs 5-6 SA. Consequently, in December 2006 was proceeded to a merger by absorption.

Note 42: Related party transactions

The statutory manager Leasinvest Real Estate Management SA employs the personnel and receives an annual management fee of 0.415% on the consolidated investment value of the portfolio, including the real estate portfolio of Leasinvest Immo Lux. The remuneration for the financial year 2006/2007 amounted to 2 million EUR.

Further, there have been no related party transactions during the past financial year.

Note 43: Remuneration of the auditor Ernst & Young (excl VAT)

(in 1,000 EUR)	Leasinvest Real Estate	Subsidiaries	Total 30/06/07
Remuneration of the auditor for the audit mandate	28	26	54
Remuneration for extraordinary activities or special assignments:			
- Other control assignments	50	3	53
- Tax consulting	3	12	15
Other than audit assignments			0
TOTAL	81	41	122

The remuneration for other control assignments carried out by Ernst & Young at the level of Leasinvest Real Estate comprise a fee paid for the merger Square de Meeûs 5-6 SA (15,000 EUR), a fee paid for auditing the pro forma financial information incorporated in the annual brochure 2005/2006 (15,000 EUR) and, finally, an additional fee for IFRS-activities during the financial year 2005/2006 (20,000 EUR).

Note 44: Events after the closing of the balance sheet

On 4 July 2007 Leasinvest Immo Lux has sold the building 'Aubépines' situated in the Grand Duchy of Luxembourg to the 'Commission de Surveillance du Secteur Financier (CSSF)', the Luxembourg supervising authority of the bank sector. On this sale, a gain of 3.7 million EUR was realised.

| Report of the auditor

Statutory auditor's report to the general meeting on the consolidated financial statements for the year ended June 30, 2007

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report contains our opinion on the consolidated financial statements as well as the required additional comments.

Unqualified opinion on the consolidated financial statements

We have audited the consolidated financial statements of Leasinvest Real Estate Comm. V.A. and its subsidiaries (collectively referred to as 'the Group') for the year ended June 30, 2007, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated balance sheet as at June 30, 2007, and the consolidated statements of income, changes in equity and cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 477,202,000 EUR and the consolidated statement of income shows a profit for the year, share of the Group, of 34,934,000 EUR.

Responsibility of the group's administrative and accounting organisation for the preparation and fair presentation of the consolidated financial statements

The group's administrative and accounting organisation is responsible for the preparation and fair presentation of the consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the Group and the presentation of the consolidated financial statements, taken as a whole. Finally, we have obtained from the group's administrative and accounting organisation and the Group's officials the explanations and information necessary for executing our audit procedures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended June 30, 2007 give a true and fair view of the Group's financial position as at June 30, 2007 and of the results of its operations and its cash flows in accordance with IFRS as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Additional comments

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the group's administrative and accounting organisation.

Our responsibility is to include in our report the following additional comments, which do not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements deals with the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the entities included in the consolidation are facing, and on their financial situation, their foreseeable evolution or the significant influence of certain facts on their future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 17/09/07

Ernst & Young Reviseurs d'Entreprises SCCRL
Statutory auditor
represented by

Christel Weymeersch
Partner

Statutory annual accounts

Hereafter an abbreviated version of the statutory annual accounts of Leasinvest Real Estate is presented.

The complete annual accounts together with the annual report and the report of the auditor are filed with the National Bank of Belgium and these documents may be consulted at the company's office and can be obtained for free, upon simple request.

They can also be consulted on the Leasinvest Real Estate website (www.leasinvest.be).

The RD of 21/06/06 fixes the application of IFRS for the drawing up of the statutory annual accounts as from the financial years beginning on or after 01/01/07. To the sicafis, the possibility is given to apply IFRS already as from the financial years beginning on or after 01/01/05. The manager of Leasinvest Real Estate has decided to bring its statutory annual accounts under IFRS as from the financial year 2006/2007, thus earlier than required.

The auditor has approved our statutory annual accounts without reservations.

(in 1,000 EUR)	30/06/07 IFRS	30/06/06 IFRS
Rental income	19,356	17,548
Write-back of lease payments sold and discounted		
Related rental expenses		1
NET RENTAL INCOME	19,356	17,549
Recovery of property charges	64	31
Recovery income of charges and taxes normally payable by tenants on let properties	1,851	2,916
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	-143	-129
Charges and taxes normally payable by tenants on let properties	-1,851	-2,916
Other rental-related income and expenditure	-236	
PROPERTY RESULT	19,041	17,451
Technical costs	-2,115	-2,076
Commercial costs	-393	-179
Charges and taxes on unlet properties	-264	-693
Property management costs	-1,801	-1,301
Other property charges	-245	-189
PROPERTY CHARGES	-4,818	-4,438
PROPERTY OPERATING RESULT	14,223	13,013
Corporate operating charges	-1,390	-723
Other current operating income and expenditure	2,959	-1,796
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	15,792	10,494
Results on disposals of investment properties	1,486	
Changes in fair value of investment properties	9,926	2,096
OPERATING RESULT	27,204	12,590
Financial income	11,936	4,633
Interest charges	-11,830	-4,593
Other financial charges	-330	-476
FINANCIAL RESULT	-224	-436
PRE-TAX RESULT	26,980	12,154
Corporate taxes	58	-439
Exit tax	-65	
TAXES	-7	-439
NET RESULT	26,973	11,715

In the financial year 2006/2007 Leasinvest Real Estate became a 100% shareholder of Square de Meeûs 5-6 SA.

Consequently, in December 2006 was proceeded to a merger by acquisition, with retroactive effect on the accounts as from 01/07/06.

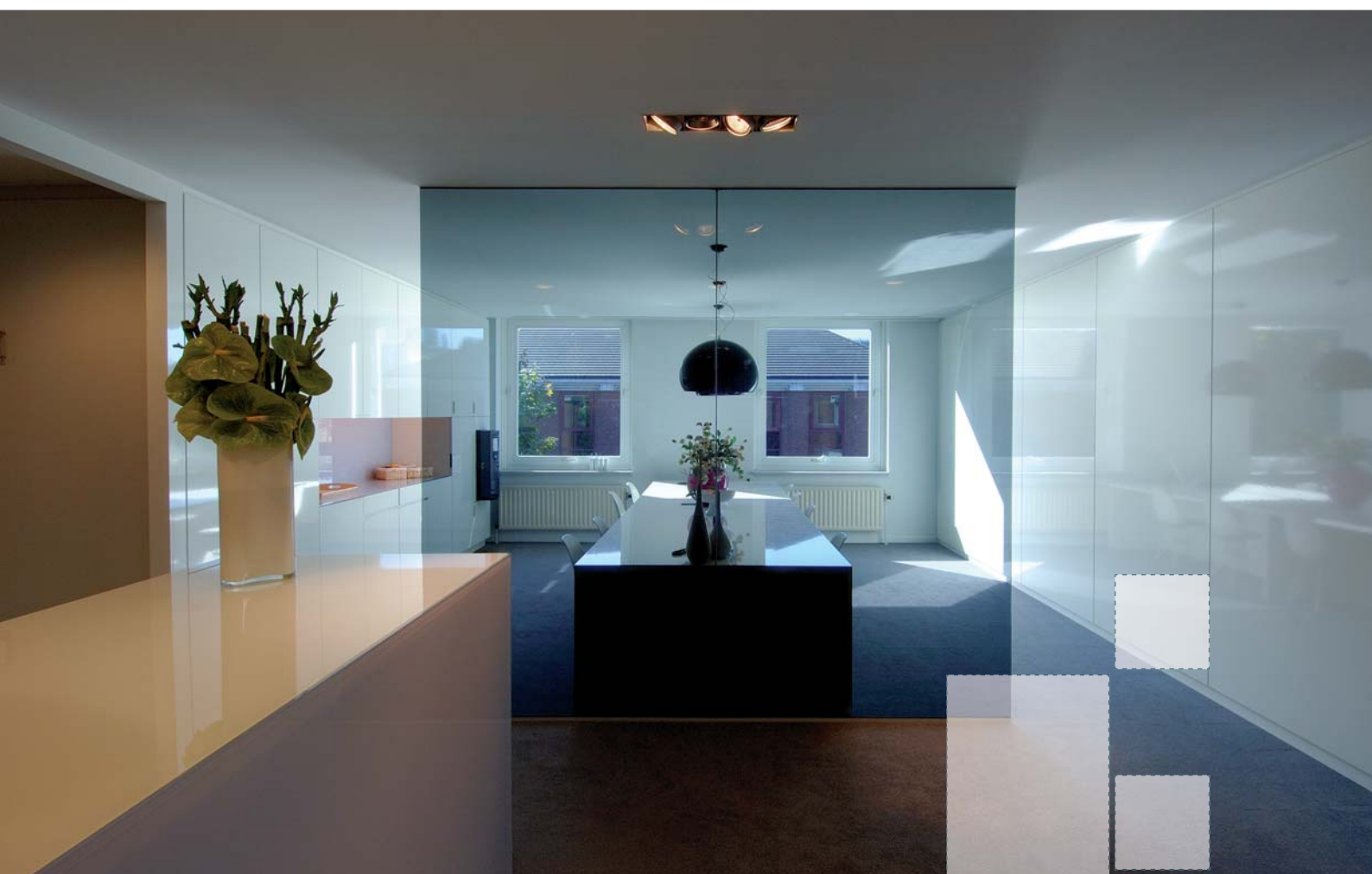
This implies that from an accounting perspective all operations realised by Square de Meeûs 5-6 SA since 01/07/06 are considered to be completed for the account of Leasinvest Real Estate.

Balance sheet

(in 1,000 EUR)	30/06/07 IFRS	30/06/06 IFRS
ASSETS		
NON-CURRENT ASSETS	481,489	479,802
Investment properties	259,218	258,180
Development projects	1,545	
Other tangible assets	17	54
Non-current financial assets	220,709	221,568
CURRENT ASSETS	9,516	7,079
Assets held for sale		
Current financial assets	4,847	2,588
Trade receivables	3,613	3,747
Tax receivables and other current assets	30	30
Cash and cash equivalents	614	383
Deferred charges and accrued income	412	331
TOTAL ASSETS	491,005	486,881
LIABILITIES		
TOTAL SHAREHOLDER'S EQUITY	245,635	229,460
Capital	44,128	44,126
Share premium account	70,622	70,611
Acquired own securities (-)		
Reserves	110,641	100,715
<i>Legal reserves</i>	602	602
<i>Non-distributable reserves</i>	84,883	86,679
<i>Available reserves</i>	25,156	13,434
Result	24,857	20,254
<i>Results carried forward from previous financial years</i>	7,810	10,635
<i>Result of the financial year</i>	17,047	9,619
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-5,929	-6,620
Change in fair value of financial assets and liabilities On derivative financial instruments	1,316	375
LIABILITIES	245,370	257,421
NON-CURRENT LIABILITIES	88,843	133,229
Provisions	1,725	
Non-current financial debts	86,300	132,475
Other non-current financial liabilities	33	82
Other non-current liabilities	785	672
CURRENT LIABILITIES	156,527	124,192
Provisions		
Current financial debts	144,343	113,108
Trade debts and other current debts	4,019	4,803
Other current liabilities	1,002	880
Accrued charges and deferred income	7,163	5,400
TOTAL EQUITY AND LIABILITIES	491,005	486,881

The filed statutory annual accounts of the financial year 2005/2006 were drawn up according to Belgian accounting legislation. Nevertheless, for reasons of comparability with the consolidated annual accounts, restated statutory IFRS-figures have been incorporated in the annual brochure 2005/2006.

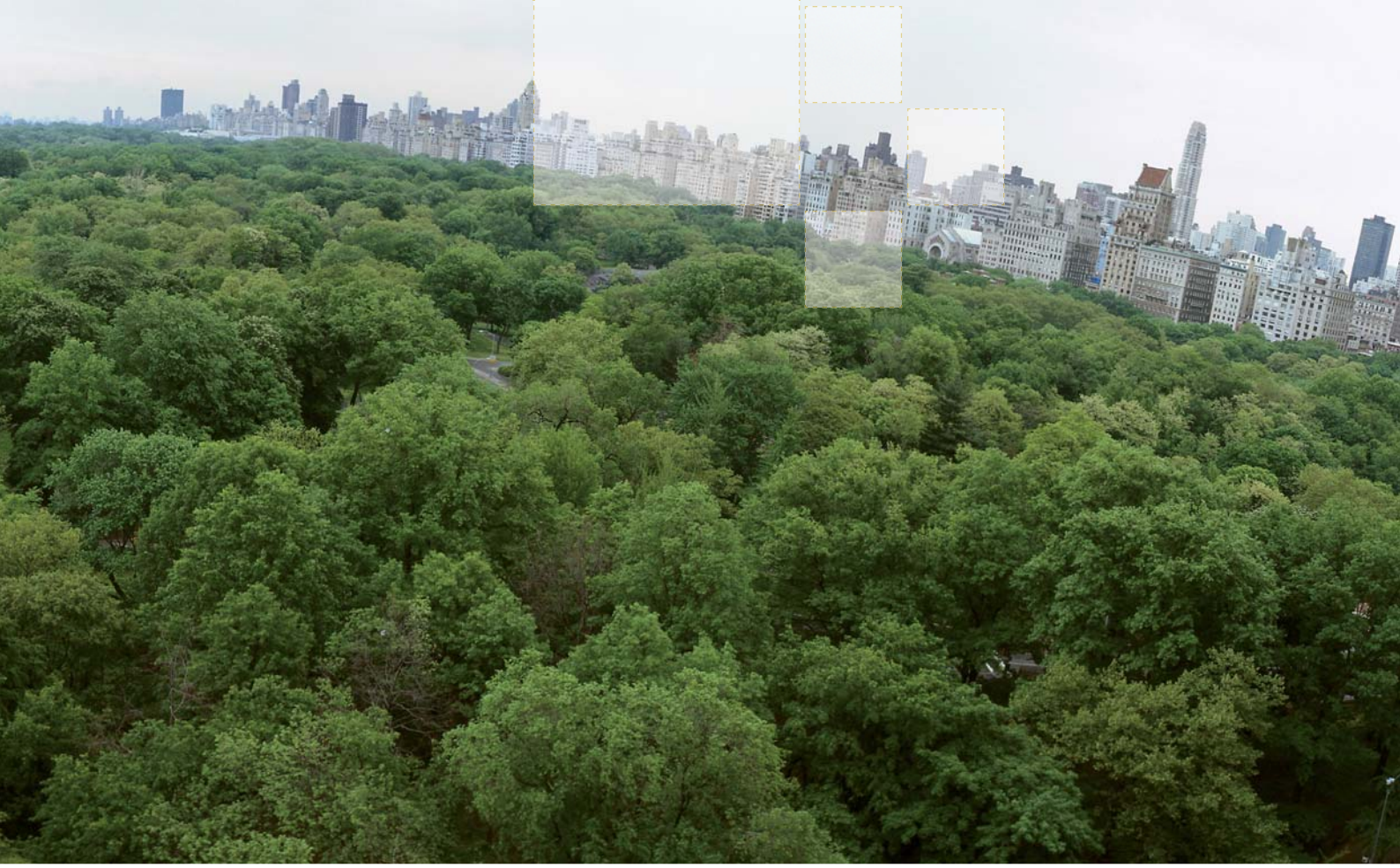
For the impact of the main differences between the Belgian accounting legislation and IFRS and the reconciliation of the shareholder's equity and the result we refer to the annual brochure 2005/2006.



Riverside Business Park
Anderlecht, Belgium



Leasinvest Real Estate on the stock exchange



8.1 Financial calendar

Financial calendar (financial year 2006/2007)

General meeting	15/10/07
Analysts' meeting year results	15/10/07
Dividend payable from	22/10/07

Financial calendar (financial year 2007/2008)

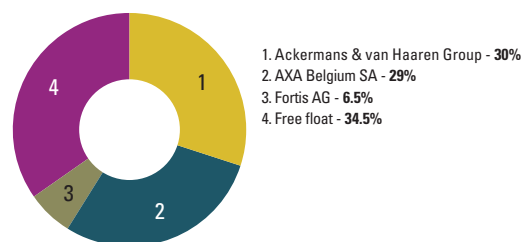
Trading update Q1 (30/09/07)	23/11/07
Announcement of half-year results (31/12/07)	22/02/08
Analysts' meeting half-year results	28/02/08
Trading update Q3 (31/03/08)	16/05/08
Announcement of year results (30/06/08)	22/08/08
Analysts' meeting year results	04/09/08
General meeting	20/10/08
Dividend payable from	27/10/08

8.2 Shareholder structure

The shares of Leasinvest Real Estate are listed on Euronext Brussels in Belgium.

Number of listed shares (4,012,832)¹

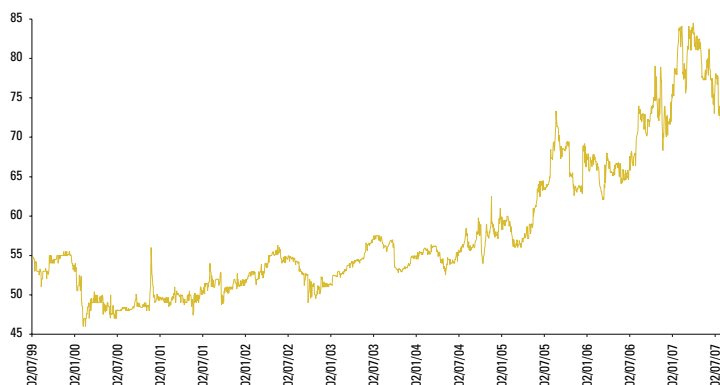
The number of listed shares on 30/06/06 amounted to 4,012,628. Following the merger by absorption of Square de Meeûs 5-6 SA 204 new shares were created. Leasinvest Real Estate Management SA had 6 shares of Leasinvest Real Estate on 30/06/06.



¹ In the periodical press releases and trading updates, the net asset value per share is communicated.

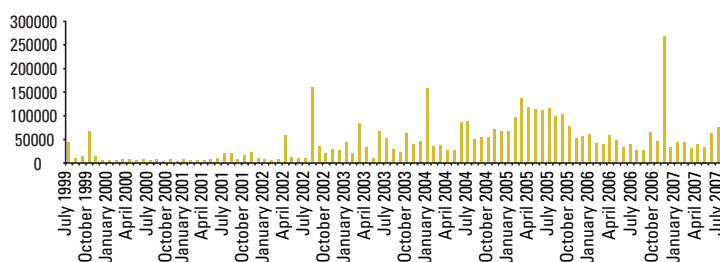
8.3 Key figures of the share on the stock market

Evolution of the share price since the IPO on 02/07/99



The share price of the Leasinvest Real Estate share reached peak levels at the beginning of 2007. The highest price ever recorded since the IPO was reached on 26/03/07, namely 85 EUR. The average share price of the financial year 2006/2007 amounted to 75.96 EUR and the lowest share price to 64.55 EUR (05/07/06). Since mid July 2007 the Leasinvest Real Estate share price knew a decrease due to the general malaise on the stock market.

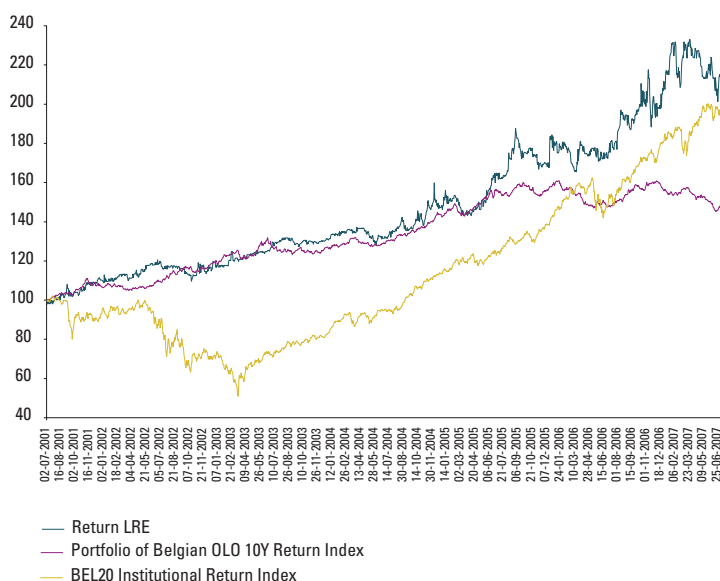
Monthly volume of the Leasinvest Real Estate share since the IPO on 02/07/99



The results in terms of traded volume and turnover of the Leasinvest Real Estate share have increased this year, compared to the previous year. The average transaction volume per month amounted to 60,073 shares, compared to 58,894 shares the previous financial year. On an annual basis, a total of 2% more shares were treated compared with the previous year, namely 720,881 shares (706,725 shares for the financial year 2005/2006).

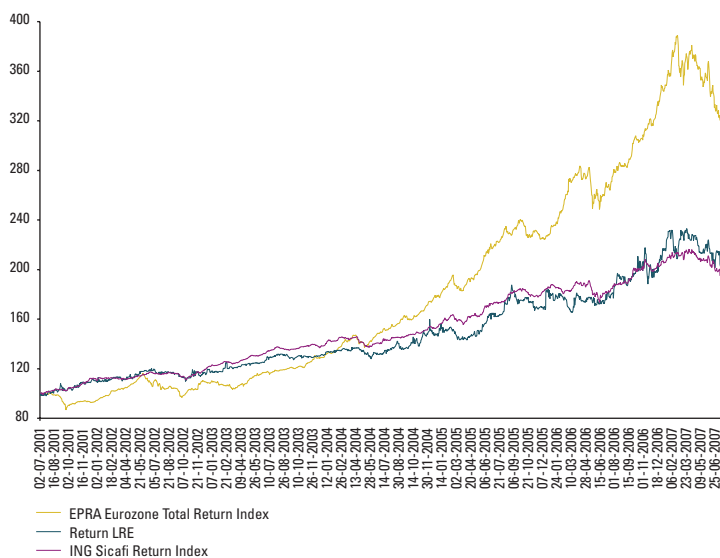
Notwithstanding the increased traded volume of the share, the velocity in the financial year 2006/2007 decreased from 21.75% (30/06/06) naar 17.96%. This is explained by the increase of the number of listed shares from 3,249,221 on 30/06/06 to 4,012,832 on 30/06/07.

Comparison of return of Leasinvest Real Estate with the return on Bel20 and OLO 10Y Return Index²



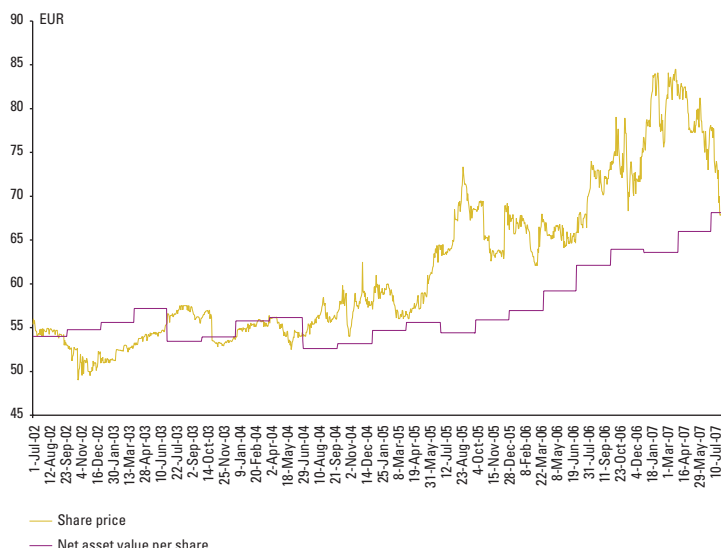
The return of the Leasinvest Real Estate share, the BEL20 Index and the Portfolio of Belgian OLO 10Y Return Index are shown on this graph as base 100 on 02/07/01. The return of Leasinvest Real Estate permanently exceeds the return of the BEL20 Index over the last 6 financial years. Since June 2005 Leasinvest Real Estate records, systematically, a higher return than the OLO 10Y index.

Comparison of return of Leasinvest Real Estate with the return of the EPRA Eurozone Total Return and ING Sicafi Return Indexes²



² Indexes to consult in the financial newspapers, i.e. l'Echo and De Tijd in the stock market pages.

Price premium / discount Leasinvest Real Estate share since 01/07/02 compared with net asset value



Since the beginning of the financial year 2004/2005 the Leasinvest Real Estate share recorded, continually, at a premium, which amounted to an average of 17% for the financial year 2005/2006 and 18.9% for the financial year 2006/2007. This phenomenon is typical for the European real estate sector.

Following the general malaise on the stock market, caused by the American real estate crisis, the share recorded temporarily, at the end of July 2007, at a slight discount compared with the net asset value per share (including dividend).

8.4 Analysts' coverage

Jean-Baptiste Van Ex

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Rue de l'Industrie 44, B-1040 Bruxelles
T +32 2 287 91 11, F +32 2 230 67 00
E jeanbaptiste.vanex@degroof.be
Last advice (06/08/07): hold

Mickaël Van den Hauwe

Dexia Banque
Avenue Galilée 5, 1210 Bruxelles
T +32 2 222 11 11, F +32 2 222 33 95
E mickael.vandenhauwe@dexia.be
Last advice (27/06/07): sell

Herman van der Loos

ING Wholesale Banking
Avenue Marnix 24, B-1000 Bruxelles
T + 32 2 547 25 09, F +32 2 547 70 88
E herman.van-der-loos@ing.be
Last advice (28/06/07): buy

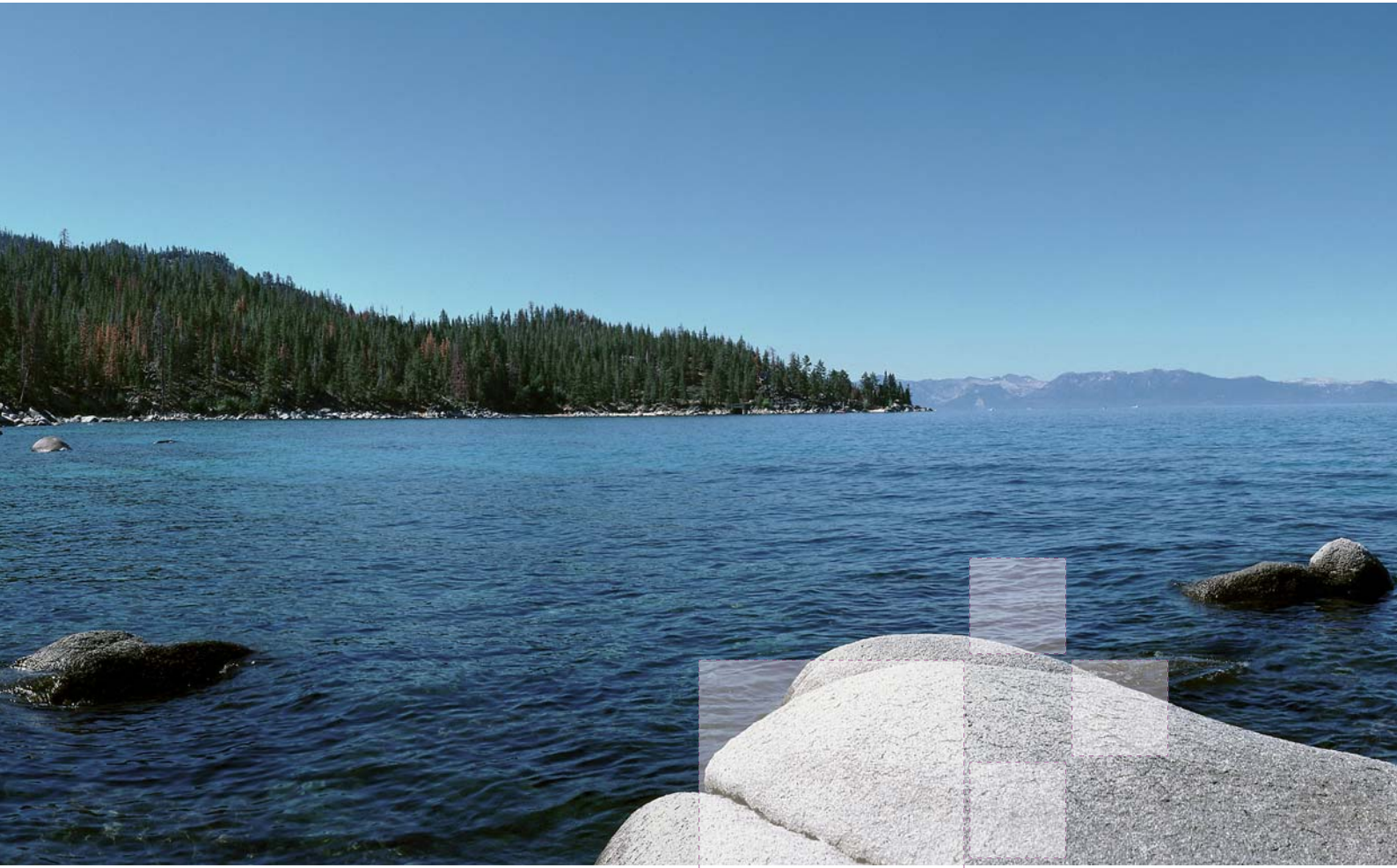
Albert Buysing-Damste

Fortis Bank Nederland
Rokin 55
1012 KK Amsterdam, The Netherlands
T +31 20 535 70 88, F +31 20 527 19 30
E albert.buysing-damste@nl.fortis.com
Last advice (17/01/07): hold



Brixton Business Park
Zaventem, Belgium





Glossary



9.1 Real estate fund (sicafi/bevak)

The main characteristics of a SICAF Immobilière are as follows (RD of 10/04/95):

- closed-end fixed capital real estate investment company
- stock exchange listing
- activity limited to real estate investment
- risk diversification: no more than 20% of total assets may be invested in a single property. In certain cases a derogation can be obtained by the Banking, Finance and Insurance Commission; such a derogation has until present not been granted to Leasinvest Real Estate.
- debt ratio limited to 65% of the market value of the total assets
- a sicafi cannot grant loans unless to subsidiaries
- quarterly valuation of the real estate portfolio by an independent real estate expert (fair value)
- properties carried at fair value - no depreciation
- distribution of at least 80% of the positive difference between the corrected result and the net decrease of the debts during the financial year, as defined in the RD of 21/06/06, with regard to the limitations provided by art. 617 of the company law
- taxable basis for corporate taxes consists of the sum of the disallowed expenses and abnormal and benevolent advantages
- withholding tax of 15% on dividend (relieving physical persons from any further tax)
- no withholding tax for non-residents who are not engaged in a profit-making activity
- supervision by the Banking, Finance and Insurance Commission

9.2 Real estate fund (sicav) (Grand Duchy of Luxembourg)

- mainly real estate investments
- no minimum distribution of the operating result
- no depreciation on real estate assets
- supervision by the "Commission de Surveillance du Secteur Financier", but no mandatory stock exchange listing
- annual valuation by an independent real estate expert
- real estate assets carried at fair value
- debt ratio limited to 50%
- risk diversification: <20% of total assets invested in a single property
- no withholding tax on dividends
- no corporate taxes on result nor gains

9.3 Terminology

Badwill

Badwill or negative goodwill equals the amount by which the stake of the party acquiring, in the fair value of the acquired identifiable assets, liabilities and contingent liabilities, exceeds the price of the business combination on the date of the transaction.

Bullet loan

A loan which is reimbursed in one time at the end of the duration.

CAP

Financial instrument of the option-type, for which the underlying, in the case of Leasinvest Real Estate, is the short term interest rate. As a buyer, Leasinvest Real Estate has acquired the right to, within a predefined period, exercise its option when the short term interest rates exceeds a certain level (= CAP). At that time of exercising the option, Leasinvest Real Estate pays the capped interest rate (= CAP) instead of the (higher) short term interest rate. For the acquisition of this right, the buyer pays a premium to the seller. Via this interest rate hedging, Leasinvest Real Estate hedges against unfavourable interest rate increases.

Collar

Combination of a purchased cap and a sold floor. As well the minimum as the maximum interest rate are in this case determined in advance.

Contractual annual rents

The indexed basis rents as contractually defined in the leases in force 30/06/07.

Corporate Governance

Durable management of the company. These principles, such as transparency, integrity and balance between the responsible parties, are based on the recommendations of the Belgian Corporate Governance Code as published by the Corporate Governance Committee, presided by Count Maurice Lippens, on 09/12/04.

Debt ratio

All items of the "Liabilities" in the balance sheet, except for the items: "I. Non-current liabilities – A. Provisions", "I. Non-current liabilities – C. Other non-current financial liabilities – Derivative financial instruments", "I. Non-current liabilities – F. Deferred taxes – Liabilities", "II. Short term liabilities – A. Provisions", "II. Current liabilities – C. Other current financial liabilities – Derivative financial instruments" and "II. Current liabilities – F. Accrued charges and deferred income", divided by the balance sheet total.

Dividend yield

Gross dividend / average share price of the financial year concerned.

Duration

Weighted average duration of the leases, for which the weight is equal to the relation of the rental income to the total rental income of the portfolio.

EBIT

Earnings before interests, taxes. This is the operating result, or, in other words, the operating result before result on the portfolio.

lio. According to its statute as real estate fund (sicafi/bevak), Leasinvest Real Estate does not have to amortize its buildings. As a consequence, the EBIT is very comparable to the EBITDA (Earnings Before Interests, Taxes, Depreciations and Amortisations).

Exit tax

Companies applying for approved 'Sicaf Immobilière' status, or which merge with a 'Sicaf Immobilière' are subject to what is known as an exit tax. This tax is equivalent to a liquidation tax on net unrealised gains and on tax-exempt reserves, and amounts to 16.5% (increased by an additional crisis tax uplift of 3%, amounting to a total of 16.995%).

Fair value

The fair value is the investment value as defined by an independent real estate expert, from which, the transaction costs have been deducted; the fair value is the accounting value under IFRS.

Floor

Financial instrument of the option-type, for which the underlying, in the case of Leasinvest Real Estate, is the short term interest rate. As a seller, Leasinvest Real Estate has the obligation to, within a predefined period, deliver the floor when the short term interest rates pass below that specified level (= floor). In exchange for this, Leasinvest Real Estate, as the seller, receives a premium from the buyer. The received premium on the floor limits in this way the premium paid on the CAP.

IAS-standards

The international accounting standards (IAS, International Accounting Standards/IFRS, International Financial Reporting Standards) have been drawn up by the International Accounting Standards Board (IASB), which develops the international standards for preparing the annual accounts. The listed companies in Europe must apply these rules to their consolidated accounts for the financial years starting as from 01/01/05. In accordance with the RD of 21/06/06, Leasinvest Real Estate applies these rules to its statutory annual accounts, already as from the financial year beginning on 01/07/06.

Interest rate swap

Financial instrument by which parties agree contractually to swap interest payments over a defined term. This allows parties to swap fixed interest rates for floating interest rates and vice versa.

Investment value

The investment value corresponds to the previously used term "investment value" and is the value as defined by an independent real estate expert, and of which, the transaction costs have not yet been deducted.

Liquidity provider

Liquidity providers are members of Euronext who signed an agreement with Euronext in which they, amongst other things, agree to, continually, make a bilateral market, composed of buy and sell rates, to guarantee a minimum turnover and furthermore to make the market within a maximum 'spread'.

Net asset value per share

NAV (Net Asset Value): shareholder's equity attributable to the shareholders of the mother company, divided by the number of shares.

Net cash flow

Net cash flow = net result plus additions to amortizations, depreciations on trade debtors and the additions to and withdrawals on provisions minus negative and positive changes in the fair value of investment properties minus the other non-cash elements.

Occupancy rate

The occupancy rate takes into account all buildings, except those carried under 'development projects' and is calculated in function of the estimated rent as follows: (estimated rent – estimated rent on vacancy) / estimated rent.

Pay-out ratio

Percentage of the mandatory result to be distributed according to the regulation, distributed in the form of dividends.

Take-up

The total number of square meters which are rented in the commercial professional real estate market.

Velocity

Represents how many shares are traded on an annual basis, or in other words, the annual traded volume of shares divided by the total number of listed shares.





General information

Company profile

Real estate fund Leasinvest Real Estate invests mainly in high-quality and well situated office, logistics and retail buildings in Belgium and the Grand Duchy of Luxembourg.

The fair value¹ of the real estate portfolio in operation² on 30/06/07 amounts to 445.86 million EUR, the investment value¹ to 457.3 million EUR. The portfolio in operation represents a surface of 266,247 sqm, with 50 buildings spread across 26 different sites in Belgium and in the Grand Duchy of Luxembourg. Geographically, the portfolio in operation is situated for 44.9% in Brussels, 31.1% in the Grand Duchy of Luxembourg, 11.9% in the Antwerp region, 8.9% in Ghent and 3.2% in Tongres.

The real estate fund is listed on Euronext in the NextPrime segment and is part of the EPRA Eurozone Total Return Index since January 2005.

For a detailed overview of the investment policy is referred to art. 5 of the articles of association (page 114) and to the real estate report. As the investment policy is embedded in the articles of association, it can only be modified by the general meeting of shareholders of the real estate fund held under the conditions required for an amendment of the articles of association.

To the next extraordinary general meeting of shareholders of Leasinvest Real Estate will be proposed to amend the investment policy as defined in art. 5 of the articles of association in order to make it correspond to the actual investment policy as announced the previous year (amongst other things, in the sense of a geographical expansion, the deletion of a minimum surface for office buildings, etc.). The amendment will clarify that it is aimed at a further diversification of the portfolio into offices, logistics and retail buildings, knowing that offices will probably remain the largest part of the portfolio and that the preference for business parks and recent or recently renovated buildings, mentioned in the current articles of association, will be deleted.

The new text of art. 5 of the articles of association, as it will be proposed for approval by the statutory manager to the general meeting of shareholders, can be consulted on the website of Leasinvest Real Estate (www.leasinvest.be, under the section "Articles of association").

Identification Leasinvest Real Estate

Name

Leasinvest Real Estate, 'fixed capital real estate investment company under Belgian law' (a closed-end real estate investment fund, known in Belgium as a 'sicafi').

Legal entity

Leasinvest Real Estate adopted the legal form of a partnership limited by shares (SCA).

Registered office

Leasinvest Real Estate has its registered office at Avenue de Tervueren 72, 1040 Brussels. The registered office may be transferred within Belgium without any amendment to the articles of association by a decision of the statutory manager, without prejudice to the specific legislation on the use of language.

Administrative office

Leasinvest Real Estate has its administrative office at Mechelsesteenweg 34, 2018 Antwerp. The administrative office will move to the Schermersstraat 42, 2000 Antwerp, as from 01/01/08.

Constitution and term

Leasinvest Real Estate was founded as an "Aktiengesellschaft" under Swiss Law on 21/11/73, after which the registered office has been moved (17/11/88) to Belgium where it was established that the company is subject to the Belgian law and that the company is a legal person under Belgian law and has assumed the legal status of a public limited company (SA).

On 8/06/99 the company name was modified into Leasinvest Real Estate and the company was transformed into a real estate fund (sicafi/bevak) under Belgian law with the legal form of a partnership limited by shares (SCA), for an unspecified term, under a deed recorded by notary public Frank Celis in Antwerp, and announced in the appendices to the Moniteur Belge on 26/06/99, under number 990626-330.

Register of legal entities (RPR) and company number

Leasinvest Real Estate is registered in the register of legal entities in Brussels and has been allocated the company number 0436.323.915.

Listing

The Leasinvest Real Estate shares are listed on Euronext Brussels in the NextPrime segment.

Purpose of the company / activities

Art. 4 of the coordinated articles of association dated 29/12/06: The sole purpose of the company is the collective investment from publicly drawn financing possibilities in real estate, as defined in Article 122, paragraph 1 first clause, 5° of the Law of the 4th of December 1990 on Financial Transactions and Financial Markets.

¹ These values take into account a 100% consolidation of the participation of 96.04% in Leasinvest Immo Lux.

² Excluding development projects.

Real estate is defined as:

1. immoveable property as defined in Articles 517 onward of the Civil Code and rights in rem to real estate;
2. shares with voting rights issued by associated real estate companies;
3. option rights to real estate;
4. rights of participation in other real estate investment companies which are recorded in the list as defined in Article 120, paragraph 1, second clause or Article 137 of the Law of the 4th of December 1990 on Financial Transactions and Financial Markets;
5. real estate certificates as described in Article 106 of the Law of the 4th of December 1990 on Financial Transactions and Financial Markets;
6. rights derived from contracts under which the company is given one or more properties in real estate leasing;
7. as well as any other goods, shares or rights that are defined as real estate by the Royal Decrees, taken pursuant to the Law of the 4th of December 1990 on Financial Transactions and Financial Markets and applicable to collective investment institutions investing in real estate.

Within the limits of the investment policy, as defined in Article 5 of the Articles of Association and in accordance with the legislation applicable to the "sicafi", the company may become involved with:

- the purchase, alteration, fitting-out, letting, sub-letting, management, exchange, sale, allotment, the ranging of real estate under the co-ownership system as described above;
- the acquisition and lending of securities in accordance with Article 51 of the Royal Decree of the 10th of April 1995 with regard to "sicafis";
- the taking into lease agreements of real estate, with or without purchase option, pursuant to Article 46 of the Royal Decree of the 10th of April 1995 with regard to "sicafis"; and
- in an accessory capacity, the giving into lease of real estate, with or without purchase option, pursuant to Article 47 of the Royal Decree of the 10th of April 1995 with regard to "sicafis";

- the company may only occasionally act as a property developer, as defined in Article 2 of the Royal Decree of the 10th of April 1995.

The company may, in compliance with the applicable legislation on "sicafis":

- in an additional or temporary capacity, invest in securities, hold goods and liquid assets other than real estate in accordance with Articles 41 and 45 of the Royal Decree of the 10th of April 1995 relating to "sicafis". The holding of securities must be compatible with the pursuit in the short or medium term of the investment policy as described in Article 5 of the Articles of Association. The securities must be included in the listing on a stock exchange of a member state of the OECD or traded on a regulated, regularly operating, approved market accessible to the public of the OECD, as well as the Euro.NM, Easdaq or Nasdaq. The liquid assets may be held in any currency in the form of current accounts or of term accounts or by any instrument on the financial markets suitable for fluid mobilisation;
- grant mortgages or other securities or guarantees in the context of the financing of real estate in accordance with Article 53 of the Royal Decree of the 10th of April 1995 relating to "sicafis";
- grant loans and stand surety for a subsidiary of the company, which is also an investment institution as defined in Article 49 of the Royal Decree of the 10th of April 1995 relating to "sicafis".

The company may acquire, hire or let, assign or exchange any moveable or immovable goods, material and accessories, and in general, carry out any commercial or financial transactions directly and indirectly connected with the purpose of the company, and the exploitation of any intellectual and commercial property rights relating to it.

Provided that it is compatible with the statute of "sicafis", the company may, by means of bringing-in in cash or in kind, or merger, split-off, subscription, participating interest, financial support or in any other way, acquire a share in any business



Avenue Monterey,
Grand Duchy of Luxembourg

or company that exists or has yet to be formed, in Belgium or abroad, whose company purpose is identical to its own, or is of such a nature as to promote the pursuit of its goal.

To change the purpose of the company, the prior approval of the Banking, Finance and Insurance Commission is required.

To the extraordinary general meeting of shareholders which will be held on 15/10/07 the approval of the amendment of article 5 of the articles of association will be asked, in order to make it correspond to the actual investment policy as announced in the previous annual report. The new text of article 5 of the articles of association has been incorporated in the agenda of this general meeting, as available on the website (www.leasinvest.be).

Financial year

The financial year of Leasinvest Real Estate starts on 1 July and ends on 30 June, with the exception of the first financial year that ran from 01/01/99 to 30/06/00.

Registered capital

Issued capital

On 30/06/07 the registered capital amounted to 44,128,326.64 EUR. The total number of shares was 4,012,832, and have a no-par value.

Authorised capital

Art. 7 of the coordinated articles of association dated 29/12/06: The Statutory Manager is empowered to increase the registered capital on the dates and under the conditions specified by him, in one or more instalments, by an amount of thirty-one million one hundred and twenty-two thousand nine hundred and nine euro and forty-nine cents (31,122,909.49) in the cases foreseen in the relevant report.

This authorisation is valid for a period of up to five years from the publication of the minutes of the general meeting of the 23rd of December 2004.

It is renewable.

This capital increase (or increases) can be carried out by a subscription in cash, by a contribution in kind, or by the conversion of reserves or issue premiums or the issue of convertible bonds and warrants in accordance with the rules laid down in the Company Law, Article 11 of the Royal Decree of the 10th of April 1995 with regard to "sicafis", and these Articles of Association.

If the case arises, in the event of a capital increase decided by the statutory manager, possibly after deduction of charges, the issue premiums shall be transferred by the statutory manager to a blocked account and treated in the same way as the capital which guarantees the interests of third parties, and may not under any circumstances be reduced or disposed of unless otherwise decided by the general meeting, voting under the conditions required by Article 612 of the Company Law, except for the conversion into capital as foreseen above.

In the past the manager has already been authorized to increase the registered capital by a maximum of 27,500,000 EUR as a result of the decision of the general meeting of 08/06/99.

The board of directors made use of this authorization:

- Under a deed recorded by notary public Erik Celis in Antwerp on 28 June 2001 for an amount of two million two hundred and five thousand five hundred EUR (2,205,500 EUR).
- Under a deed recorded by notary public Erik Celis in Antwerp on 14 December 2001 for an amount of one million one hundred and fifty-two thousand one hundred and sixty-two EUR (1,152,162 EUR).

To the extraordinary general meeting of shareholders which will be held on 15/10/07 a new empowerment regarding the authorised capital will be asked in order to increase the authorised capital of Leasinvest Real Estate by a maximum amount of 44,128,326.64 EUR. This empowerment would remain valid for a term of 5 years to count from the publication of this modification of the articles of association.

The agenda of this general meeting has been published on the website (www.leasinvest.be).

Acquisition of own shares

Art. 9 of the coordinated articles of association dated 29/12/06:

1. The company can acquire its own paid-up shares and keep them in the premises in accordance with the decision of the general meeting and in accordance with the provisions of Article 620 and following of the Company Law.
The conditions for the de-realisation of these shares can be established in the same meeting.
2. The statutory manager is permitted to proceed to the acquisition of own securities as mentioned sub 1 without a decision of the general meeting of shareholders when this acquirement is necessary to safeguard the company against serious and threatening disadvantage. This permission is valid for three years from the publication date of the amendments to the articles of association of 23 December 2004 and is renewable for the same period of time.
3. The conditions for the de-realisation of own securities acquired by the company are established depending on the case in accordance with the Article 622 § 2 of the Company Law, or by the general meeting or by the Statutory Manager. The statutory manager is permitted to de-realise own securities as foreseen by Article 622 § 2, 1° of the Company Law and for a period of three years as from the publication of the amendments to the articles of association of the 23rd of December 2004, as foreseen by Article 622 § 2, 2° of the Company Law.

To the extraordinary general meeting of shareholders which will be held on 15/10/07 a new statutory power will be asked, for a term of 3 years as from the publication of the amendments to the articles of association, in order to proceed to the acquisition of own shares in case of a serious and threatening disadvantage.

At the same time, it will be asked to confirm the statutory power to de-realise own shares within the framework of article 622 §2, 1° of the company law (this power to de-realisation is not limited to cases of serious and threatening disadvantage) and to grant a new statutory power to be able to proceed to the de-realisation of own shares as foreseen in 622 §2, 2° for a term of 3 years to count as from the publication of the modification of the articles of association.

Finally, a new power is asked, with regard to the conditions defined by law and in accordance with article 617 of the company law, during a term of 18 months as from the date of the general meeting which has adopted this proposal, to acquire a maximum of 10% of the number of existing shares of the Company, on the stock market, at a unitary price equal to the average of the twenty last closing prices of the share on Euronext Brussels before the acquisition date, and increased by 10 % maximum or decreased by 10 % maximum, and also to proceed to the de-realisation of similar shares, on the stock market, at a unitary price equal to the average of the twenty last closing prices of the share on Euronext Brussels before the acquisition date, and increased by 10 % maximum or decreased by 10 % maximum.

The agenda of this general meeting has been published on the website (www.leasinvest.be).

Identification Leasinvest Immo Lux

Leasinvest Real Estate holds a participation in Leasinvest Immo Lux of 96.04%, which represents 32.8%³ of its assets. On 30/06/07⁴ Leasinvest Immo Lux owned thirteen buildings⁵ in ownership or co-ownership with a total surface of 48,652 sqm, exclusively situated in the Grand Duchy of Luxembourg. No building represents 5% of the consolidated Leasinvest Real Estate portfolio. The buildings are mostly multi-tenant and consist of offices (78%), one semi-industrial building (14%) and two supermarkets (8%). Geographically, the buildings are well spread across Luxembourg city (78%) and the periphery (22%). It is the policy of Leasinvest Immo Lux to mainly invest its funds in high-quality real estate, directly or indirectly through real estate subsidiaries established in the Grand Duchy of Luxembourg or abroad. At present however, the company does not own any building through a real estate company. For the selection of its real estate, Leasinvest Immo Lux mainly chooses buildings with an office or commercial destination and with a certain standing. A special interest is taken in the good location and the perspective for capital gains in the long term.

³ Based on the total real estate, including the development projects.

⁴ On 04/07/07 the building Aubépines has been sold, which brings the current surface to 46,122 sqm.

⁵ Including the building Bian (3,600 sqm), which is recorded under the development projects, due to entire renovation.

Name

Leasinvest Immo Lux, 'real estate investment fund with variable capital under Luxembourg Law' or 'a sicav under Luxembourg Law.

Legal entity

Leasinvest Immo Lux adopted the legal form of a "société anonyme" (SA).

Registered office

Leasinvest Immo Lux has its registered office at 69, route d'Esch, 1470 Luxembourg.

Constitution and term

Leasinvest Immo Lux has been established on 14/01/91 under the form of a public limited company (SA), in accordance with the modified Luxembourg Law of 10/08/15 on commercial companies, and the Luxembourg Law of 30/03/88 on collective investment institutions. The articles of association have been modified on 10/11/99, 27/12/05 and 18/09/06.

"Registre de Commerce et des Sociétés"

Leasinvest Immo Lux is listed in the "Registre de Commerce et des Sociétés" in Luxembourg under the number B 35.768.

Listing

The shares of Leasinvest Immo Lux are listed on the Luxembourg stock exchange, and were listed on Euronext Brussels until 15/09/06.

Purpose of the company / activities

The main purpose of Leasinvest Immo Lux is the direct or indirect investment in buildings in the Grand Duchy of Luxembourg and in Belgium, and possibly in other countries, in order to diversify its investment risks and to benefit the results of its assets management to its shareholders.

Leasinvest Immo Lux can furthermore participate in other companies, own other moveable assets, invest its cash and execute all actions, necessary to fulfil or develop its purpose, in the broadest sense and according to the Law of 20/12/02 regarding collective investment institutions.

Financial year

The financial year of Leasinvest Immo Lux starts on 1 January and ends on 31 December, with the exception of the first financial year which ran from 14/01/91 to 31/12/91.

Registered capital

The capital of Leasinvest Immo Lux is at any moment equal to the value of the net assets, as calculated in accordance with art. 18 of the articles of association of the company.

The minimum capital of Leasinvest Immo Lux amounts to 1,250,000 EUR.

Avenue Louise 250
Brussels, Belgium



The background of the slide is a photograph of a desert landscape with rolling sand dunes. The sky is a mix of light blue and orange, suggesting a sunset or sunrise. Overlaid on the left side of the image is a dashed-line graphic consisting of a vertical rectangle and a horizontal rectangle intersecting at their midpoints, forming a cross-like shape. The text "Articles of Association" is written vertically inside the vertical rectangle.

Articles of association



Coordinated articles of association from date 29/12/06

“LEASINVEST REAL ESTATE”

Partnership limited by shares which makes a public appeal to savings

Sicafi under Belgian law

1040 Brussels-Etterbeek, avenue de Tervueren 72

Register of legal persons 0436.323.915

Established as an “Aktiengesellschaft” under Swiss law with the name “Zanos Estate Company A.G.” from Zug (Switzerland) on the twenty first of November nineteen seventy three and first registered in Zug (Switzerland) on the thirtieth of November thereafter.

It was decided at the general meeting on the date of the seventeenth of November nineteen eighty eight, amongst other things, to move the registered office from Switzerland to Belgium.

Under a deed recorded by notary public Hans Berquin in Brussels on the sixteenth of December nineteen eighty eight, announced in the appendices to the Moniteur Belge on the twelfth of January nineteen eighty nine under number 890112-044, the aforementioned office move to Belgium was ratified, it was established that the company is subject to the Belgian law conforming to article 197 (at that time) of the Company Law and that the company is a legal person under Belgian law and has assumed the legal status of a public limited company, and the Articles of Association were integrally re-established under Belgian law.

The Articles of Association were changed several times, as follows:

- under a deed recorded by notary public Frank Celis in Antwerp on the eighth of June nineteen ninety nine, announced in the appendices to the Moniteur Belge on the twenty sixth of June thereafter under number 990626-330 stipulating, amongst other things, the name change into ‘LEASINVEST REAL ESTATE’ and the transformation of the company into a sicafi under Belgian law under the legal form of a partnership limited by shares, and of which establishment of the fulfilment of the suspending condition in the aforementioned deed of the amendments to the articles of association, including the legal form of “sicafi”, recorded by notary public Erik Celis in Antwerp on the first of July nineteen ninety nine, announced in the appendices to the Moniteur Belge on the twentieth of July thereafter under number 990720-618.
- under a deed recorded by notary public Erik Celis in Antwerp on the twenty eighth of June two thousand and one, announced in the appendices to the Moniteur Belge on the twenty sixth of July thereafter under number 20010726-264, by which the capital was increased within the framework of the authorised capital.
- under a deed recorded by notary public Erik Celis in Antwerp on the fourteenth of December two thousand and one, announced in the appendices to the Moniteur Belge on the third of January two thousand and two under number 20020103-16.
- under a deed recorded by notary public Erik Celis in Antwerp on the twenty eighth of November two thousand and three,

announced in the appendices to the Moniteur Belge on the twelfth of December thereafter under number 20031212-131932, including the merger by absorption of the public companies ‘EKIPOINT’ and ‘BRUSSIMMO’.

- under a deed recorded by notary public Frank Liesse in Antwerp, on the twenty-third of December 2004, announced in the appendices to the Moniteur Belge on the seventeenth of January thereafter under number 20050117-9802, including, among other things, authorisations regarding authorised capital and acquisition/disposal of own shares and various amendments to the articles of association;
- under a deed recorded by notary public Frank Liesse in Antwerp, on the twenty-third of December 2004, announced in the appendices to the Moniteur Belge on the seventeenth of January thereafter under number 20050117-9803, by which the capital was increased by the bringing in of a part of the assets of the “société anonyme Leasinvest”, split-up following a decision to partial splitting-up by take-over;
- under a deed recorded by notary public Frank Liesse in Antwerp, on the twenty-ninth of May two thousand and six, announced in the appendices to the Moniteur Belge on the nineteenth of June thereafter under number 20060619-98546.
- under a deed recorded by notary public Frank Liesse in Antwerp, on the twenty-ninth of December two thousand and six, laid down for publication in the appendices to the Moniteur Belge, including the take over of the ‘Société Anonyme Square de Meeûs 5-6’ by The Company.



Riverside
Business Park,
Anderlecht,
Belgium

CHAPTER I – NAME - TERM - OFFICE - PURPOSE OF THE COMPANY

ARTICLE 1. NAME

The company has the legal form of a partnership limited by shares.

It has the name “LEASINVEST REAL ESTATE”.

It is subject to the available laws for companies with fixed capital, called “sicafi”, provided by Article 118 of the Law dated the fourth of December nineteen ninety on the Financial Transactions and the Financial Markets.

The social naming of the “sicafi” and all the documents that it brings forth (including all deeds and invoices) contain the declaration “investment company with fixed capital under Belgian law” or “sicafi under Belgian law” or are immediately followed by these words.

The company has opted for the category of investments provided by Article 122, paragraph 1, alinea 1, 5° (real estate) of the Law dated the fourth of December nineteen ninety.

The company makes a public appeal for savings in the sense of Article 438 of the Company Law.

The company is subject to the provisions of book 3 of the Law of the fourth of December nineteen ninety, as well as to the provisions of the Royal Decree of the tenth of April nineteen ninety five with regard to “Sicafis”, as amended by the Royal Decree of 10 June 2001 with regard to the amendment of the RD of 10 April 1995 with regard to sicafis.

ARTICLE 2. TERM

The term of the company is undetermined. It can be dissolved by a decision of the general meeting according to the conditions and in the form required for a change of the Articles of Association, without prejudice to more stringent legal conditions. The company will not be dissolved by the resignation, the expulsion, the recalling, the withdrawal, the purchase, the declaration of incompetence, the prevention, the dissolution or the declaration of bankruptcy from the managing partner.

ARTICLE 3. OFFICE

The company is registered at Brussels-Etterbeek, avenue de Tervueren 72.

The office can be moved in Belgium without any amendment to the Articles of Association by decision of the statutory manager, and this without prejudice to the legislation on the use of languages.

The company can, by a simple decision of the statutory manager, establish branches or agencies, either in Belgium or abroad.

In case unusual events of a political, military, economic or social nature should occur or could occur, that could endanger the normal workings of the registered office or the easy communication with the office abroad, then the office of the company can be temporarily moved in Belgium or abroad by the sole decision of the statutory manager, until the complete conclusion of these abnormal circumstances. These temporary measures will have no consequence for the nationality of the company, which will stay Belgian despite this temporary moving of the company office.

ARTICLE 4. PURPOSE OF THE COMPANY

The sole purpose of the company is the collective investment from publicly drawn financing possibilities in real estate, as defined in Article 122, paragraph 1 first clause, 5° of the Law of the 4th of December 1990 on Financial Transactions and Financial Markets.

Real estate is defined as:

1. immoveable property as defined in Articles 517 onward of the Civil Code and rights in rem to real estate;
2. shares with voting rights issued by associated real estate companies;
3. option rights to real estate;
4. rights of participation in other real estate investment companies which are recorded in the list as defined in Article 120, paragraph 1, second clause or Article 137 of the Law of the 4th of December 1990 on Financial Transactions and Financial Markets;
5. real estate certificates as described in Article 106 of the Law of the 4th of December 1990 on Financial Transactions and Financial Markets;
6. rights derived from contracts under which the company is given one or more properties in real estate leasing;
7. as well as any other goods, shares or rights that are defined as real estate by the Royal Decrees, taken pursuant to the Law of the 4th of December 1990 on Financial Transactions and Financial Markets and applicable to collective investment institutions investing in real estate.

Within the limits of the investment policy, as defined in Article 5 of the Articles of Association and in accordance with the legislation applicable to the “sicafi”, the company may become involved with:

- the purchase, alteration, fitting-out, letting, sub-letting, management, exchange, sale, allotment, the ranging of real estate under the co-ownership system as described above;
- the acquisition and lending of securities in accordance with Article 51 of the Royal Decree of the 10th of April 1995 with regard to “sicafis”;
- the taking into lease agreements of real estate, with or without purchase option, pursuant to Article 46 of the Royal Decree of the 10th of April 1995 with regard to “sicafis”; and
- in an accessory capacity, the giving into lease of real estate, with or without purchase option, pursuant to Article 47 of the Royal Decree of the 10th of April 1995 with regard to “sicafis”;
- the company may only occasionally act as a property developer, as defined in Article 2 of the Royal Decree of the 10th of April 1995.

The company may, in compliance with the applicable legislation on “sicafis”:

- in an additional or temporary capacity, invest in securities, hold goods and liquid assets other than real estate in accordance with Articles 41 and 45 of the Royal Decree of the 10th of April 1995 relating to “sicafis”. The holding of securities must be compatible with the pursuit in the short or medium term of the investment policy as described in Article 5 of the Articles of Association. The securities must be included in the listing on a stock exchange of a member state of the OECD or traded on a regulated, regularly operating, approved market

accessible to the public of the OECD, as well as the Euro.NM, Easdaq or Nasdaq. The liquid assets may be held in any currency in the form of current accounts or of term accounts or by any instrument on the financial markets suitable for fluid mobilisation;

- grant mortgages or other securities or guarantees in the context of the financing of real estate in accordance with Article 53 of the Royal Decree of the 10th of April 1995 relating to "sicafis";
- grant loans and stand surety for a subsidiary of the company, which is also an investment institution as defined in Article 49 of the Royal Decree of the 10th of April 1995 relating to "sicafis".

The company may acquire, hire or let, assign or exchange any moveable or immovable goods, material and accessories, and in general, carry out any commercial or financial transactions directly and indirectly connected with the purpose of the company, and the exploitation of any intellectual and commercial property rights relating to it.

Provided that it is compatible with the statute of "sicafis", the company may, by means of bringing-in in cash or in kind, or merger, split-off, subscription, participating interest, financial support or in any other way, acquire a share in any business or company that exists or has yet to be formed, in Belgium or abroad, whose company purpose is identical to its own, or is of such a nature as to promote the pursuit of its goal.

To change the purpose of the company, the prior approval of the Banking, Finance and Insurance Commission is required.

ARTICLE 5. INVESTMENT POLICY

The collective investment in real estate by means of capital raised from public savings in Belgium or abroad will happen as described here.

The company portfolio at present consists mainly of office buildings and to a lesser extent of semi-industrial buildings. The company is also the owner of one commercial premise.

The company intends to expand the portfolio in the short term.

The new acquisitions must meet the following criteria.

Learning from the experience of the already owned industrial parks, the attention will primarily be focused on so-called "business parks", complexes of different buildings which form a harmonious entity and complement each other indeed, yet are also flexible and can be commercialised autonomously. These business parks can have an exclusive semi-industrial function, but they can also be office parks only. The experience from the Riverside Business Park in Anderlecht has taught that even mixed parks can be extremely attractive.

Given the limited availability of such business parks within the urban agglomerations, the acquisitions will rather be found situated in the peripheral areas of the most important Belgian cities.

Investments in individual buildings will be further investigated. As far as office buildings are concerned, the preference will be for recent or recently thoroughly renovated buildings with a minimum of ten thousand square meters of floor space to let. Such buildings must furthermore fulfil a series of technical requirements, have sufficient parking space and be modular. If the whole building is to be let to one customer, this customer

must have an exceptional reputation. The locations can be inner city or peripheral. This type of diversification permits to anticipate temporary postponements of the demand due to external elements.

Even though new investments in office buildings are a priority, investments in semi-industrial and retail buildings will also be made. New locations with a strategic potential will furthermore be investigated.

Guidelines for new investment can be derived from experience at the Brixton Business Park in Zaventem. The buildings' great flexibility guarantees optimal occupancy.

Because of the starting portfolio, the centre of gravity remains in and around Brussels. Further geographical spreading into the Brussels - Antwerp - Ghent triangle is fairly certain, but a broader geographical spread, even secondary outside the Belgian border, is being considered. Investments in other types of real estate will only be considered as a necessary accessory to an investment in offices, semi-industrial or retail buildings.

Finally, the company will continue to improve the quality of the technical support as well as the service provided to the tenants, in order to give an additional value to the portfolio.

CHAPITRE II – CAPITAL – SHARES

ARTICLE 6. CAPITAL

The company's registered capital amounts to forty-four million one hundred and twenty eight thousand three hundred and twenty-six euros and sixty-four cents (44,128,326.64).

It is paid up in full.

It is divided into four million twelve thousand eight hundred and thirty-two (4,012,832) shares, of no-par value, each one representing 1 / 4,012,832 of the capital.

ARTICLE 7. AUTHORISED CAPITAL

The Statutory Manager is empowered to increase the registered capital on the dates and under the conditions specified by him, in one or more instalments, by an amount of thirty-one million one hundred and twenty-two thousand nine hundred and nine euro and forty-nine cents in the cases foreseen in the relevant report.

This authorisation is valid for a period of up to five years from the publication of the minutes of the general meeting of the 23rd of December 2004.

It is renewable.

This capital increase (or increases) can be carried out by a subscription in cash, by a contribution in kind, or by the conversion of reserves or issue premiums or the issue of convertible bonds and warrants in accordance with the rules laid down in the Company Law, Article 11 of the Royal Decree of the 10th of April 1995 with regard to "sicafis", and these Articles of Association.

If the case arises, in the event of a capital increase decided by the statutory manager, possibly after deduction of charges, the issue premiums shall be transferred by the statutory manager to a blocked account and treated in the same way as the capital which guarantees the interests of third parties, and may not under any circumstances be reduced or disposed of unless

otherwise decided by the general meeting, voting under the conditions required by Article 612 of the Company Law, except for the conversion into capital as foreseen above.

ARTICLE 8. NATURE OF THE SHARES

The shares are bearer shares or registered shares, or in case of prior indication of an account holder by the statutory manager, in the form of dematerialised titles.

The bearer shares can be issued as single shares or as collective shares.

Each holder of single securities can acquire the exchange of its securities from the company against one or more collective bearer shares which represent single securities and this, according to his choice; each holder of collective shares can acquire the exchange of these securities from the company against the number of single shares they represent. This exchange occurs at the holder's expense.

Each bearer security can be exchanged for registered securities or securities under dematerialised form and the other way around at the holder's expense.

If the company has not yet decided to issue dematerialised securities, the exchange in dematerialised securities can't be requested yet.

ARTICLE 9. FURTHER PURCHASE OF OWN SHARES

1. The company can acquire its own paid-up shares and keep them in the premises in accordance with the decision of the general meeting and in accordance with the provisions of Article 620 and following of the Company Law.
The conditions for the de-realisation of these shares can be established in the same meeting.
2. The statutory manager is permitted to proceed to the acquisition of own securities as mentioned sub 1 without a decision of the general meeting of shareholders when this acquirement is necessary to safeguard the company against serious and threatening disadvantage. This permission is valid for three years from the publication date of the amendments to the articles of association of 23 December 2004 and is renewable for the same period of time.
3. The conditions for the de-realisation of own securities acquired by the company are established depending on the case in accordance with the Article 622 § 2 of the Company Law, or by the general meeting or by the Statutory Manager. The statutory manager is permitted to de-realise own securities as foreseen by Article 622 § 2, 1° of the Company Law and for a period of three years as from the publication of the amendments to the articles of association of the 23rd of December 2004, as foreseen by Article 622 § 2, 2° of the Company Law.

ARTICLE 10. CHANGING THE REGISTERED CAPITAL

Except for the possibility of the use of the authorised capital by a decision of the statutory manager, an increase or decrease in the issued capital can only be decided at an extraordinary general meeting in the presence of a notary public and with the approval of the statutory manager.

Furthermore the company will have to adhere to the rules laid down in the case of public issue of company shares provided

by Article 125 of the Law of the fourth of December nineteen ninety and the Articles 28 and following of the Royal Decree of the tenth of April nineteen ninety five with regard to "sicafis". Furthermore in accordance with Article 11, paragraph 2 of the Royal Decree of the tenth of April nineteen ninety five with regard to "sicafis", the following conditions must be met for contributions in kind:

1. the identity of the one who makes the contribution must be stated on the report provided by Article 602, paragraph 3 of the Company Law so as in the writ of summons for the general meeting which will rule on the capital increase;
2. the issue price cannot be lower than the average stock exchange price from the thirty days prior to the contribution;
3. the report provided under point 1 mentioned above must also indicate the repercussions of the proposed contribution on the situation of the old shareholders and more specifically with regard to their share in the profit and the capital.

In accordance with Article 11 paragraph 1 of the Royal Decree of the tenth of April nineteen ninety five concerning "sicafis", the pre-emptive right of the shareholders provided by Article 592 of the Company Law in the case of money subscriptions, cannot be revoked.

ARTICLE 11. EXECUTIVE AND SILENT PARTNERS

The managing partner is jointly and fully responsible for all obligations of the company. The limited partners are responsible for the debts and losses of the company to the extent of their contributions, on the condition that they do not perform any management duty whatsoever.

CHAPTER III – MANAGEMENT AND REPRESENTATION

ARTICLE 12. NOMINATIONS – DISMISSALS – VACANCIES

1. The company is directed by a statutory manager, who must have the capacity of a limited (managing) partner.
The public limited company "LEASINVEST REAL ESTATE MANAGEMENT", registered in the register of legal persons under number 0466.164.776, with registered office in 1040 Brussels-Etterbeek, Avenue de Tervueren 72, is appointed as the sole statutory manager for an indefinite period with a minimal duration of fifteen years. The mandate of this statutory manager is irrevocable until the date of the annual meeting of the company, which will be held in 2014. After this date the mandate is revocable under the attendance and majority conditions required for a change of the Articles of Association, without any right of veto for the statutory manager on this point.
2. Despite the provision of Article 12.1 concerning the first statutory manager, the statutory manager is appointed for a definite or indefinite period at the general meeting, which decides under the attendance and majority conditions required for a change of the Articles of Association.
If the statutory manager is a legal person, he appoints amongst his managers or directors one permanent representative who is empowered with the execution of his mandate to act as a manager in the name and for the account of the legal person-statutory manager and who is specifically

authorised to represent and legally bind, acting alone, the "sicafi" towards third parties, but without infringing the provisions of the Article 18 of the Royal Decree of the 10th of April 1995 with regard to sicafis, nor any other provision applicable on institutions for collective investment, and under the condition that this permanent representative complies with the conditions of professional integrity, experience and autonomy, foreseen by Article 4, paragraph 1, 4° of the Royal Decree of the 10th of April 1995 and cannot fall within the application of the provisions prescribed by Article 19 of the Law of the 22nd of March 1993 regarding the statute and the supervision of credit institutions. The legal person-statutory manager cannot dismiss its representative, without, at the same time, appointing a successor. For the appointment and termination of the mandate of the permanent representative, the same rules for publication are applied as if they would fulfil this mission in their own name and for their own account.

3. The statutory manager can resign at any time.

The statutory manager's tasks can only be revoked by a judicial decision after a claim submitted by the general meeting on lawful grounds. The general meeting must make this decision with a majority equal to the majority for the amendment of the Articles of Association and the statutory manager cannot participate in the vote. The statutory manager will continue to carry out his tasks until his removal is passed by a peremptory decree..

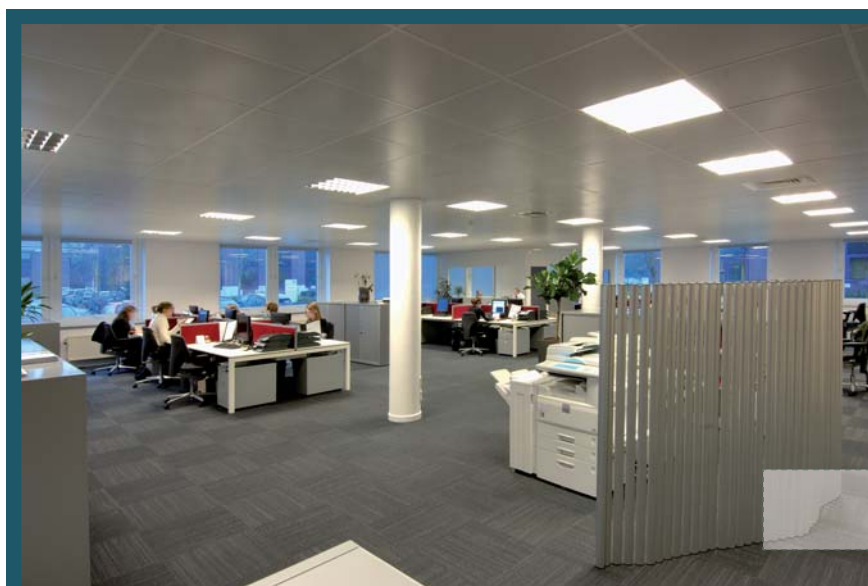
The legal person-statutory manager must be organised in such a way that in the course of his Board of Directors at least two physical persons are appointed to jointly supervise the day-to-day management.

4. The statutory manager is obliged, after his resignation, to further fulfil his task until a replacement can reasonably be provided for him. In that case the general meeting will meet within a month to officially nominate a new statutory manager.

5. The decease, the declaration of incompetence, the dissolution, the bankruptcy or any similar procedure, the dismissal, the deposition of the statutory manager by judicial decision for whatever reason, will not have the consequence of the company being dissolved, but he will be succeeded by a statutory manager appointed by the extraordinary shareholders general meeting, on the condition that, when the occasion arises, he accepts to become a limited (managing) partner of the company. If a statutory manager is a legal person, the fusion, the splitting up, the conversion or any other form of company reorganisation whereby the legal personality of the statutory manager is continued according to the applicable law, does not lead to the dismissal or the replacement of the statutory manager.

In case of the overall loss of the reliability, experience and autonomy of the members of the managing board or of the statutory manager's executive committee, as required by Article 4, paragraph 1, 4° of the Royal Decree of the tenth of April nineteen ninety five, the statutory manager or the auditors must convene a general meeting with the eventual finding of the loss of the requirements and the measures to be taken as agenda item; this meeting must take place within a month; if only one or more members of the managing board or of the statutory manager's executive committee no longer meet the aforementioned requirements, the statutory manager must replace them within a month; after this term, notice for the company meeting will be given as mentioned above; and all this in either case, with the reservation of the measures that the Banking, Finance and Insurance Commission would take by virtue of the powers provided for in Article 134 of the Law of the fourth of December nineteen ninety.

In case of the application of the provisions of Article 19 of the Law of the twenty second of March nineteen ninety three concerning the statute and supervision of the credit institutions which endanger all members of the managing board or of the statutory manager's executive committee, the statutory



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manager or the auditors must convene the general meeting with the reporting of the application of the aforementioned Article 19 of the Law from the twenty second of March nineteen ninety three and the decisions to be taken as an agenda item; this meeting must take place within a month; if only one or more members of the managing board or of the statutory manager's executive committee no longer meet the aforementioned requirements, the statutory manager must replace them within a month; after this term, notice for the company meeting will be given as mentioned above; and all this in either case, with the reservation of the measures that the Banking, Finance and Insurance Commission would take by virtue of the powers provided for by Article 134 of the Law of the fourth of December nineteen ninety.

ARTICLE 13. SALARY

No possible remuneration can, neither directly nor indirectly, be joined to the transactions that occur through the "sicafi".

The statutory manager will carry out his mandate with a remuneration.

The remuneration is equal to zero point four one five percent (0.415%) of the company assets.

The remuneration is due in the course of the financial year, yet is only payable after the annual accounts have been approved.

The statutory manager is entitled to the repayment for the costs directly related to his assignment.

ARTICLE 14. INTERNAL MANAGEMENT

The statutory manager is empowered to perform all internal management operations that are necessary or useful to fulfil the company objective, except for those operations for which only the general meeting is competent according to the law.

The statutory manager draws up half-yearly reports as well as a draft for an annual report. The statutory manager appoints the experts in accordance to the Royal Decree of the tenth of April nineteen ninety five and suggests if the case arises every related change to the list of experts as recorded in the file which accompanies the prior request for recognition as a "sicafi". The statutory manager also chooses a custodian and submits this choice to the Banking, Finance and Insurance Commission. If the case arises the statutory manager will also submit the change of the custodian to the Banking, Finance and Insurance Commission and this according to the Royal Decree of the tenth of April nineteen ninety five.

The statutory manager is allowed to determine the allowance for each mandate holder who has had special powers conferred, and all of this in accordance with the law of the fourth of December nineteen ninety and its implementing decrees.

The statutory manager takes all decisions it deems appropriate.

In the case the statutory manager is a legal person, the board of directors of the statutory manager can, if the case arises, establish among his members and under his responsibility, one or more advising committees, of which among others a remuneration committee; he defines their composition and their mission. The aforementioned board of directors of the statutory manager can establish an audit committee among his members, as

defined in art. 133, 6th alinea of the Company Law, charged with, among other things, a permanent supervision of the completed files of the auditor(s), and which takes autonomous decisions in the framework of allowing an exception to the one-on-one rule regarding remunerations for services of the auditor(s) of which the total amount exceeds the fixed remuneration for the execution of his (their) function as auditor. The aforementioned audit committee, established within the board of directors of the statutory manager, also functions as audit committee for the real estate fund (sicafi) concerning the decisions as defined in art. 133, alinea six of the Company Law and can thus allow exceptions to the one-on-one rule regarding remunerations of services of the auditor(s) of the real estate fund (sicafi), other than those within the framework of their legal assignment as auditor of the real estate fund (sicafi), of which the total amount to the account of the real estate fund (sicafi) exceeds the fixed remuneration for the execution of his (their) function as auditor of the real estate fund (sicafi).

The conditions for the appointment of the members of the aforementioned audit committee, their dismissal, their remuneration, the term of their mandate and the procedure of the audit committee as well as the description of their tasks, among which at least a permanent supervision of the completed files of the auditor(s), both of the statutory manager, as well as of the real estate fund (sicafi), and the autonomous power of decision as described above, are defined by the aforementioned board of directors of the statutory manager at the moment of the establishment of that audit committee and they can also be modified afterwards by the board of directors of the statutory manager. If the case arises, the independent directors of the statutory manager-legal person will jointly form a Committee of independent directors. This Committee of independent directors of the statutory manager disposes of the powers as defined in art. 524 of the Company Law. Besides, the aforementioned Committee of independent directors of the statutory manager will always have to be consulted prior to each decision or proceeding of the board of directors of the statutory manager related to the following matters:

- decisions or proceedings for which art. 523 of the Company Law is applied;
- a modification of the purpose of the company or of the investment policy of the real estate fund (sicafi);
- in case of a major transaction in which the real estate fund (sicafi) would be involved, as far as this transaction concerns more than thirty percent (30%) of the estimated value of the real estate portfolio of the real estate fund (sicafi) at the moment of the realisation of the operation;
- major changes in the organisation of the real estate fund (sicafi) resulting in a change of the "sicafi-permit".

The aforementioned Committee of independent directors of the statutory manager draws a written and well-founded report of these affairs to the board of directors of the statutory manager. The board of directors of the statutory manager mentions, if the case arises, in the minutes, on which grounds the advice of the Committee has not been followed. The written advice is attached to the minutes of the board of directors of the statutory manager.

ARTICLE 15. EXTERNAL REPRESENTATIVE POWER

The statutory manager represents the company in all judicial and extra-judicial affairs.

In accordance with Article 18 of the Royal Decree from the tenth of April nineteen ninety five, the company is represented by the statutory manager for each act of disposal to its real estate in the sense of Article 2, 4° of the predicated Royal Decree, acting through its Permanent Representative and one Director, both acting jointly.

ARTICLE 16. EXCEPTIONAL AUTHORITIES

The statutory manager can appoint proxies for the company. Only special and limited powers for specific or for a series of specific legal acts are permitted. The proxies legally bind the company within the bounds of their conferred mandate, without diminishing the responsibility of the statutory manager in the case of an excessive power.

ARTICLE 17. RESPONSIBILITY OF THE STATUTORY MANAGER

The statutory manager is personally, severally and unlimitedly bound to the obligations of the company.

CHAPTER IV – CONTROL**ARTICLE 18. CONTROL**

The control of the company is entrusted to one or more auditors.

CHAPTER V – GENERAL MEETING**ARTICLE 19. THE GENERAL MEETING**

The general meeting is being held at the registered office or at the address indicated in the writ of summons.

The annual meeting is being held each year on the third Monday of the month of October at four p.m. or, if this day is a legal holiday, on the previous working day at the same hour.

The general meeting is convened for by the statutory manager or by the auditor.

ARTICLE 20. POWER OF THE GENERAL MEETING

The general meeting has the power to deliberate and to decide on the following matters, namely:

- the conclusion of the annual accounts;
- the appropriation of the result;
- the nomination and the dismissal of the auditor;
- the determination of the auditor's salary;
- the filing of the company action or the giving discharge to the statutory manager and to the auditor.

The general meeting is also authorised to make changes to the Articles of Association, namely to decide to the nomination of a statutory manager, to the early dissolution of the company, to the increase or decrease of the placed capital, to the possibility of an authorised capital by decision of the statutory manager, to the repayment of the capital, to the distribution of interim dividends, to the issue of convertible bonds or warrants, to the merger with one or more companies, to the conversion of the company to a company with another legal status.

ARTICLE 21. CONVENING

The statutory manager and every auditor can convene an ordinary general meeting (annual meeting), as well as an exceptional or an extraordinary general meeting. They must convene the annual meeting on the day as determined by the Articles of Association. The statutory manager and auditor are obliged to convene an exceptional or extraordinary meeting when one or more shareholders who represent, individually or collectively, a fifth of the placed capital request for it.

ARTICLE 22. REGISTRATION OF SHARES

To be permitted into the meeting the holders of bearer securities must, when requested by the summons, register their securities at the company office or at a financial institution as indicated in the summons at least three working days prior to the date of the intended meeting. Holders of registered securities do this by sending a normal letter to the company office, also at least three working days before.

The owners of dematerialised securities must produce, at least three working days before the meeting, a certificate at the office from a recognised account holder or from the settlement institution stating the unavailability of the dematerialised securities until the date of the meeting.

ARTICLE 23. PARTICIPATION IN THE MEETING – REPRESENTATION

Notwithstanding the rules concerning the legal representation and more specifically on the mutual representation of married persons, each shareholder can be represented at the meeting by a proxy, shareholder or not.

To be valid the proxy must have been given in writing, by telegram, telex or telecopy. The proxies must be deposited at the company office at least three working days before the meeting.

ARTICLE 24. CHAIRMANSHIP – BUREAU

Every general meeting is presided by the chairman of the Board of Directors of the legal person-statutory manager. The chairman appoints a secretary and one or more vote counters, who do not need to be (a) shareholder(s). The chairman, the secretary and the vote counters altogether form the bureau.

ARTICLE 25. MEETING PROCEDURE

1. The deliberation and vote is presided by the chairman in accordance with the customary rules for a proper meeting. The statutory manager and the auditor give answer to the questions asked by the shareholders with regard to their annual report or to the points on the agenda.
2. The statutory manager has the right to adjourn once each normal, exceptional or extraordinary meeting, for a period of three weeks, unless the meeting was convened at the request of one or more shareholders who represent at least one fifth of the capital, or by a auditor. Such an adjournment does not infringe other decisions, unless otherwise decided by the general meeting.
3. The general meeting can only legally deliberate or make decisions about points which are incorporated into the announced agenda or which are implicitly contained therein.

Points that are not incorporated into the agenda can only be deliberated at a meeting where all persons who should be invited according to the Article 533 of the Company Law are at present or are represented by their bodies or their Permanent Representative and provided that no one is opposed to the addition of topics to the agenda. The required approval is certain if no opposition is noted in the minutes of the meeting. Besides the matters to be dealt with, the agenda must also contain the proposals for decision.

ARTICLE 26. VOTING RIGHT

1. Every share gives the right to one vote.
2. When one or more shares belong to several people in joint ownership or to a legal person with a collegial body of representation, the connected rights to it can only be exercised towards the company by one single person who has been appointed in writing by all entitled persons, respectively those who can represent the legal persons externally. As long as such an appointment has not been delivered, all the rights connected to the shares remain suspended.
3. If a share is encumbered with a usufruct, the exercise of the connected voting rights is reserved for the usufructuary, unless the nude owner opposes to it. The execution of the pre-emptive right in the case of a capital increase belongs to the nude owner.

ARTICLE 27. DECISION-MAKING – RIGHT OF VETO FOR THE STATUTORY MANAGER

The normal and the exceptional general meeting's deliberations and decisions are valid irrespective of the number of present or represented shares, yet in the presence of the statutory manager. If he is not at present, then a second meeting can be convened to deliberate and decide, even if the statutory manager is absent. The decisions are taken by a simple majority of votes, but with the approval of the present or represented statutory manager regarding proceedings, which deal with the interests of the company towards third parties, such as the payment of dividends as well as each decision whereby the company assets are affected. Abstention or blank votes and invalid votes are neglected in the calculation of the majority. In the case of equality of votes, the proposal is rejected.

At each general meeting minutes are taken during the meeting.

The extraordinary general meeting must be held in the presence of a notary public who draws up an authentic official report. The general meeting can only then lawfully deliberate and decide on a change in the Articles of Association, when those who participate in the meeting represent at least half of the companies' capital and when the statutory manager is at present, notwithstanding more stringent legal stipulations. If the aforementioned quorum is not reached or if the statutory manager is not at present, then a new summons in accordance with Article 558 of the Company Law is required; the second meeting deliberates and decides validly, irrespective of the present or represented part of the capital and irrespective of the absence of the statutory manager.

A change of the Articles of Association is only then accepted if it has previously been approved by the Banking, Finance and

Insurance Commission and if it they have got three quarters of the votes bound to the shareholders that are present or represented and with approval of the present or represented statutory manager notwithstanding more stringent legal stipulations. The votes of those who abstain, or blank or invalid votes, are considered to be votes against the proposal in the calculation of the required majority.

ARTICLE 28. FINANCIAL YEAR – ANNUAL ACCOUNTS – ANNUAL REPORT

The financial year of the company always commences on the first of July and ends on the thirtieth of June. At the end of each financial year the accounts and records are closed and the statutory manager draws up the inventory, including the annual accounts, and is further proceeded as specified in Article 92 and following of the Company Law and of the stipulations of the Royal Decree of the tenth of April nineteen ninety five with regard to "sicafis".

Furthermore, the statutory manager draws up an annual report in which he renders account for his policy.

Fifteen days prior to the normal general meeting, which must convene within six months after the closure of the financial year, the shareholders can have access to the annual accounts and the other records as stated in the Article 553 of the Company Law.

After the approval of the balance sheet the general meeting decides on the discharge to be given, by separate vote, to the statutory manager and to the auditor.

ARTICLE 29. APPROPRIATION OF THE PROFIT

The company distributes the nett proceeds, by way of reimbursement of the capital, decreased by the amounts equal to the net decreases of the debts of the current financial year amounting to at least eighty percent.

For the application of this Article, the nett proceeds are defined as the profit from the financial year with the exclusion of the depreciation in value, the taking back of depreciation in value and the surplus values on the permanent assets insofar as they are taken into account on the profit-and-loss account.

The remaining twenty percent will be appropriated as decided by the general meeting at the suggestion of the statutory manager.

The surplus values on the realisation of permanent assets on the other hand are excluded from the nett proceeds as determined by alinea 2 insofar as they will be reinvested within a period of four years beginning on the first day of the current financial year in which the surplus values will have been realised.

The part of the realised surplus values that is not reinvested after the period of four years is added to the nett proceeds as defined of the financial year that follows this period.

ARTICLE 30. INTERIM DIVIDENDS

The statutory manager has the power to pay out interim dividends on the results of the financial year. This payment can only be taken from the profit of the current financial year, as when the occasion arises decreased by the transferred loss or increased by the transferred profit, without any withdrawal

from the build up reserves and with due regard to the reserves which must be build up by means of a legal or statutory decree. Further action is made by reference to the requirements of Article 618 of the Company Law.

CHAPTER VI – DISSOLUTION – LIQUIDATION

ARTICLE 31. NOMINATION AND CAPACITY OF LIQUIDATORS

If no liquidators are nominated, then the statutory manager, who is in function at the time of the dissolution, will be the legal liquidator by right, unless otherwise decided by the general meeting. The liquidators are empowered to all operations as defined in the Articles 186, 187 and 188 of the Company Law, unless the general meeting decides otherwise by a normal majority of votes. Every year the liquidators present the results of the liquidation to the company's general meeting.

ARTICLE 32. DISSOLUTION

The balance after liquidation is distributed to the shareholders in proportion to their rights.

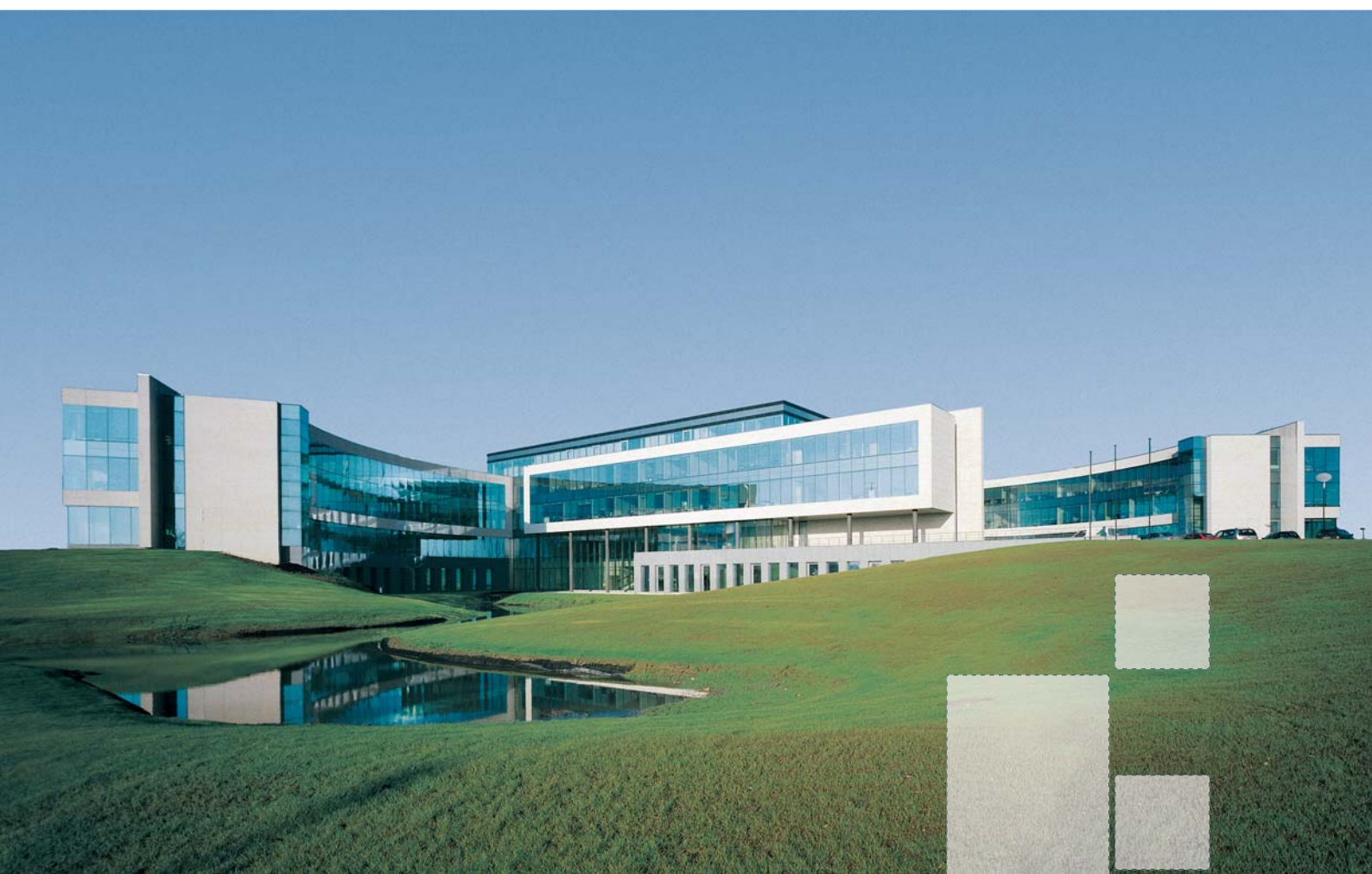
CHAPTER VII – CHOICE OF LOCATION

ARTICLE 33.

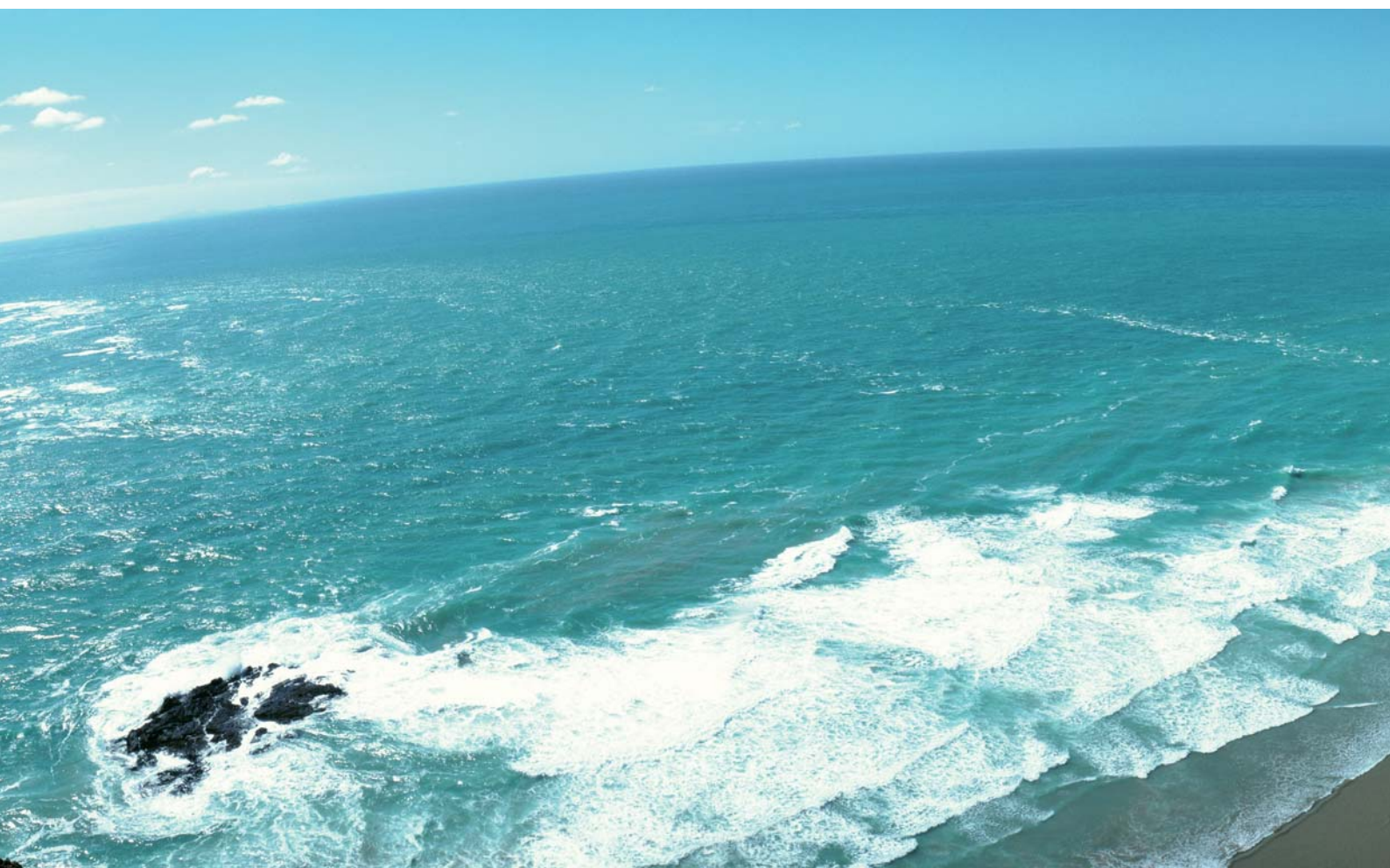
The statutory manager and the liquidators, whose place of residence is unknown, are supposed to have chosen their address at the seat of the company, where all subpoenas, services and notifications concerning the companies' affairs can be delivered.

ARTICLE 34. JURISDICTION

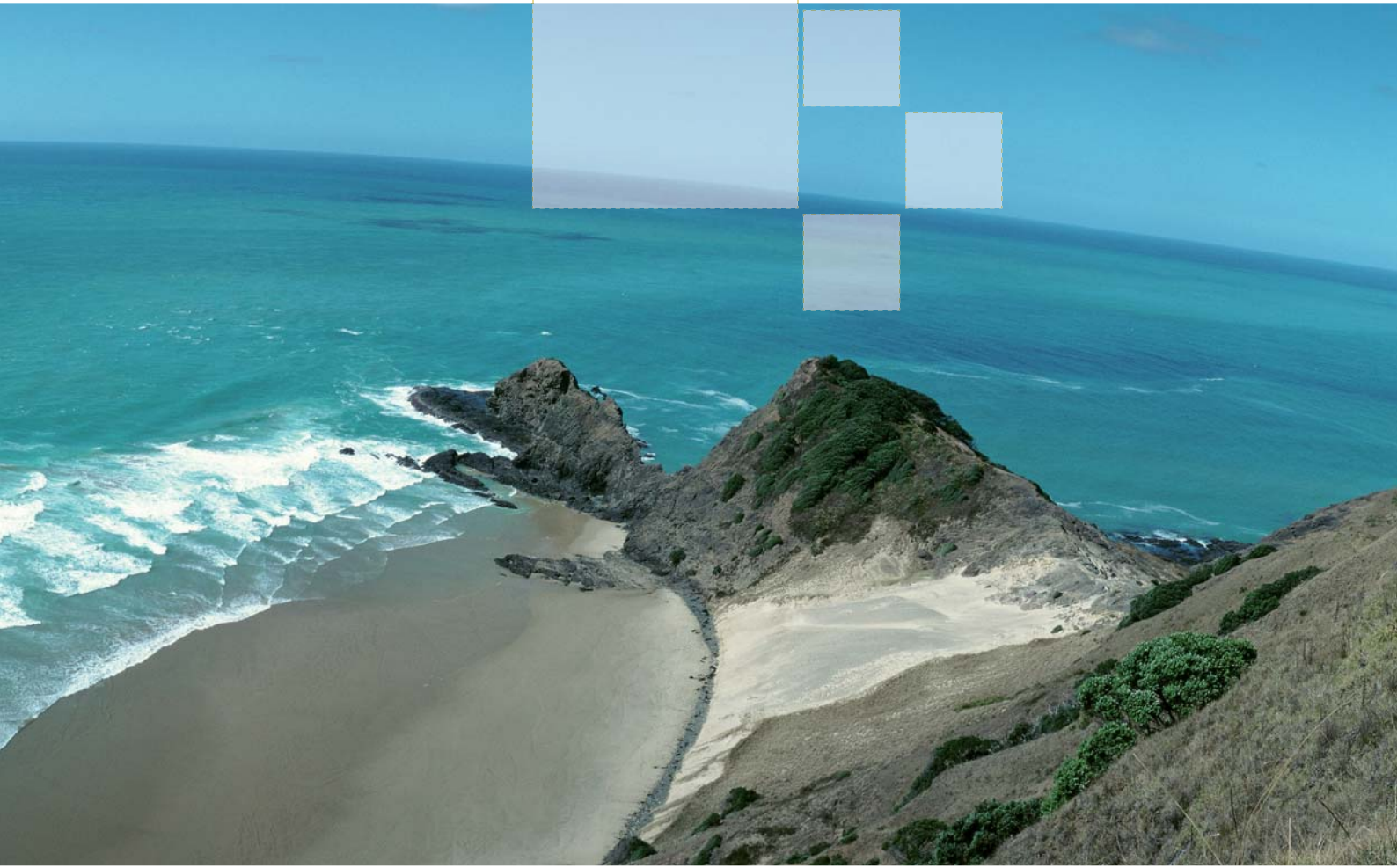
Exclusive jurisdiction is given to the courts of the company seat for all disputes between the company, its statutory manager, its shareholders and liquidators, regarding the company matters and the implementation of the current Articles of Association, unless the company expressly renounces to it.



Route de Lennik 451
Anderlecht, Belgium



Statements



12.1 Forward-looking statements – responsible persons

This annual report contains forward-looking statements. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial conditions, performance or achievements of the company to be materially different from any future results, financial conditions, performance or achievements expressed or implied by such forward-looking statements. Given these uncertain factors you are cautioned not to place any undue reliance on such forward-looking statements, which can not be guaranteed.

The statutory manager of Leasinvest Real Estate SCA is responsible for the information provided in this annual brochure. The statutory manager of Leasinvest Real Estate SCA has made all reasonable efforts to check all information presented in this annual brochure and states accordingly that, as far as is known to him, all data in this annual brochure correspond to the reality and that no data have been omitted which could affect the tenor of this annual brochure.

12.2 General statements

The statutory manager of Leasinvest Real Estate SCA declares that no government interventions, proceedings or other arbitration procedures exist, which could (or) have influence(d), in a recent past, the financial position or the profitability of the real estate fund and that, to the best of his knowledge, there are no situations or facts which could give rise to such government interventions, proceedings or arbitration procedures.

12.3 Statements concerning the directors and the management

The statutory manager of Leasinvest Real Estate declares that, to the best of his knowledge:

- nor himself, nor one of the directors, nor members of the management have ever been convicted for a fraud-related offense during, at least, the five previous years, that they have never been subject to official and public accusations and/or sanctions by legal or supervisory authorities or that they have never been declared incapable to act as a member of a decision-making entity of a listed company during at least the five previous years, and that he himself, the directors mentioned above and the members of the management, in their capacity as a director, have never been associated with any bankruptcy or judicial annulment during the five previous years;
- that until now no employment contracts have been concluded with the directors, nor with the real estate fund, nor with the statutory manager, which provide for the payment of indemnities upon the termination of the employment;
- that the employment contracts concluded between the statutory manager and the members of the management do not provide in special payment of indemnities upon the termination of the employment;

- that the directors Christophe Desimpel, Marcus Van Heddeghem, Bernard de Gerlache de Gomery, Eric De Keuleneer, Luc Bertrand, Jan Suykens, Jean-Louis Appelmans, Guy Van Wymersch-Moons and Thierry Rousselle do not own Leasinvest Real Estate shares with the exception of Kris Verhellen who owns 100 Leasinvest Real Estate shares;
- that the members of the management do not own Leasinvest Real Estate shares;
- that until now no options on Leasinvest Real Estate shares have been granted, nor to the directors, nor to the members of the management.

12.4 Other director mandates exercised during the 5 previous years¹

12.4.1 Directors

Luc Bertrand

Mandates in other companies, currently and during the 5 previous financial years: Ackermans & van Haaren NV, Ackermans & van Haaren Coordination Center NV, Agridec NV*, Algemene Aannemingen Van Laere NV, Anfima NV, Continentale Verzekeringen NV, Asco Leven NV, Atenor Group NV, Aviapartner NV*, Axe Investments NV, Baarbeek BV, Bank J. Van Breda & Co NV, Bank Delen & De Schaetzen NV, Bracht Deckers & Mackelbert NV, Belcadi BV, Belfimas NV, Belgian Media Holding NV, BIAC NV*, Blomhof NV, Bos NV, Brinvest NV, Cruiser BV, De Pijler vzw*, De Speyebeek NV*, Deme Coordination Center NV, Dredging International NV, "Dredging, Environmental & Marine Engineering" NV, "Electriciteit Voor Goederen-Behandeling, Marine En Industrie" (Egemin) NV*, Egemin International NV, Finaxis NV, Fortis Private Equity Belgium NV*, Gemini Natural Resources NV, Groupe Financière Duval SA, Groupe Flo, I.C.P. (Instituut Christian De Duve), Idea Strategische Economische Consulting NV, IlloSpear NV*, ING België NV, "Belgische Instituut Voor Vorming, Technische Bijstand En Overdracht Van Technologie" NV, Lamitref Industries NV*, Extensa Group NV, Manuchar NV, Middelheim Promotors, Museum Mayer van den Bergh vzw, NMC NV, Prins Leopold Instituut voor Tropische Geneeskunde, Profimolux NV, Project T&T NV, Promofi SA*, Protalux NV, Quick Restaurants NV*, Scaldis Invest NV, Schroders Ltd. (London), Sipef NV, Nationale Maatschappij Der Pijpleidingen NV, Nationale Investeringsmaatschappij NV, Sofinim NV, Solvus NV*, Virgin Express NV*, Vlaamse Beleggingen BV, Leasinvest Immo Lux SA

Jan Suykens

Mandates in other companies, currently and during the 5 previous financial years: Ackermans & van Haaren NV, Continentale Verzekeringen NV, Bracht, Deckers en Mackelbert NV, Asco Leven NV, Bank Delen & De Schaetzen NV, Banque Delen Luxembourg NV, Bank J. Van Breda & Co NV, Extensa Group NV,

¹ Terminated mandates are indicated with an '*'.

Leasinvest Finance NV, Oleon NV, Oleon Holding NV, Bureau Van Dijk Computer Services NV*, Solvus NV*, VUM Media NV, Synvest NV, Algemene Aannemingen Van Laere NV, "Dredging, Environmental & Marine Engineering" NV, IlloSpear NV*, Ackermans & van Haaren Coordination Center NV, Mabeco NV, Nationale Investeringsmaatschappij NV, Sofinim NV, Brantano NV, Anfi ma NV, Avafin-Re SA, Belcadi BV, Brinvest NV, Extensa NV, Finaxis NV, Gemini Natural Resources NV, Profimolux NV, Project T&T NV, Protalux NV, Legimco NV, Cobelguard NV, D&S Holding NV, Oleon Biodiesel NV, Leasinvest Immo Lux SA, Leasinvest Immo Lux Conseil SA

Bernard de Gerlache de Gomery

Mandates in other companies, currently and during the 5 previous financial years: Floridienne NV, SIPEF NV, Société Financière et de Gestion Texaf SA, Belficor NV, Equifund SA, BDM SA, ASCO SA, BIO SA

Eric De Keuleneer

Mandates in other companies, currently and during the 5 previous financial years: Credibe NV, Mobistar NV, Raad van Toezicht CBFA*, Keytrade Bank NV, Amonis NV, Ad Valvas Group NV*, Mediafin, Ackermans-Stroobants*

Christophe Desimpel

Mandates in other companies, currently and during the 5 previous financial years: Remi Claeys Aluminium NV*, De Cederboom NV*, Telindus Group NV*, De Speyebeek NV, Aluclaeys Invest NV, Aluclaeys Finance NV, RC Systems NV*, Aleurope Holding NV*, Cedes NV*, Point Break SA*, Te Lande NV, Val-I-Pac VZW*, Levimmo SA, Accentis NV, Immo Desimpel NV, New Regence NV, Omroepgebouw Flagey NV, Fortales NV*, Wellington Golf Oostende NV, Eurocrossroads Business Park NV, Marina Tower ESV, DML Composites NV, Valletta Invest NV, BVS-UPSI, BEM, Enfinity 2 CVBA

Marcus Van Heddeghem

Mandates in other companies, currently and during the 5 previous financial years: Redevco Retail Belgium Comm.V, Redevco Offices Belgium Comm.V, Redevco Industrial Belgium Comm.V, Home Invest NV*, City Hotels NV*, Befimmo NV, Maatschappij van Het Zoute NV, Wilma Project Development Holding NV*, Mons. Revitalisation SA, Bengali NV

Jean-Louis Appelmans

Mandates in other companies, currently and during the 5 previous financial years: Retail Estates NV, Brussimmo NV*, Ekiport NV*, Extensa NV*, Grossfeld Immobilière NV, I.D.I.M. NV*, Extensa Group NV*, Music City Brussels NV*, Omroepgebouw Flagey NV*, Project T&T NV, Stevibis NV*, Granville Consultants & Co BVBA, Leasinvest Immo Lux SA, Leasinvest Immo Lux Conseil SA, De Leewe NV, Logistics Finance I NV, Warehouse Finance NV, Square de Meeûs NV, Leasinvest Services (ex-Leasinvest Real Estate Facility Services NV)

Kris Verhellen

Mandates in other companies, currently and during the 5 previous financial years: Brussimmo NV*, Ekiport NV*, Vilvolease NV, Extensa NV, Logistics Finance NV*, De Leewe NV, Leasinvest Development NV, Kinna Finance NV, Finance & Promotion NV, Kinna Residential NV, Kinna I NV, Kinna II NV, Extensa Land II NV (ex-Schulze NV), Grossfeld Immobilière NV, Leasinvest Finance NV, Music City Brussels NV*, Project T&T NV, T&T Koninklijk Pakhuis NV, T&T Openbaar Pakhuis NV, T&T Parking NV, SITAS BVBA, Omroepgebouw Flagey NV, Stevibis NV, Extensa Group NV, UPO Invest NV, Extensa Land I NV, Metropool 2000 NV, Citerim SA, Implant NV, Développements & Promotions Immobilières SA, Hypo G Openbare VBS naar Belgisch Recht, Extensa Nederland BV, Extensa Luxembourg SA, Extensa Participation I SARL, Extensa Participation II SARL, Grossfeld Immobilière SA, Extensa Slovakia SRO (BVBA), Extensa I SRO,



EBBC, Grand Duchy of Luxembourg

Extensa Istanbul Emlak Yatirim Insaat VE Ticaret Anonim Sirketi, Grossfeld PAP SA, Bel Rom Uno SRL, FDC Targu Mures BV, Warehouse Finance NV, Logistics Finance I NV

Guy Van Wymersch-Moons

Mandates in other companies, currently and during the 5 previous financial years: AXA REIM Belgium NV*, Leasinvest Immo Lux SA, Bustar One NV, Cornaline House NV, Immo Zellik NV, La Tourmaline NV, Lex 65 NV, Messancy Réalisations NV, Parc Louise NV, Sodimco NV, Transga NV, Vepar NV, Water l'eau NV, Zaventem 1 NV, Zaventem 2 NV, Cabesa NV, Marina NV, Royaner NV, Royawyn NV, Trèves Leasehold NV, Trèves Freehold NV

Thierry Rousselle

Mandates in other companies, currently and during the 5 previous financial years: Brustar One NV, Cabesa NV, Cornaline House NV, Immo Jean Jacobs NV*, Immo Rac Hasselt NV*, Immobilière du Park Hotel NV, La Tourmaline NV, Les Résidences du Quartier Européen NV*, Lex 65 NV, Marina NV, Messancy Réalisations NV, Mucc NV*, Parc de l'Alliance NV*, Parc Louise NV, QB19 NV*, Royaner NV, Royawyn NV, Sodimco NV, Transga NV, Vepar NV, Water-Leau NV, Wathall NV*, Zaventem 1 NV, Zaventem 2 NV, Immo Zellik NV, Trèves Leasehold NV, Trèves Freehold NV

12.4.2 Members of the management other than the CEO

Michel Van Geyte

Mandates in other companies, currently and during the 5 previous financial years: Leasinvest Immo Lux SA, Leasinvest Immo Lux Conseil SA, Leasinvest Services NV (ex-Leasinvest Real Estate Facility Services NV), IFMA VZW

Micheline Paredis

Mandates in other companies, currently and during the 5 previous financial years: Brussimmo NV*, Leasinvest Immo Lux Conseil SA, Leasinvest Services NV (ex-Leasinvest Real Estate Facility Services NV), Autonom Gemeentebedrijf Boom Plus*

Sophie Wuyts

Mandates in other companies, currently and during the 5 previous financial years: Leasinvest Immo Lux Conseil SA, Leasinvest Services NV (ex-Leasinvest Real Estate Facility Services NV), BC Meetjesland NV

12.5 Office addresses

Luc Bertrand

Chairman of the executive committee
Ackermans & van Haaren NV
Begijnenvest 113
2000 Antwerp

Jan Suykens

Member of the executive committee
Ackermans & van Haaren NV

Begijnenvest 113
2000 Antwerp

Bernard de Gerlache de Gomery

Managing director
Belficor SA
Boulevard Général Jacques 26
1050 Brussels

Eric De Keuleneer

Chairman of the management committee
Credibe SA
Rue de la Loi 42
1040 Brussels

Christophe Desimpel

Managing director
De Speyebeek NV
Guldensporenpark 2D
9820 Merelbeke

Marcus Van Heddeghem

Managing Director
Redevco Retail Belgium Comm.V
Brouckère Tower
Boulevard Anspach 1 B1
1000 Brussels

Jean-Louis Appelmans

CEO
Leasinvest Real Estate Management NV
Mechelsesteenweg 34²
2018 Antwerp

Kris Verhellen

CEO
Extensa Group SA
Tour & Taxis
Avenue du port 86C boîte 316
1000 Brussels

Guy Van Wymersch-Moons

General Manager of Real Estate
AXA Belgium SA
Boulevard du Souverain 25
1170 Brussels

Thierry Rousselle

General Manager of Real Estate
AXA Belgium SA
Boulevard du Souverain 25
1170 Brussels

² As from 01/01/08: Schermersstraat 42, 2000 Antwerp.

Michel Van Geyte*Commercial Manager*

Leasinvest Real Estate Management NV

Mechelsesteenweg 34³

2018 Antwerp

Micheline Paredis*Legal Manager*

Leasinvest Real Estate Management NV

Mechelsesteenweg 34³

2018 Antwerp

Sophie Wuyts*Financial Manager*

Leasinvest Real Estate Management NV

Mechelsesteenweg 34³

2018 Antwerp

12.6 Financial communication to the shareholders**Places where documents are accessible for the public**

The articles of association of Leasinvest Real Estate may be consulted at the Registry of the Commercial Court in Brussels and at the registered office.

The annual accounts are filed with the National Bank of Belgium. Each year the annual accounts together with the reports thereto are sent to the holders of registered shares, and to anyone who requests it.

The annual brochures, which comprise the consolidated annual accounts, the annual report and the report of the auditor concerning the financial years 2004/2005 and 2005/2006 and the conclusion of the valuation report and the half-year reports including the report of the auditor for the financial years 2004/2005, 2005/2006 and 2006/2007, can be consulted on the Leasinvest Real Estate website (www.leasinvest.be) and may be consulted at the administrative office of the company.

The current annual brochure 2006/2007⁴ can also be consulted on the website www.leasinvest.be and the Euronext website (www.euronext.com).

The historical financial information for the two previous financial years, of all subsidiaries of Leasinvest Real Estate (Warehouse Finance NV, De Leewe NV, Logistics Finance I NV, Leasinvest Immo Lux SA, Leasinvest Immo Lux Conseil SA en Leasinvest Services (ex- Leasinvest Real Estate Facility Services NV)) can be consulted at the administrative office of Leasinvest Real Estate.

Financial reporting and notices to the shareholders for general meetings of shareholders are published, as far as mandatory, in the financial press and can be consulted on the Leasinvest Real Estate website.

Leasinvest Real Estate pursues the guidelines of the Banking, Finance and Insurance Commission in this regard.

The decisions about the appointment or dismissal of members of the board of directors are published in the appendices to the *Moniteur Belge*.

The latest update of the Corporate Governance Charter can be found on the website www.leasinvest.be.

Anyone interested can freely subscribe at www.leasinvest.be to receive all press releases and mandatory financial information per e-mail (contact – subscribe).

12.7 List of reference information

Historical financial information and the description of the financial situation of the previous financial years 2004/2005 and 2005/2006, and transactions with related parties in the previous financial years 2004/2005 and 2005/2006

For this information we refer to the annual brochures, which comprise the consolidated annual accounts, the annual report and the report of the auditor concerning the financial years 2004/2005 and 2005/2006 and the semester reports including the report of the auditor drawn up in the financial years 2003/2004, 2004/2005 and 2005/2006, and which can be consulted on the Leasinvest Real Estate website (www.leasinvest.be).




Route d'Esch 25,
Grand Duchy of
Luxembourg

³ As from 01/01/08: Schermersstraat 42, 2000 Antwerp.

⁴ The statutory annual accounts, the annual report of the statutory manager and the report of the auditor, and the valuation rules, regarding the statutory annual accounts for the financial year 2006/2007 can be obtained for free, and by anyone who asks, upon simple request at the office of the company.



Motstraat
Malines, Belgium



This annual report is a registration document in the sense of art. 28 of the Law of 16/06/06 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market. It has been approved by the CBFA in accordance with art. 23 of the aforementioned law, on 25/09/07.

Leasinvest Real Estate has chosen Dutch as its official language, and only the Dutch version of the annual brochure forms legal evidence. The French and English versions are translations of the Dutch version of the annual brochure. The annual brochure was translated under the responsibility of Leasinvest Real Estate.

De Nederlandse versie van de jaarbrochure is beschikbaar op de zetel van de vennootschap, op eenvoudige aanvraag en kan gedownload worden van de website www.leasinvest.be (financiële verslagen – jaarresultaten).

Le rapport annuel en français peut être obtenu au siège de la société et peut être téléchargé du site web www.leasinvest.be (rapports financiers – résultats annuels).



Identity card

Real estate fund under Belgian Law	Leasinvest Real Estate SCA
Legal entity	Limited partnership by shares
Registered office	Avenue de Tervueren 72, 1040 Brussels, Belgium
Administrative office	Mechelsesteenweg 34, 2018 Antwerp, Belgium As from 01/01/08: Schermersstraat 42, 2000 Antwerp, Belgium
Contact information	T +32 3 238 98 77 – F +32 3 237 52 99
E-mail	investor.relations@leasinvest.be
Web	http://www.leasinvest.be
Register of legal entities	Brussels
VAT	BE 0436.323.915
Established	8/06/99, publication MB 26/06/99 (conversion into real estate fund) (nr. 990626-330)
Term	Unspecified
Financial year	1 July – 30 June
Listing	Euronext Brussels, NextPrime, Bel small
Liquidity provider	ING Financial Markets & Bank Degroof
Depository	Bank Delen
Financial service	Bank Degroof, Dexia Bank, Fortis Bank and ING Bank
Auditor	Ernst & Young Réviseurs d'entreprises, represented by Christel Weymeersch, Partner
Real estate valuers	Cushman & Wakefield - Winssinger & Associates
Supervision	Banking, Finance and Insurance Commission (CBFA)

Registered office:

Avenue de Tervueren 72
1040 Brussels

Administrative office:

Mechelsesteenweg 34
2018 Antwerp

New administrative office as from 01/01/08:

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