

ANNUAL FINANCIAL REPORT

07/08



Leasinvest
REAL ESTATE

MISSION STATEMENT

Leasinvest Real Estate SCA is a diversified public real estate investment trust, listed on Euronext Brussels, that 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 investment trust wants to achieve a rental yield in line with market performance, an acceptable dividend level and potential capital gains.

Investor profile

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

This annual financial report is a registration document in the sense of art. 28 of the Law of 16/06/06 on the public offering of investment instruments and the admission to trading of investment instruments on a regulated market. The version in Dutch has been approved by the CBFA in accordance with art. 23 of the aforementioned law, on 04/07/09.

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

De Nederlandstalige versie van het jaarlijks financieel verslag 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 financier annuel en français peut être obtenu au siège de la société et peut être téléchargé du site internet www.leasinvest.be (rapports financiers – résultats annuels).

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Risk factors

Leasinvest 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 possibly resulting in capital gains in the long term. Our strategy consequently consists of limiting or excluding as much as possible the risks mentioned below, namely:

- economical risk = by being a diversified real estate investment trust according to asset class and with an important geographical breakdown across Belgium and the Grand Duchy of Luxembourg;
- real estate market risk = by maintaining an occupancy rate as high as possible, even in difficult economical times;
- rental and credit risk = by aiming at a well spread tenant base with good credit risk, of which tenants are loyal to the real estate investment trust and therefore guarantee a recurrent rental income stream;
- renovation and maintenance risk of the buildings = by technically well maintaining the buildings and making them respond completely to the technical needs of the tenants;
- financing, liquidity and cash flow risk = by a sufficient spread of shareholders' equity and debts, resulting in a limited debt ratio;
- interest rate risk = by covering a maximum of the variable interest rate positions;
- and not be exposed to an exchange rate risk.

Hereafter the above mentioned inherent market and business risks and their possible impact on the real estate investment trust, and the ways to limit these, are presented in detail.

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 corporate companies. A poor economic climate leads to a reduction in employment and therefore in the demand for available rentable space. This can result in a higher vacancy rate and lower rents.

The recent financial crisis will have a slowing-down effect on the economy in Belgium and in Luxembourg, of which we already felt the beginning during the last quarter of 2008. Three problems could therefore occur in the rental market, namely 1) a lower demand for rentable spaces, mainly offices and logistics, 2) lower rents due to a lower demand/take-up and 3) the bankruptcy of current tenants. The demand for rentable spaces mainly in the offices market has decreased in 2008 (see also page 43 of the real estate report), but thanks to the high occupancy rate of Leasinvest Real Estate and the already started negotiations for extension of certain rental contracts, it is expected that

this will only have a limited impact on the results of 2009. The rents have, on average, remained relatively steady for Leasinvest Real Estate and in case of renegotiations, rental incentives are, as usual, negotiated by the tenants. The quality of the tenants is very good, as until present, no arrears of the rents to be paid have been recorded.

Furthermore, the financial crisis could have a possible negative impact in the financial world, on the activities of and the need for office space of banks and financial institutions. This could be particularly the case in the Grand Duchy of Luxembourg, which is pre-eminently a financial centre, and where Leasinvest Real Estate has tenants in financial and related sectors. As to our tenants portfolio in Luxembourg we need to point out that due to the initiated diversification into retail (shops in Strassen, Diekirch and Foetz) and distribution (CFM-site), on the one hand, and the very well-situated locations of our office buildings on the other hand, this risk seems rather limited. Currently no rental contracts have been terminated and we have a nearly 100% occupation of all buildings. The activities of our tenants in the banking and financial sectors relate to mainly private banking and asset management, which have possibly decreased in terms of assets under management, but remain highly profitable and justify a presence in Luxembourg. Besides the Luxembourg government has always followed a proactive economical policy to constantly keep its economy at a competitive level with the surrounding countries.

All countries in the world will suffer from this financial and economical world crisis. Where probably most countries, including Belgium and the Grand Duchy of Luxembourg will record a negative growth of the GDP (Gross Domestic Product) in 2009, the real estate markets do not evolve that negatively in the aforementioned two countries as in most of the surrounding countries, such as the UK, Ireland and Spain. The acquisition of Leasinvest Immo Lux during the month of March 2006 fits within this geographical diversification. The Grand Duchy currently represents 39% (30/06/07: 31%) of the consolidated real estate portfolio in operation 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 buildings (offices, logistics and retail buildings) react in the same way to the economic 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 31/12/08 is spread across the different market segments as follows: 63% offices, 21% logistics buildings and 16% retail.

During the past financial year Leasinvest Real Estate has mainly invested in retail and logistics and has invested a large part in Luxembourg, and wishes to further extend its

portfolio with office buildings (let on a long-term basis), logistics and retail buildings, and also in the Grand Duchy of Luxembourg, in order to further reduce its sensitivity to the economical cycles.

Real estate market risk

Till end-2007 the demand in the investment market for all types of buildings remained very high. As from 2008, and mainly during the last semester of 2008 a turning-point was reached, and due to the consequences of the financial and economical crisis the investment volume in all types of buildings worldwide, and thus also in Belgium and the Grand Duchy of Luxembourg, has fiercely dropped. Buildings on good locations and/or with long-term rental contracts remain, despite the crisis, well in demand, but property investments have been nearly brought to a standstill during the last quarter of 2008. The continuously decreasing rental yields have been stopped and have – since a very long time ago – again increased in 2008. These rental yields will probably further increase in 2009 due to the decreasing demand for investment objects caused by the increased difficulty of obtaining new credit lines and the increased credit margins requested by the banks. Currently there is also a major discrepancy between the low rental yields of one year ago still envisaged by the buyers, and the higher rental yields expected by the sellers. As long as these two expectations do not meet (f.i. due to the non-obligation of the sellers to sell), it is expected that the investment volume in 2009 will remain low. A major comment here is the fact that contrary to overheated real estate markets, such as London, Paris, Madrid and Dublin, where initial yields have dropped more fiercely than in Belgium and Luxembourg, the correction on the real estate values will be less important than in both aforementioned countries, due to the expected increasing yields. The Belgian real estate portfolio of Leasinvest Real Estate, making abstraction of the positive change in the fair value of the CFM building after completion, has dropped by approximately 2% on average in 2008 and it is expected that this evolution could continue in 2009 in the same way. Thanks to the active management of the real estate portfolio of Leasinvest Real Estate on the one hand, and the successful redevelopments and recent retail acquisitions in Luxembourg on the other hand, resulting in respectively an important realised and an important non-realised gain on the Luxembourg real estate portfolio in 2008, this negative effect was entirely compensated.

Given the foreseen important non-realised gain mid-2009 at the completion of the Bian site in Luxembourg it is expected that a further decrease of these initial yields on the real estate portfolio of Leasinvest Real Estate will hereby fully compensated.

The rental market has a strong correlation to the economy. In all Western countries the low take-ups have dropped compared to 2007, due to a weakening of the economy.

Thanks to the very good location of our buildings, the proactive and dynamic management of the portfolio, and/or the acquisitions focused on buildings leased at a longer term, Leasinvest Real Estate has succeeded in keeping the occupancy rate of its Belgian portfolio at a rather constant level on 31/12/08, namely 96.2% (30/06/07: 97.0%) and to increase the occupancy rate of the Luxembourg portfolio on 31/12/08 to 99.2% (30/06/07: 97.03%). The consolidated occupancy rate has consequently slightly risen from 97.0% to 97.3%.

Tenant & credit risks

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 obtain a rental risk and income with an improved diversification therefore limiting the dependency of the real estate investment trust to the fall-out of a tenant due to termination of the rental contract or bankruptcy. The breakdown per sector of our tenant portfolio is good with a more prominent accent on retail and distribution than before.

The main sectors are the services sector (24% compared to 30% on 30/06/07), retail & wholesale (19% compared to 11% on 30/06/07), the financial institutions (13% compared to 18% on 30/06/07), followed by the public sector, non-profit and international professional associations (10% compared to 11% on 30/06/07) and transport & distribution (10% compared to 9% on 30/06/07). Retail and distribution have taken up a more important part in our consolidated portfolio. Retail and storage buildings can somewhat be less sensitive for the consequences of the crisis than offices. Approximately 90% of the consolidated tenants of Leasinvest Real Estate consist of companies. The creditworthiness of our tenants' portfolio is very good, which is proven by the fact that barely no write-downs of doubtful receivables were booked till the end of the first quarter of 2009, nor in Belgium, nor in Luxembourg. For most of the rental contracts the rents are paid quarterly in advance, which means that the income is received at the beginning and not at the end of the rental period concerned. Furthermore our occupancy rate in Belgium and Luxembourg is very high and we are better armed against the crisis than during the recent IT crisis in 2004/2005 when our occupancy rate was lower than 92%.

Except from the continuous follow-up of our tenants creditworthiness, we aim at signing a maximum of long-term rental contracts and/or to acquire buildings with long-term rental contracts to insure the durability of our rental income stream and as a consequence increase the duration of the rental contracts.

In the financial year 2007/2008 different rental contracts with a break possibility within the financial year were extended. In 2009 9.1% of the rental contracts expires. In 2010 there are important break possibilities, namely 19.9% and in 2011 15.6%. 71% of the annual contractual rents are assured till 31/12/10¹. Leasinvest Real Estate has always succeeded in the past in renewing the largest part of its expired rental contracts or in concluding new rental contracts, which is reflected in the relatively constant duration of our rental contracts over the years. The real estate investment trust has already started negotiations for renewal with most of its important tenants of whom the rental contracts expire within the 3 coming years.

The duration of the current rental contracts in Belgium and Luxembourg, closed with companies (representing 90% of Leasinvest Real Estate's consolidated portfolio), is mainly of the classical type (3-6-9 years).

Thanks to our pro-active and dynamic management, which has led to new rental contracts, extensions of current rental contracts and the realised acquisitions in 2007/2008, the real estate investment trust has succeeded in keeping the average duration of the consolidated portfolio at a quasi constant level of 4.6 years (30/06/07: 4.9 years). The duration of the Luxembourg portfolio on 31/12/08 has systematically increased from 2.3 years (30/06/06) to 4.1 years (30/06/07) and to 4.8 years on 31/12/08. The duration of the Belgian portfolio is reduced from 5.3 years (30/06/07) to 4.5 years on 31/12/08. The pro-active management of Leasinvest Real Estate is also focused on closing rental contracts of a longer duration than the classical 3-6-9 years type.

Tenant loyalty is very important to Leasinvest Real Estate. The tenants generate the rental income and define the vacancy. Through 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 6.2% (30/06/07: 4.2%) in its Brussels office portfolio, which is better than the global vacancy in the Brussels office market of 9.2% (30/06/07: 9.6%). The vacancy rate for offices in the Grand Duchy of Luxembourg was 1.7% (3.5% op 30/06/07), which is higher than 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 fulfill the present and future requirements of the tenants. If this is not, or not sufficiently, taken into account, this could jeopardize the long-term lease of our buildings.

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).

For each building in the portfolio an internal and external 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 not 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 and executed in different phases, by which, the buildings will be able to compete with new buildings. The recently acquired retail sites in Luxembourg are older than 15 years, but contrary to office buildings of the same age which could induce higher maintenance and renovation costs when current tenants leave the building, the tenants have to take care of the installation of the complete shop (f.i. decoration). The renovation and maintenance costs of retail shops are therefore limited, also because of the fact that the duration for these shops amounts to 6.5 years.

Within the framework of durable and green buildings, the real estate investment trust is actively looking for optimal, energy-friendly and efficient technical installations. Furthermore, the possibility for solar panels on some of the roofs of our logistics buildings is analysed in order to contribute to durability in general.

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¹ For more information, see page 60 and note 5 of the financial statements.

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² For more information, see page 61 of the Real estate report.

Financing, liquidity and cash flow risk

Leasinvest Real Estate finances its real estate portfolio through its shareholders' equity, the issuing of short term commercial paper (from 1 week to 6 months) and the conclusion of bank credit lines (from 1 to 5 years). The issued commercial paper is covered by back-up credit lines (with a typical duration of 364 days). The financing and liquidity risks for Leasinvest Real Estate could consist of 1) insufficient solvency to be able to renew current or conclude new credit lines with its banks, 2) the liquidity being no longer assured by the drying-up of the commercial paper issuing or the non-extension of current loans and/or back-up credit lines and 3) the real estate investment trust not being able to respect the current financial and other covenants imposed by its banks. The consolidated debt ratio³ of Leasinvest Real Estate amounted to 52.06% (30/06/07: 40.93%) on 31/12/08, which is significantly lower than the legally allowed maximum debt ratio of 65% as defined by the RD of 21/06/06, which amends the RD of 10/04/95 on this point. The increase of the debt ratio is due to, a.o., the different acquisitions realised during the past financial year. At the end of 2008 Leasinvest Real Estate has succeeded in closing important additional credit lines for its important retail acquisitions in the Grand Duchy of Luxembourg, which confirms the notoriety of the real estate investment trust. The liquidity risk is limited on the one hand by spreading the financing across different banks, and on the other hand, by diversifying the maturity dates of the credit facilities. Leasinvest Real Estate has only 6.3% (€ 13.7 million) of its credits expiring in 2009, 0% in 2010, 22.9% in 2011, 5.7% in 2012 and 65.2% in 2013. All back-up credit lines expire in 2009, or € 104.2 million, of which already € 10 million has been extended on 05/02/09 for 1.5 years. It is expected that the loans and back-up lines of Leasinvest Real Estate coming to maturity, given its good creditworthiness, will be extended by the banks.

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 short term bank loans) and long term bank loans

at 50% - 50%. On 31/12/08 this proportion short-term financing / long-term loans was 38% - 62% (30/06/07: respectively 54% - 46%)⁴.

The bank loans include financial covenants, which relate mainly to the status of real estate investment trust and the related maximum debt ratio. Until present, the real estate investment trust fully complies to all of its imposed covenants.

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 almost exclusively 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 2009 and 2013. On 31/12/08 only 68% of the financial debt was hedged due to the acquisitions of end-December 2008. The fixed interest rates of the interest rate swaps lie between 3.38% and 3.87%, excluding the credit margin. Till September/October 2008 increasing short-term interest rates were recorded as a consequence of the financial uncertainties on the world markets, which have promptly turned to fiercely decreasing short-term interest rates. As a result, most real estate investment trusts and also Leasinvest Real Estate recorded negative market fluctuations on their interest rate hedges. These negative 'mark-to-market' are no cash expenses, but merely non-cash accounting adjustments.

The monetary regulatory authorities in the world have drastically reduced their reference interest rates to extremely low (often historically) interest rate levels of f.i. 1 to 1.50%. Low interest rates are for a real estate investment trust and in case of Leasinvest Real Estate, which has an indexed gross rental yield of 7.27% (based on the fair value), a possibly profit-increasing factor. Normally this results in the increase of the gross margin between the received rental yield and the paid interest rate in function of 1) the hedged

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

4 This breakdown is no strict breakdown per maturity date: the short term financing comprise the issued commercial paper and the short term bank loans on more than 1 year and the long term bank loans comprise drawdowns which have to be reimbursed within 1 year.

interest positions and 2) the interest rate margins increased by the banks in case of renewal of credit lines. Notwithstanding, Leasinvest Real Estate finances its needs mainly based on floating interest rates and these rates are currently at a very low level, we can not entirely benefit from these decreased interest rates, as Leasinvest Real Estate – from a risk adverse profile – has concluded interest rate hedging instruments (such as a.o. IRS's and interest rate collars) to hedge this interest rate risk, as a consequence of which the company can not always (in the case of IRS's) or can only partially (in the case of interest rate collars) or completely (for the non-hedged part) benefit from these lower interest rates. A reduction of the interest rates often leads to a negative change in the fair value of the interest rate hedges, with a(n) (accounting but non-cash) negative impact on the shareholders' equity and the result. It is expected that further negative changes in the fair value of the interest rate hedges will occur for Leasinvest Real Estate. Due to the fierce financial crisis banks systematically apply higher credit margins for the extension of current or conclusion of new credit lines. In so far as the borrower has to extend its loans, the eventual consequent increase of the credit margins could therefore reduce, partially or entirely, the above mentioned positive effect of non-hedging caused by the previously mentioned decrease of the interest rates.. Leasinvest Real Estate has only 6.3% (€ 13.7 million) of its loans expiring in 2009, while all its back-up

credit lines (€ 104.2 million) for its issued commercial paper in 2009 expire. It is expected that the extensions of the credit lines will be granted by the banks but that the credit margins on these to be renewed different credit lines could eventually increase and therefore compensate partly the decrease of the interest rates.

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.

Risk of destruction of property

The risk of destruction of property following a fire or other disasters is insured. For buildings which are part of the global real estate investment trust insurance policy, the insured value is based on the replacement value, or the acquisition price of the reconstruction as new of the building, including the remuneration of architects and the VAT, and with a loss of rent (for a maximum of 36 months). For more details on the insured value, we refer to the Real estate report on page 56.

Important events in the development of Leasinvest Real Estate

1999/2000

- Leasinvest Real Estate SCA was granted the real estate investment trust (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
- Acquisition of 3 buildings of Phase I of the Axxes Business Park (Merelbeke, Ghent)

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 (Brussels)
- Contribution in kind of the building Montoyer 63 (Brussels) through the partial splitting-up of Extensa Group SA (ex-Leasinvest 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 sicav Leasinvest Immo Lux (ex-Dexia Immo Lux), (co-)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 & Brussels) of Extensa Group 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 (Brussels) and the building situated in Wommelgem



Wommelgem, Belgium



2007/2008

- Divestment of the building Aubépines in the Grand Duchy of Luxembourg
- Acquisition in Antwerp region of a logistics site in Wommelgem and two logistics buildings in the Meer transport zone, and a retail building in Merksem, brought in kind into the real estate investment trust Retail Estates afterwards, in exchange for a participation of 2.2%
- Agreement for the acquisition of 100% of the company Canal Logistics Brussels (future logistics site in Nederover-Heembeek of more than 50,000 m² of storage and 2,500 m² of offices, of which the completion is normally foreseen by end-2009) under a number of usual conditions precedent
- Completion of the redevelopment with extension of the CFM site in the Grand Duchy of Luxembourg
- Change of the financial year into a financial year which corresponds to the calendar year with consequently an extended financial year, which ran from 01/07/07-31/12/08
- Conclusion of a real estate leasing with Cegelec SA for the construction and financing of its new regional branch in the Antwerp region (Zwijndrecht) and acquisition of the land
- Acquisition of 100% of Montimmo SA, owner of the building under finished construction of the office project 'Montimmo' in the Grand Duchy of Luxembourg, followed by a merger by absorption by Leasinvest Immo Lux
- Acquisition of 3 top retail locations (Strassen, Diekirch, Foetz) in the Grand Duchy of Luxembourg
- Conversion of Leasinvest Immo Lux from a real estate open-ended fund to a real estate open-ended fund-specialised investment fund as from 31/12/08, followed by a repurchase by Leasinvest Immo Lux of all shares held by minority shareholders, as a consequence of which Leasinvest Real Estate became, directly and indirectly, the only shareholder and delisting of the share on the Luxembourg stock exchange
- 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
- Increase of the participation in Leasinvest Immo Lux to 96.04%





CFM, Luxembourg

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Letter to the shareholders

Luc Bertrand



Jean-Louis Appelmans



Ladies and Gentlemen,

The extraordinary general meeting of shareholders of Leasinvest Real Estate of 27/06/08 has approved the change of the closing date of the financial year from 30/06 to 31/12, resulting in the fact that the financial year now corresponds to the calendar year. As a consequence, the previous financial year has been extended by 6 months closing at 31/12/08 and relating, exceptionally, to 18 months of activity.

During the last 4 months of the extended financial year a worldwide financial crisis arose, which announced the beginning of an important global economical crisis. The real estate investment trust has armed itself against this fierce financial crisis by pro-actively starting up negotiations for the renewal of its most important rental contracts expiring in 2009, and expects that these will, to an important degree, be extended¹.

The strategy of the real estate investment trust remains focused on reaching a constantly growing net recurring result² by following these parameters, namely to keep the occupancy rate of the buildings at a high level, to generate gains on redevelopments wherever possible and to grow in a well thought-out way by further diversifying the portfolio into logistics, retail, long-term rental contracts and Luxembourg. This strategy has led to a good performance during the past financial year, notwithstanding the very difficult economical and financial markets.

The rental income amounted to € 49.1 million (18 months) compared to € 33.2 million the previous financial year (12 months) and the net result (share of the group) closed at € 38.3 million (18 months) compared to € 34.9 million the previous financial year (12 months). The downward interest rate evolution during the last semester of 2008 has led to a negative financial result on our interest rate hedges. Furthermore, the net result over the last quarter of 2008 was also influenced by limited net losses on our real estate portfolio.

Redevelopments create capital gains in Luxembourg

The successful redevelopment of the 'CFM' project in the Cloche d'Or region situated in the City of Luxembourg was completed at the end of June 2008. On demand of the current tenants the existing 'CFM' site was renovated and extended by 4,000 m² of logistics and 1,200 m² of office space, within the scheduled time frame. The entire site was long term leased in advance to the current tenants. Thanks to this redevelopment an important increase of the fair value of € 14.4 million was generated. The extension has led to a higher rental income as from 01/07/08.

The redevelopment of the office project 'Bian', also situated in Cloche d'Or, develops according to plan. This project relates to an office building, which has been entirely stripped and has been extended to 5,500 m². During the financial year no rental income was realised. The completion of the renovated office building, which is foreseen by the end of May 2009, is expected to result in an important non-realised capital gain.

Also in the Grand Duchy of Luxembourg, the constructed building of an office project at a top location in the City centre of Luxembourg, at the avenue Monterey 35 was acquired at the end of July 2008. The finishing and the completion are expected during the last quarter of 2009.

Further diversification of the real estate portfolio into logistics, retail, long-term rental contracts and Luxembourg

At the end of February 2008 Leasinvest Real Estate has acquired fully let logistics buildings in the Antwerp region with a total rentable surface of 41,000 m².

Furthermore an agreement has been concluded at the end of March 2008 to acquire (under a number of usual conditions precedent) a still to build and let logistics building of 50,000 m² in the Brussels region, at the end of 2009.

On 23/12/08 3 fully let retail sites were acquired in the Grand Duchy of Luxembourg, situated in Strassen, Diekirch and Foetz. The acquisition related to 35,783 m² of commercial spaces leased for a fixed term of 6.5 years. The full positive impact of these acquisitions on the rental income and the result will be felt in 2009.

At the beginning of July 2008 a real estate leasing agreement for a fixed term of 15 years was concluded with Cegelec SA for the construction of its regional branch in Antwerp. The completion is foreseen by end-2009.

1 For more information on the average duration of the rental contracts, we refer to chapter 6 Real estate report.
2 Net recurrent result is the net result without the result on the portfolio and possible goodwill and changes in the fair value of the non-effective interest rate hedges (according to IAS 39).

This strategy has led to a good performance during the past financial year, notwithstanding the very difficult economical and financial markets.

The fair value of the real estate portfolio (including the development projects) has increased to € 563.2 million (30/06/07: € 459.3 million), which results from, mainly the acquisition of retail and logistics spaces in respectively Luxembourg and the Antwerp region, and the net positive change in the fair value of the portfolio thanks to the gains on the CFM project and on the acquired shops in Luxembourg. The real estate portfolio in operation is situated in Belgium for 61.4% and in the Grand Duchy of Luxembourg for 38.6%. The breakdown of the portfolio according to asset class consists at present of 63% of offices, 21% of logistics and 16% of retail.

Occupancy rate remains steady at 97.29%

The occupancy rate remained steady, like the previous financial year, namely at 97.29% compared to 97.01% (30/06/07) thanks to the conclusion of new rental contracts and mainly renewal of the breaks on current rental contracts.

The occupancy rate in Belgium amounted to 96.19% compared to 99.15% in the Grand Duchy of Luxembourg.

Important events after the closing of the financial year

No important events took place after the closing of the financial year.

Interim and closing dividend

Given the extended financial year a gross interim dividend, for the first 12 months of the past financial year, of € 3.85, or € 3.27 net (compared to an annual dividend for the financial year 2006/2007 of € 3.80 gross or € 3.23 net) was paid out on 15/10/08. Furthermore it is proposed to pay out a gross closing dividend of € 1.85 (€ 1.57 net) which will relate to the last 6 months of the extended financial year, on 25/05/09.

Outlook 2009

Thanks to the expected high occupancy rate in 2009, the important acquisition of the Luxembourg retail buildings at the end of 2008 and the full annual impact of the extension of the CFM site, the property result for the current financial year will increase substantially. Furthermore an important capital gain is expected on the completion of the redevelopment of the 'Bian' project, foreseen in May 2009.

Depending on the impact of the financial and economical crisis, and without taking into account possible negative changes in the fair value of the portfolio and of the market-to-market evolutions of the interest rate hedges, it is expected to achieve in the financial year 2009 a net recurrent result² that should be comparable to the last 12 months of the previous financial year.


Jean-Louis Appelmans
Managing director

Luc Bertrand
President of the
board of directors

² Net recurrent result is the net result without the result on the portfolio and possible goodwill and changes in the fair value of the non-effective interest rate hedges (according to IAS 39).



Strassen, Luxembourg



1 2 3 4 5 6 7 8 9 10 11 12

3

Key figures



Essentiel, Brussels

The key figures concern IAS/IFRS key figures.

On 31/12/08 Leasinvest Real Estate fully consolidates the following participations: the Luxembourg sicav Leasinvest Immo Lux SA (previously Dexia Immo Lux), Leasinvest Immo Lux Conseil SA, Leasinvest Services NV, Zebra Trading NV (as from 29/02/08) and Alm Distri NV (as from 29/02/08).

On 30/06/07 also Warehouse Finance NV, De Leewe NV and Logistics Finance NV were fully consolidated (100%),

but these have been merged with Leasinvest Real Estate in the meanwhile.

Finally, the Luxembourg sicav Leasinvest Immo Lux SA was converted into a SICAV-specialised investment fund (SICAV-SIF) as from 31/12/08.

Since that date the Leasinvest Real Estate Group holds 100% of the Leasinvest Immo Lux SA shares.

Real estate portfolio¹

Total surface (in m ² above ground)	31/12/08	30/06/07	30/06/06
Offices	129,649	126,621	144,961
Logistics	158,591	118,313	118,313
Retail	57,096	21,313	21,313
Total	345,336	266,247	284,587

	31/12/08	30/06/07	30/06/06
Fair value (x € 1,000) ^{2,3}	534,039	445,859	467,182
Investment value (x € 1,000) ^{3,4}	547,860	457,310	479,170
Occupancy rate ⁵ (%)	97.29	97.01	95.87
Rental yield (fair value) (%)	7.27	7.22	7.45
Rental yield (investment value) (%)	7.09	7.04	7.26

- 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 transfer rights have been deducted; the fair value is the accounting value under IFRS.
- 3 Fair value and investment value estimated by real estate experts Cushman & Wakefield/Winssinger en Associates.
- 4 The investment value is the value as defined by an independent real estate expert and whereof the transfer rights 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 111.

Key results

(in € 1,000)	IAS/IFRS Consolidated 31/12/08 (18 months)	IAS/IFRS Consolidated 30/06/07 (12 months)	IAS/IFRS Consolidated 30/06/06 (12 months)
Rental income	49,058	33,154	23,958
Property result	49,234	33,003	23,818
Operating result ¹	56,189	43,678	27,118
Net current result ²	22,591	17,425	19,402
Net current result, share of the group	22,127	17,075	16,963
Portfolio result	16,971	18,095	3,923
Portfolio result, share of the group	16,195	17,859	2,760
Net result	39,562	35,520	23,325
Net result, share of the group	38,322	34,934	19,723
Net cash flow, share of the group ³	25,085	16,555	9,823

- 1 Net result without financial result and taxes.
- 2 Net result minus portfolio result.
- 3 Net cash flow: net result minus all non-cash elements among which amortizations, depreciations on trade debtors and the additions to and withdrawals on provisions and changes in the fair value of the investment properties.

Balance sheet

(in € 1,000)	IAS/IFRS Consolidated 31/12/08	IAS/IFRS Consolidated 30/06/07	IAS/IFRS Consolidated 30/06/06
Total shareholder's equity	264,431	272,046	262,555
Shareholder's equity, share of the group	264,438	262,071	237,849
Balance sheet total	576,884	477,202	483,659
Debt ratio ¹ (%)	52.06	40.93	44.15

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

Data per share¹

(in €)	IAS/IFRS Consolidated 31/12/08 (18 months)	IAS/IFRS Consolidated 30/06/07 (12 months)	IAS/IFRS Consolidated 30/06/06 (12 months)
Number of issued shares (#)	4,012,832	4,012,832	4,012,628
Number of shares participating in the result of the period (#)	3,996,294	4,012,628	3,318,241
Net asset value, share of the group ²			
- based on fair value	66.17	65.31	59.28
- based on investment value	69.59	68.13	62.10
Rental income	12.28	8.26	7.22
Property result	12.32	8.22	7.18
Operating result	14.06	10.89	8.17
Net current result	5.65	4.34	5.85
Net current result, share of the group	5.54	4.26	5.11
Portfolio result	4.25	4.51	1.18
Portfolio result, share of the group	4.05	4.45	0.83
Net result	9.90	8.85	7.03
Net result, share of the group	9.59	8.71	5.94
Net cash flow, share of the group	6.28	4.13	2.96

1 The result data per share are calculated based on the number of shares participating in the result of the period.

On 31/12/08 and 30/06/07 these correspond to the total number of issued shares minus the number of treasury shares on a consolidated basis.

On 31/12/08: Leasinvest Real Estate held 16,538 treasury shares, or 0.41% in portfolio, on a consolidated basis.

30/06/07: in the annual brochure of the financial year 2006/2007 it was mentioned that 4,012,832 shares participated in the result of the period; this is without taking into account the 204 treasury shares in portfolio on 30/06/07. This adjustment has no impact on the data per share on 30/06/07.

30/06/06: following the capital increase that 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.

2 Net asset value according to IFRS is before distribution of the result. The net asset value per share is calculated based on the number of issued shares minus the number of treasury shares on a consolidated basis.



Meer, Belgium

Key ratios¹

(in €)	31/12/08	30/06/07	30/06/06
Share price on coupon date ²		64.20	74.80
Coupon date ³	25/05/09	22/10/07	23/10/06
price / cashflow (PCF)		15.54	25.27
price / earnings (PER)		15.07	14.64
Price at end of financial year	48.05	78.10	65.90
price / cashflow (PCF)	7.65	18.91	22.26
price / earnings (PER)	8.67	18.33	12.90

- 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 31/12/08 because the annual report is published before the coupon date.
- 3 Concerns the date on which the closing dividend is distributed (€ 1.85 gross per share). On 15/10/08 an interim dividend of € 3.85 gross per share was already distributed.

Evolution of the number of shares

Initial number of shares Brixton Zaventem	61,250
New number of shares ¹	864,808
Acquisition of treasury 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
Number of issued shares on 31/12/08	4,012,832

- 1 On 31/12/98 the registered capital of Brixton Zaventem amounted to € 2,921,625, 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 €)	31/12/08	30/06/07	30/06/06
Number of listed shares (#)	4,012,832	4,012,832	3,249,221
Number of issued shares (#)	4,012,832	4,012,832	4,012,628
Market capitalisation based on closing price (€ million)	192.82	313.40	264.43
Closing price	48.05	78.10	65.90
Highest price ¹	78.00	84.50	73.35
Lowest price ¹	46.13	65.80	62.05
Average price ¹	65.85	75.96	66.12
Annual traded volume ¹ (#)	652,187	720,881	706,725
Average monthly traded volume ¹ (#)	36,233	60,073	58,894
Annual turnover (€ million)	31.34	56.30	46.73
Velocity ^{1,2} (%)	16.25	17.96	21.75
Gross dividend ³	5.7000	3.8000	3.7500
Net dividend ³	4.8450	3.2300	3.1875
Gross dividend yield ⁴ (%)	7.91	4.87	5.69

- 1 The data for the financial year closing per 31/12/08 are calculated over a period of 18 months.
- 2 Number of traded shares / total number of listed shares.
- 3 On 31/12/08 (18 months) the dividend is composed of an interim dividend and a closing dividend.
- 4 Gross dividend / closing price.

1 2 3 4 5 6 7 8 9 10 11 12

Corporate Governance



Avenue Monterey, Luxembourg

4.1 Decision-making bodies

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

The statutory manager

Real estate investment trust Leasinvest Real Estate is being managed by its limited (managing) partner and sole statutory manager, Leasinvest Real Estate Management SA, with registered office at 2000 Antwerp, Schermersstraat 42 (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 € 537,090.43 on 31/12/08.

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 within the Leasinvest Real Estate Group, which is responsible for the general management, the commercial contacts with tenants and real estate agents, the accounting, the legal activities, the administration and the technical management of the buildings consisted of 16 persons¹ on 31/12/08.

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 and a representative to the daily management (see further 'daily management-effective management').

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 consolidated portfolio and amounted to € 3,083,492.85 (18 months) for the past financial year. No other remuneration is attributed to the statutory manager.

The board of directors of the statutory manager²

Composition and decision process 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 regulation for nominations (nomination rights granted to Extensa Group NV and AXA Belgium NV) based on which the board of directors is composed as stated above, will be further developed in the articles of association of the statutory manager and in the shareholders' agreement.

Furthermore, according to recent agreements between AXA Belgium and Extensa Group NV, as from now on, a maximum of 3 directors³ can be appointed on the proposal of AXA Belgium NV, which will be reflected in the near future in the articles of association of the statutory manager.

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.

The articles of association of the statutory manager also comprise specific dispositions regarding the majorities within the board of directors of the statutory manager, which relate, a.o. decisions regarding the strategy (see further) and in that way, confirm the exclusive control of Extensa Group NV over Leasinvest Real Estate.

1 Leasinvest Real Estate itself has no personnel; the statutory manager Leasinvest Real Estate Management NV, Leasinvest Services NV and Leasinvest Immo Lux Conseil SA do.

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

3 Previously, a maximum of 4 directors could be appointed on the proposal of AXA Belgium NV.

All directors and the members of the executive management, taking into account their previous and current functions, directors' mandates and education, dispose of the relevant management expertise and experience for managing a real estate investment trust.

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

1) The independent directors 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 NV



Marcus Van Heddeghem
managing director of
Redevco Retail Belgium SCS

Messrs. de Gerlache de Gomery, De Keuleneer, Van Heddeghem and Desimpel satisfy the criteria of independent directors in the sense of art. 526ter of the company law. They also satisfy the criteria of independence as defined in the Corporate Governance Charter.

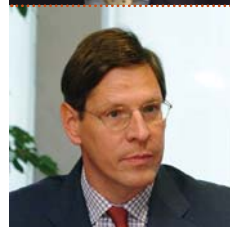
2) The directors proposed by Extensa Group NV are:



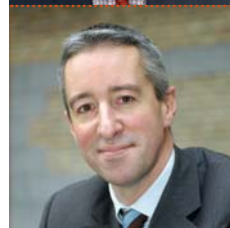
Luc Bertrand
chairman of the executive committee of
Ackermans & van Haaren NV, chairman
of the board of directors of Leasinvest
Real Estate Management NV



Jean-Louis Appelmans
CEO and managing director of
Leasinvest Real Estate Management NV

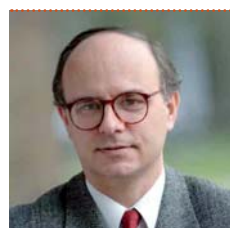


Jan Suykens
member of the executive committee of
Ackermans & van Haaren NV



Kris Verhellen
CEO⁴ of Extensa Group NV

3) The directors proposed by AXA Belgium NV are:



Guy Van Wymersch-Moons
general manager of real estate of
AXA Belgium NV



Thierry Rousselle
director of companies

In the first half of the financial year 2009 will be proposed to the general meeting of the statutory manager to appoint Mr. Alfred Bouckaert, president of the board of directors of

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

AXA Belgium NV, as the third director on the proposal of AXA Belgium NV.

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

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-Moons 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 seven times during the extended financial year of 18 months.

The global attendance quotient was 90%. The attendance quotient of the individual members was, for Messrs. Bertrand, Appelmans, de Gerlache de Gomery, Rousselle and Van Wymersch-Moons 100%. Messrs. Suykens and Desimpel have been excused once and Messrs. Van Heddeghem, De Keuleneer and Verhellen, twice.

Competences of the board of directors

The board of directors defines the policies of the real estate investment trust 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 establishing the accounts, the yearly and half-yearly financial report and the interim statements, press releases or the preparation of general meetings, the board of directors proceeds to the annual approval of the budgets, the interim results and outlook, investments and possible divestments.

In 2007/2008 the following specific items on the agenda have been treated by the board of directors:

- approval of important additional investments in logistics (a.o. Wommelgem and Meer and a project in Nederover-Heembeek), offices (office project for Cegelec in Zwijndrecht and 'Montimmo' project in Luxembourg) and retail (a.o. retail building in Merksem, brought in kind in Retail Estates and 3 retail sites/buildings in Lux-

embourg) and divestments (Aubépines building in Luxembourg),

- proposal to the general meeting to modify the financial year to make it correspond to the calendar year and to change the date of the general meeting,
- research of the conditions to be able to proceed to a squeeze-out with Leasinvest Immo Lux, which have finally led to the decision to convert Leasinvest Immo Lux into a sicav-SIF, followed by a repurchase procedure by Leasinvest Immo Lux of the remaining shares, not held by allowed shareholders in accordance with the Luxembourg regulation. De facto, all shares not yet held by Leasinvest Real Estate were repurchased;
- possible measures to take in order to limit the consequences of the impact of the financial crisis on Leasinvest Real Estate.

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 held at the offices of the statutory manager.

The board can validly decide if the majority of its members is 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 amendments to 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 NV (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 regarding 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 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.

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 investment trust, 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 tasks of the audit committee correspond to the dispositions recorded in art. 526bis, §4 of the company law).

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 NV), director and president of the audit committee
4. Thierry Rousselle (AXA Belgium NV), director

The audit committee met six times during the past financial year. The attendance quotient of the members of the committee was, globally, 80% and individually, for Mr. Suykens, 100%. Messrs. Rousselle and De Keuleneer were excused once and 100% Mr. Van Heddeghem twice.

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

- discussion of the quarterly financial reporting;
- discussion of the financing structure and the hedging policy;
- measures to take following the impact of the financial crisis on Leasinvest Real Estate;
- proposal to renew the mandate of the auditor Ernst & Young for the Leasinvest Real Estate Group (in accordance with art. 130, new paragraph 2 of the company law).

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 NV), director and president of the appointments & remuneration committee
4. Guy Van Wymersch-Moons (AXA Belgium NV), director

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

The appointments & remuneration committee met twice during the past financial year in the presence of all its members.

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 item on the agenda was considered to by the appointments & remuneration committee:

- proposals for the remuneration of the executive management, of the managing director and the personnel.

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 policy of the real estate investment trust;
- 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 real estate investment trust, at the moment of the realisation of the transaction;
- important modifications in the organisation of the real estate investment trust or the statutory manager, resulting in a modification of the licence of Leasinvest Real Estate as a real estate investment trust.

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 advice 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 in the presence of all independent directors concerned.

The committee of independent directors has, prior to the decisions taken by the board of directors, drawn up a written advice regarding the investment proposal for Cegelec, more specifically regarding the acquisition of the land from Baarbeek BV, and also regarding the joint introduction of the budget with Algemene Aannemingen Van Laere.

The conclusion of the advice of the committee is as follows:

• Summarized extract of the decision of the advice of 14/05/08:

The committee has received elaborated explanations of the management with regard to the proposed operation and the related project (the acquisition by Leasinvest Real Estate of a land (intended for the construction of the building, for which a real estate leasing agreement has been granted to Cegelec) of Baarbeek BV, a 100% subsidiary of Vlaamse Beleggingen BV, on its turn, a 100% subsidiary of Ackermans & van Haaren NV, or a company associated with Leasinvest Real Estate). The committee is of the opinion that the operation is in the interest of Leasinvest Real Estate and its shareholders, that the acquisition price offered has been defined according to market standards and corresponds to the valuation report of the valuer, and that the project of operation can lead to an improvement of the risk profile and to an increase of the operating result and the result per share of Leasinvest Real Estate. Consequently the committee gives a favourable advice to the board regarding the project of operation.

• Summarized extract of the decision of the advice of 05/12/07:

The committee has been notified of the results of the (limited) research by the management regarding the operation (introduction of a budget, jointly with Algemene Aannemingen Van Laere NV, a 100% subsidiary of Ackermans & van Haaren, within the framework of a public tender).

Furthermore the committee has received elaborated explanations of the management with regard to the proposed contract sum (...) and the liabilities at charge of the letter and to the consequences of the operation for Leasinvest Real Estate, as well financially, as at the operating level. The committee specifically points to the importance of hedging of the different risks, such as the interest rate risk and the risk with regard to repairs by the letter for the entire duration of the rental contract. Subject to taking into account the above mentioned points of interest the committee is of the opinion that the operation is in the interest of Leasinvest Real Estate and its shareholders, that the contract sum offered has been defined according to market standards and that the project of operation can lead to an improvement of the risk profile and to an increase of the operating result and the result per share of Leasinvest Real Estate. Consequently the committee gives a favourable advice to the board regarding the project of operation.

In case of a favourable result to this offer, more comments on this operation will be given in a next report.

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 investment trust according to art 4 § 1, 5° of the RD on real estate investment trusts. 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 effective management is currently composed of the managing director, Jean-Louis Appelmans, and of Michel Van Geyte, COO, empowered to the daily management.

Management

The members of the management are:

Jean-Louis Appelmans (CEO)

Jean-Louis Appelmans (56) is, since its establishment in 1999, managing director of Leasinvest Real Estate Management NV and, since the end of 2002, also its permanent representative. He is also managing director of Leasinvest Immo Lux.

He was CEO of Extensa Group NV (ex-Leasinvest NV) from 1989 until 2005. He fulfils a number of other director's mandates, among which independent director of the listed public real estate investment trust Retail Estates. Previously he worked in corporate banking at Crédit Lyonnais Belgium (1986-1989) and Chase Manhattan Bank (currently JPMorgan Chase) from 1979 until 1986.

Michel Van Geyte (COO)

Michel Van Geyte (43) was appointed as commercial manager of Leasinvest Real Estate Management NV in August 2004. He is also director of a.o. Leasinvest Immo Lux. Previously, he worked at Knight Frank as a managing partner and has fifteen years of experience in real estate.

Micheline Paredis

Micheline Paredis (42) is secretary general and group counsel and fulfills the role of compliance officer. She has 18 years of experience in corporate and real estate law, of which nearly 10 years at Leasinvest Real Estate Management NV. Previously she was a candidate-notary (public).

Sophie Wuyts

Sophie Wuyts (35) was appointed as CFO in June 2007. Previously she was a controller at Ackermans & van Haaren for 6 years. She has 11 years of experience in accounting & finance, among which the last two years at Leasinvest Real Estate Management NV.

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 COO or a commercial manager, the secretary general/group counsel or legal counsel, the CFO or the senior accountant and the property manager or a representative of the technical management of the buildings.

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 COO, the CFO, the secretary general/group counsel.

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

External representation

The statutory manager, Leasinvest Real Estate Management NV, represents the company in all judicial and extra-judicial 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 investment trusts, 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 NV 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 investment trust 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.

Remuneration⁶

During the past financial year, the directors received from the statutory manager of Leasinvest Real Estate SCA, directly and/or indirectly, for all services rendered on behalf of the statutory manager, remunerations for a total amount of € 368,500 (over 18 months).

	€
Independent directors	148,000 ⁽¹⁾
Jean-Louis Appelmans	220,500
Total directors	368,500

(1) Of which € 74,000 relates to the past financial year and € 74,000 relates to the financial year 2006/2007, but was only paid during the past financial year.

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 was paid as follows:

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

These latter remunerations within the framework of the consultative 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 remuneration mentioned in the table below was 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, COO.

Michel Van Geyte is not a director of the statutory manager. The following remuneration mentioned in the table below was granted to him, for the past financial year, on an individual basis, directly and indirectly; his management agreement comprises the usual possibilities for giving notice and the related 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 (over 18 months)

effective management	fixed ⁽¹⁾	variable ⁷	total
Appelmans Jean-Louis	437,196.77	110,000.00	547,196.77
Van Geyte Michel	253,673.00	75,000.00	328,673.00
Total	690,869.77	185,000.00	875,869.77
⁽¹⁾ of which insurance premium:	64,099.77		

6 All remunerations mentioned in this chapter are or granted by the statutory manager, or, for approximately 2/3 of the total, by a subsidiary of Leasinvest Real Estate. The persons concerned receive no other remunerations than those mentioned in this chapter. The first table recorded regards exclusively the remunerations paid by the statutory manager.

7 The variable amount relates to the financial year 2006/2007 paid on 26/10/07 (JL Appelmans: € 90,000 and Mr. Van Geyte: € 50,000) and for the financial year 2007/2008 paid on 20/11/08 (JL Appelmans: € 110,000 and Mr. Van Geyte: € 75,000).

4.2 Corporate Governance Charter⁸

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 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 investment trust, 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 investment trusts.

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 investment trust is ascertained at any given moment.

The most recent version of the Charter can be found on the website (www.leasinvest.be).

Comply or Explain - Derogations of the Corporate Governance Charter compared to the 'Code Lippens' (version applicable during the past financial year)

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 investment trust.

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 does 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 justified, taking into account the relatively limited size of the board of directors (ten members, maximum eleven, 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 met twice during this extended financial year. During a normal financial year of 12 months 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 (re-)appointed in 2004 for a term of six years. The mandates of the directors who were appointed afterwards, also expire in 2010. As from the (re-)appointment 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 re-appointment 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 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

1° Articles 523 and 524 of the company law

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

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

The board of directors declares that, to his knowledge, no situations of conflicts of interest as intended by article 523 of the company law occurred during the past financial year between the directors of the statutory manager or members of the management and Leasinvest Real Estate, except for the fact, that in application of article 523 § 1 last paragraph of the company law, with regard to the procedure for the prevention of conflicts of interest in listed companies, Mr. Appelmans has left the meeting of the board of directors during the discussion of the proposals with regard to the remuneration of the managing director and the executive management. This remuneration is in accordance with market standards. Regarding the consequences related to the patrimony of the company we refer to the details on the remuneration mentioned above⁹.

As described above in section 4.1 (Decision-making bodies – Consultative committees – Committee of independent directors) the board of directors has taken two decisions the past financial year, for which the conflicts of interest settlement of article 524 of the company law was applied.

- Art 524 of the company law was applied on the acquisition by Leasinvest Real Estate of the land in Zwijndrecht (Cegelec) from Baarbeek BV. Prior to the decisions of the board of directors on this matter, the committee of independent directors has established a written advice. The minutes of the board of directors confirm 'that the land is acquired at a total price (incl. registration rights and costs) of € 1,134,017.11, which is lower than the price estimated by the independent valuer (€ 1,198,000)'¹⁰; and
- Art. 524 of the company law – as far as possible at the moment, as the final structure and conditions of the agreement between Algemene Aannemingen Van Laere and Leasinvest Real Estate could not yet be fixed at that time – was applied within the framework of the joint budget introduced by Algemene Aannemingen Van Laere and Leasinvest Real Estate for a public tender. Prior to the decisions of the board of directors on this matter, the committee of independent directors has established a written advice. But only in case a favourable outcome would be given to the introduced budget, the conditions of the agreement between Leasinvest Real Estate and Algemene Aannemingen Van Laere will be fixed and the committee of independent directors will have to establish a written advice regarding the contract

conditions and will the auditor also have to establish a report on the matter. As the occasion arises, the operation will be further commented in the annual financial report of the financial year 2009.

2° Article 24 of the RD on real estate investment trusts

Article 24 of the RD on real estate investment trusts contains a provision for the case persons recited in the article act as a counterparty or gain an advantage, in the case of an operation with the real estate investment trust or a company it controls. In the past financial year this article was applicable on the acquisition by Leasinvest Real Estate of the land in Zwijndrecht (Cegelec) from Baarbeek BV (Ackermans & van Haaren group), and also on the conclusion of the main paying agent agreement with Bank Delen. The same will be the case for the joint offer mentioned before by Algemene Aannemingen Van Laere – Leasinvest Real Estate within the framework of a public tender, in case this offer would have a favourable outcome.

3° Corporate Governance Charter

In its Corporate Governance Charter Leasinvest Real Estate has subscribed to the policy that a director or member of the management¹¹ (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 operation of Leasinvest Real Estate – in other cases than those intended by the legal settlement of conflicts of interest of article 523 of the company law –, 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° General comments regarding potential conflicts of interest of the directors

The possibility that potential conflicts of interest arise between the directors of the statutory manager 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 small.

A functional conflict of interest (to which the legal settlement of conflicts of interest of article 523 of the company law is not applicable) could occur in the capacity of directors appointed on the proposal of Extensa Group NV, if operations are carried out between Extensa Group NV and/or the statutory manager and Leasinvest Real Estate (in the past financial year operations between Leasinvest

9 The minutes of the board of directors mention explicitly that Mr. Appelmans was not present during the deliberation and decision-making on this item of the agenda on the remuneration. The decision of the board of directors is the following: 'the proposals regarding the remuneration are approved'.

10 The opinion of the auditor with regard to this operation is as follows: 'Based on our work related to art. 524 of the company law we have no findings to report.'

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

Real Estate and companies related to Extensa Group NV occurred three times – see above regarding article 524 of the company law and article 24 of the RD on real estate investment trusts); or in the capacity of directors appointed on the proposal of AXA Belgium NV, if operations are carried out or decisions are taken, for which AXA Belgium NV has an interest that is opposed to an interest of the statutory manager and/or Leasinvest Real Estate.

Leasinvest Services is a 100% subsidiary of Leasinvest Real Estate, to which the property management is 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.

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 in the financial year 2006/2007 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 to 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 twentyfour 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 Composition of the board of directors of Leasinvest Immo Lux

The board of directors of Leasinvest Immo Lux, a 100% subsidiary of Leasinvest Real Estate currently holding the

Luxembourg portfolio, is at present composed of five directors, of which four directors of Leasinvest Real Estate Management NV:

Luc Bertrand, chairman of the executive committee of Ackermans & van Haaren NV, president of the board of directors of Leasinvest Real Estate Management NV

Jean-Louis Appelmans, CEO and managing director of Leasinvest Real Estate Management NV

Jan Suykens, member of the executive committee of Ackermans & van Haaren NV

Guy Van Wymersch-Moons, general manager of real estate of AXA Belgium NV

and **Michel Van Geyte**, COO of Leasinvest Real Estate Management NV

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

The mandates of the directors of Leasinvest Immo Lux are valid, each time, for one year.

4.7. 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', De Kleetlaan 2, 1831 Diegem, were reappointed in 2005 for a term of three years to fulfil the function of auditor of Leasinvest Real Estate. To the annual meeting of shareholders which will be held in May 2009 will be proposed to renew the mandate of the auditor Ernst & Young, represented, for Leasinvest Real Estate, by Mrs. Christel Weymeersch, for a term of three years.

The remuneration of the auditor for auditing the annual accounts of Leasinvest Real Estate for the past financial year of 18 months has been estimated at € 47,000 (excl. VAT). Next to that, remunerations were paid for an amount of € 5,000 (excl. VAT) for additional missions¹².

The remunerations for the audit of the subsidiaries of Leasinvest Real Estate amounted to € 59,814 (excl. VAT). Finally, a remuneration of € 33,000 (excl. VAT) was paid for tax consulting.

¹² The remunerations for other missions carried out by Ernst & Young at the level of Leasinvest Real Estate comprise the fee paid for IFRS activities in the financial year 2007/2008 (€ 2,000) and translation work within the framework of a due diligence (€ 3,000).

To the annual meeting of shareholders that will be held on 18/05/09, will be proposed, on the proposal of the audit committee, to re-appoint the auditor for a term of three years at the same conditions. The auditor receives an annual remuneration of € 30,000 (excl. VAT) for the execution of this mandate.

To the annual meeting of shareholders of Leasinvest Immo Lux, which will be held in April 2009, will be proposed to renew the mandate of the auditor Ernst & Young (Luxembourg), with offices at 7, Parc d'Activités Syrdall, L-5365-Munsbach, represented by Mr. Bruno Di Bartolomeo, for a term of one year (as is usual for Leasinvest Immo Lux). The remuneration of the auditor for auditing the annual accounts of Leasinvest Immo Lux was estimated at € 42,500 for the past financial year of Leasinvest Immo Lux (which counts 12 months).

4.8 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. During the past 18 months, a total remuneration of € 236,316.60 (VAT excl.) was paid to the valuers, as well for the valuation of the portfolio in Luxembourg, as in Belgium, of which € 197,589.09 was paid by Leasinvest Real Estate and the balance by Leasinvest Immo Lux (the value of the remuneration is defined as follows: 0.00625% on the investment value for quarterly valuations and 0.0625% on the investment value for special assignments).

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 but is regulated by the RICS (Royal Institute of Chartered Surveyors).

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

4.9 Depositary

Bank Delen NV¹³, with registered office at the Jan Van Rijswijklaan 184, 2020 Antwerp, subject to the supervision of the Banking, Finance and Insurance Commission, has been appointed as depositary of Leasinvest Real Estate in accordance with the provisions of art. 12 and following of the RD on real estate investment trusts (company number 0453.076.211). Bank Delen receives a fixed remuneration of € 30,000 (incl. VAT) 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 on real estate investment trusts. The depositary is put in possession of all official documents and deeds relating to changes in the assets of the real estate investment trust, and ensures that any change in the real estate portfolio is incorporated into the inventory.

The remuneration of the depositary paid during the past 18 months amounted to a total of € 45,000 (incl. VAT).

RBC Dexia Investor Services Bank, with registered office at 14, Porte de France, L- 4360 Esch-sur-Alzette, subject to the supervision of the 'Commission de Surveillance du Secteur Financier', has been appointed as depositary of Leasinvest Immo Lux in accordance with the applicable Luxembourg legislation (RCS Luxembourg B47192).

In its capacity of depositary RBC Dexia is held to comply with the provisions imposed by, a.o., the Luxembourg law of 13 February 2007 on specialised investment funds. In that capacity the depositary is, a.o. put in possession of all official documents and deeds relating to changes in the assets of the real estate investment trust and of a number of documents according to corporate law.

By Leasinvest Immo Lux remunerations for a total amount of € 244,244 were foreseen in the past financial year for RBC Dexia Investor Services Bank.

¹³ The depositary agreement is an operation as aimed at by article 24 of the RD on real estate investment trusts, as Bank Delen NV is part of the Ackermans & van Haaren group.

4.10 Liquidity Provider

ING Financial Markets and Bank Degroof have rendered services as liquidity provider of Leasinvest Real Estate during the past period of 18 months and received a total remuneration of € 30,855 (incl. VAT). On 31/12/08 only Bank Degroof acts as liquidity provider.

4.11. Dividend policy Leasinvest Real Estate

In accordance with article 7 of the RD of 21 June 2006 on the accounting, annual accounts and consolidated accounts of public real estate investment trusts, in case a profit of the financial year is recorded, at least has to be distributed the positive difference between the following amounts:

- 80% of the sum of the corrected result and the net realised gains on real estate, not exempt of the man-

datory distribution (always calculated according to the aforementioned RD of 21/06/06); and

- the net decrease in the financial year of the debts.

Leasinvest Real Estate aims at offering an acceptable dividend return to its shareholders, in combination with limited risks in the medium term.

4.12. Financial service

The financial service during the past 18 months had been entrusted to Bank Degroof, Fortis Bank, ING Bank and Dexia Bank.

The agreements have been terminated in the meanwhile. At the end of December Bank Delen NV has been appointed as main paying agent within the framework of the adoption of ESES (Euroclear Settlement for Euronext-zone Securities)¹⁴.

.....
¹⁴ The main paying agent agreement is an operation aimed at by article 24 of the RD on real estate investment trusts, as Bank Delen is part of the Ackermans & van Haaren group.

Essentiel, Brussels



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Management report



Avenue J.F. Kennedy, Luxembourg

Management report^{1 2}

5.1 Important events during the financial year 2007/2008

The strategy of Leasinvest Real Estate aims at the creation of capitals gains through redevelopments and the diversification of its real estate portfolio through long-term rental contracts, logistics, retail and Luxembourg.

Investment activity during the financial year 2007/2008 in Belgium and in the Grand Duchy of Luxembourg was intense. All acquisitions fit entirely the well thought-over portfolio growth and the further geographical diversification in the Grand Duchy of Luxembourg as well as the asset class diversification. As a consequence, the breakdown of the real estate portfolio in operation at the end of the financial year consists of 63% of offices, 21% of logistics and 16 % of retail with a geographical breakdown as follows: Belgium 61% and the Grand Duchy of Luxembourg 39%.

Divestments

On 04/07/07 Leasinvest Immo Lux sold the building Aubépines in Luxembourg with a capital gain of € 3.6 million.

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 18/05/09 with regard to the consolidated IFRS figures for the financial year 2007/2008 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 18/05/09, as well as the comments in the annual report are not integrally reported in this annual financial report. 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 2007/2008 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 financial report on page 5.

2 For more information on the application of the articles 523/524 of the company law, we refer to chapter 4 Corporate governance.

Acquisitions³

Further acquisitions in logistics and long-term contracts in Belgium

On 29/02/08 Leasinvest Real Estate acquired, directly and indirectly, 100% of two companies, owning in the Antwerp region a logistics and distribution site in Wommelgem of nearly 27,000 m² (including 4,200 m² offices), two distribution sites for a total of 13,000 m² located in the transport zone Meer and a retail building of 4,800 m² in Merksem. Meanwhile the latter building has been contributed in kind into real estate investment trust Retail Estates through a partial split-up against a contribution value of € 3.5 million in exchange for 83,632 new shares, which resulted into a stake of 2.2% in Retail Estates. The fair value of the 4 sites amounts to a total of € 27.1 million and the average rental yield is 6.9%.

Leasinvest Real Estate has furthermore concluded an agreement for the acquisition, under a number of usual conditions precedent, of 100% of the company Canal Logistics Brussels at the end of 2009. With this acquisition Leasinvest Real Estate will acquire an important future logistics and distribution site in Neder-over-Heembeek near Brussels, of over 50,000 m² of storage and 2,500 m² of offices, of which the completion is foreseen by end-2009.

The expected fair value of these sites will fluctuate between € 34 and 38 million. The final acquisition price will be defined based on the rental situation after the fulfillment of the conditions precedent.

In Belgium a fixed real estate leasing agreement for 15 years was concluded with Cegelec SA, for the construction and the financing of its new regional branch of 3,500 m² offices with 1,000 m² workplace and warehouses, situated in the Antwerp region, for which the land was acquired by Leasinvest Real Estate in the financial year under review. The completion of the building is expected by 31/12/09. A gross initial yield of 7.5% will be realised on the entire project based on an investment of approximately € 6.2 million.

Acquisition of 3 top retail locations in Luxembourg

Leasinvest Immo Lux, subsidiary of Leasinvest Real Estate, has acquired a retail site in Strassen of 22,721 m² and two retail buildings, of which one in Diekirch of 8,843 m² and one in Foetz of 4.219 m² at an investment value of € 47.5 million (including registration rights & costs) with a gross initial yield of 7.68%.

3 For more information on the transactions mentioned, we refer to the related press releases, published on the Leasinvest Real Estate website.

Through these last transactions the share of retail buildings within the total real estate portfolio of Leasinvest Real Estate increased from 7% to 16%.

Redevelopments in Luxembourg create capital gains

At the Cloche d'Or site in the City of Luxembourg, the existing CFM site has been renovated and extended by 4,000 m² of storage space and 1,200 m² of offices, on demand of the current tenant. Both extensions have been leased for a fixed period of 10 years, with a gross initial yield (before increase of the fair value) of 8.9%. Thanks to its knowledge of the Luxembourg market and its in-house building expertise, Leasinvest Real Estate has succeeded in realising, on this redevelopment project, a substantial increase of the fair value of € 14.4 million, or € 3.6 per share.

Also at Cloche d'Or the Bian site is entirely renovated and extended to 5,500 m². The provisional completion is expected in May 2009. Marketing is ongoing and offers good perspectives.

At the avenue Monterey 35, one of the main streets in the centre of the City of Luxembourg, the building under finished construction of the office project 'Montimmo' was acquired. The project comprises 1,585 m² of office space and 15 underground parking spaces. The total investment of this acquisition and the further completion will amount to approximately € 10 million. An initial gross yield of nearly 7% on the project is expected, after completion, delivery and letting.

5.2 Important events after the closing of the financial year 2007/2008

No important events took place after the closing of the financial year 2007/2008.

5.3 Conflicts of interest

As for the application of the procedure for prevention of conflicts of interest (articles 523 & 524 of the company law and art 24 of the RD on real estate investment trusts) we refer to page 28 of Corporate governance.

5.4 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.

5.5 Acquisition of treasury shares

Leasinvest Real Estate has acquired 16,334 treasury shares on the stock market in the period 01/07/07-30/06/08. Taking into account the evolution of the share price it was considered opportune to proceed to the acquisition of a small part of the shares, and this in accordance with the



conditions and within the limitations of the authorisation granted to the statutory manager by the general meeting of shareholders of Leasinvest Real Estate. Including the 204 treasury shares, already held by a subsidiary on 30/06/07, Leasinvest Real Estate holds 16,538 treasury shares in portfolio on 31/12/08. These have a total accounting value of € 1,045,928, with a par value per share of € 10.99. These acquired shares represent 0.41% of the total number of Leasinvest Real Estate shares and have been acquired with in a spread of € 61.50 and € 64.50/share.

5.6 Comments to the consolidated balance sheet and results of the financial year 2007/2008

As Leasinvest Real Estate makes the transfer towards a financial year running from 1 January until 31 December, the previous financial year has been extended from 30/06/08 till 31/12/08. The figures in these comments refer to the evolution during the period 01/07/07 – 31/12/08, or 18 months.

Results

The extended financial year 2007/2008 refers to 18 months and is compared to the previous financial year 2006/2007 for 12 months.

The rental income amounted to € 49.1 million (18 months) compared to € 33.2 million on 30/06/07 (12 months).

The property charges amounted to € 7.5 million (€ 5.9 million on 30/06/07) and take into account, among other things, the full impact of the period of 18 months of the management fee of Leasinvest Real Estate Management SA (the statutory manager of the real estate investment trust) calculated on the total real estate portfolio and higher real estate agent fees resulting in a further improvement of the occupancy rate of the portfolio.

The corporate operating charges amounted to € 2.8 million (18 months) compared to € 1.9 million the previous financial year (30/06/07).

The portfolio results consist, on the one hand, of the realised capital gain of € 3.6 million on the sale of the Aubépines building in Luxembourg and, on the other hand, of a net positive change in the fair value of the real estate portfolio of € 13.4 million (€ 16.6 million on 30/06/07). The latter is mainly due to the successful redevelopment of the CFM site in Luxembourg (impact of € 14.4 million), partly compensated by negative portfolio results following increasing yields in the real estate market.

The financing with bank debts of the acquisition in logistics buildings during the financial year and the higher interest rates till mid-2008 has led to an increase of the interest charges. Due to the decreasing interest rates in the last quarter of 2008 negative changes in the fair value of the non-effective hedges (according to IAS 39) occurred, for an amount of € 4.4 million. The financial result amounts consequently to € -16.3 million compared to € -7.3 million the previous financial year.

The net recurrent result, excluding the portfolio result and the badwill, closed at € 22.1 million (or € 5.52 per share for 18 months) compared to € 16.3 million (or € 4.07 per share for 12 months) the previous financial year.

The net result, share of the group amounts to € 38.3 million compared to € 34.9 million the previous financial year. In terms of net result per share this amounts to € 9.59 on 31/12/08 (period of 18 months) compared to € 8.71 the previous financial year (30/06/07) (period of 12 months).

Balance sheet

The fair value of the investment properties in operation on 31/12/08 has been estimated by the real estate experts at € 534.04 million (€ 445.86 million on 30/06/07).

In terms of investment value the real estate amounted to € 547.9 million (€ 457.3 million on 30/06/07).

The increase of the real estate portfolio is mainly explained by the acquisition in the second half-year of 2007/2008 of 3 logistics buildings in the Antwerp region, the change in fair value on the CFM site in Luxembourg at the end of June 2008 and the acquisition of 3 retail sites at the end of December 2008 in Luxembourg.

The increase of the development projects of € 13.4 million to € 29.2 million is mainly the consequence of the acquisition of Montimmo-building (€ 6.9 million), the acquisition of the land for the Cegelec project (€ 1.3 million) and the further investments in the Bian project.

The decrease of the non-current financial assets of € 4.4 million to € 0.9 million on the one hand, and the increase of the other non current financial liabilities to € 2.7 million per 31/12/08 on the other hand, are mainly the consequences of the negative mark-to-market evolution of the interest hedges. On the contrary for the ineffective hedges, the negative changes in the fair value of the effective hedges (€ -1.4 million) have not been recorded in charges, but have been directly recorded in the shareholders' equity, in accordance with IAS 39.

The shareholders' equity, part of the group amounted to € 264.44 million on 31/12/08 compared to € 262.1 million at the end of 30/06/07.

The minority interest have decreased by € 9.98 million following the sell-out procedure launched by Leasinvest Immo Lux on the remaining minority interests following the conversion of Leasinvest Immo Lux SICAV into a SICAV-SIF (specialized investment fund). Leasinvest Real Estate became consequently 100% shareholder, directly and indirectly, of Leasinvest Immo Lux, on 31/12/08.

The increase of the financial debts from € 186.6 million to € 264.5 million is mainly the consequence of the financing through additional bank loans for the acquisitions of the logistics buildings in Wommelgem and Meer (€ 28 million), the three retail sites/buildings in Luxembourg (€ 32.7 million) and Montimmo-building (€ 6.9 million).

The increase of the other current liabilities from € 1.1 million to € 24.3 million is due to the partial deferred payment of the acquisition price for the retail site in Strassen (€ 14.8 million) and the amount due to the minority shareholders of Leasinvest Immo Lux resulting from the sell-out procedure (€ 8.6 million).

The debt ratio, calculated according to the Royal Decree of 21/06/06, increased from 40.93% (30/06/07) to 52.06% on 31/12/08, following the previously mentioned real estate acquisitions and the repurchase of the minority shareholders by Leasinvest Immo Lux.

5.7 Appropriation of the result – dividend payment

On 15/10/08 a gross interim dividend of € 3.85 (€ 3.27, net, free of withholding tax) was distributed. The board of directors of the statutory manager proposes to the ordinary general meeting of shareholders to distribute a closing dividend of € 1.85 gross and € 1.57 net, free of withholding tax, on 25/05/09.

The profit for appropriation of the current financial year 2007/2008⁴, defined based on the statutory annual accounts amounts to € 17,559,522.69. Taking into account the profit carried forward from the previous financial year of € 9,608,381.81 this results in a profit for appropriation of € 27,167,904.50.

4 See note 31 in chapter 7 Financial statements.

The board of directors of the statutory manager proposes to the ordinary general meeting of shareholders to affect the profit for appropriation of € 27,167,904.50 as follows:

- € 4,387,865.90 to be carried forward to next year
- € 15,386,517.30 distributed as interim dividends and
- € 7,393,521.30 to be distributed as closing dividends.

Subject to the approval by the ordinary general meeting of 18/05/09 the dividends will be paid upon presentation of coupon nr. 10 at the branches of ING Bank, Dexia Bank, Fortis Bank and Bank Degroof as from 25/05/09.

5.8 Outlook financial year 2009

Thanks to the expected high occupancy rate in 2009, the important acquisition of the Luxembourg retail buildings at the end of 2008 and the full annual impact of the occupation of the extension of the CFM site, the property result for the current financial year will increase substantially. Furthermore an important capital gain is expected on the completion of the redevelopment of the 'Bian' project, foreseen in May 2009.

Depending on the impact of the financial and economical crisis, and without taking into account possible negative changes in the fair value of the portfolio value and of the mark-to-market evolutions of the interest rate hedges, it is expected to achieve in the financial year 2009 a net recurrent result⁵ that should be comparable to that of the last 12 months of the previous financial year.

5.9 Independence and expertise regarding accounting and audit

The assignments of the audit committee correspond to the conditions of art. 526bis, §4 of the company law. According to the conditions of the new article 526bis of the company law, the audit committee consists exclusively of non-executive directors and two members of the the audit committee are independent directors, namely Mr. De Keuleneer, managing director of Credibe NV and Mr. Marcus Van Heddeghem, managing director of Redevco Retail Belgium SCS. Both directors mentioned above dispose of the necessary expertise in the fields of accounting and audit, taking into account their education and their previous and current director's mandates in other companies.

5 Net recurrent result is the net result without the result on the portfolio and possible goodwill and changes in the fair value of the non-effective interest rate hedges (according to IAS 39).

5.10 Relevant information in accordance with article 34 of the RD of 14 November 2007 regarding the obligations of issuers of financial instruments admitted to trading on a regulated market

Leasinvest Real Estate is a partnership limited by shares (SCA). with one statutory manager, Leasinvest Real Estate Management NV.

Its registered capital is divided in four million twelve thousand eight hundred thirty-two (4,012,832) shares, with no par value, which represent each one/ four million twelve thousand eight hundred thirty-two (1/4,012,832) of the capital (for the shareholder structure, see below chapter 8). The shares in Leasinvest Real Estate Management NV are held by Extensa Group NV for 100%.

There are no legal or statutory limitations as to the transfer of shares.

The statutory manager has a statutory right of veto according to article 27 of the articles of association (according to article 659 of the company law) for decisions of the general meeting relating to actions regarding the interests of the company versus third parties, such as dividend distribution and each decision affecting the assets of the company (for modifications of the articles of association: see below).

Each share entitles to one voting right. No other shares granting voting rights have been issued.

There are no legal and statutory limitations on the execution of the voting rights.

Nor is there a stock option plan for the employees.

Between Extensa Group NV and AXA Belgium NV a shareholders' agreement has been concluded, containing a mutual pre-emption right regarding the shares issued by Leasinvest Real Estate also a pre-emption right and, within specific circumstances, acquisition and sales commitments regarding the shares issued by Leasinvest Real Estate Management NV.

The mandate of the statutory manager is irrevocable till the date of the annual meeting of the company 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. Without prejudice to the previous disposition regarding the first manager, the manager is appointed for a defined or undefined term by the general meeting, deciding under the attendance and majority conditions necessary to amend the articles of association.

As to the current agreements regarding the composition of the board of directors of the statutory manager and the majority rules in force within the board of directors, we refer to the comments in chapter 4.

The general meeting of Leasinvest Real Estate can only lawfully deliberate and decide upon a modification of the articles of association, if those attending the meeting

represent at least half of the registered capital and given the presence of the manager, without prejudice to more stringent legal dispositions. A modification of the articles of association is only adopted if previously approved by the Banking, Finance and Insurance Commission and with 3/4 of the votes attached to the present or represented shares and with the approval of the present or represented manager without prejudice to more stringent legal dispositions.

According to article 7 of the articles of association the statutory manager is authorised to increase the registered capital on the dates and under the conditions specified by him, in one or more instalments, by an amount of € 44,128,326.64 in the cases foreseen in the relevant report. This authorisation is valid for a term of five years as from the publication of the minutes of the general meeting of fifteen October 2007.

The statutory manager is authorised to proceed to the acquisition of treasury shares according to article 9.2 of the articles of association, without a decision of the general meeting of shareholders when this acquirement is necessary to safeguard the company against serious and threatening disadvantage. This authorisation is valid for three years as from the publication date of the amendments to the articles of association of 15 October 2007 and is renewable for the same period of time. The manager is also authorised by the general meeting to acquire on the stock exchange, for a term of 18 months as from 15 October 2007, a maximum of 10% of the existing number of shares for a unit price equal to the average of the last twenty closing prices of the share on Euronext Brussels before the acquisition date, increased with a maximum of 10% or decreased by a maximum of 10%. A new authorisation will be asked at the extraordinary general meeting of 18/05/09⁶.

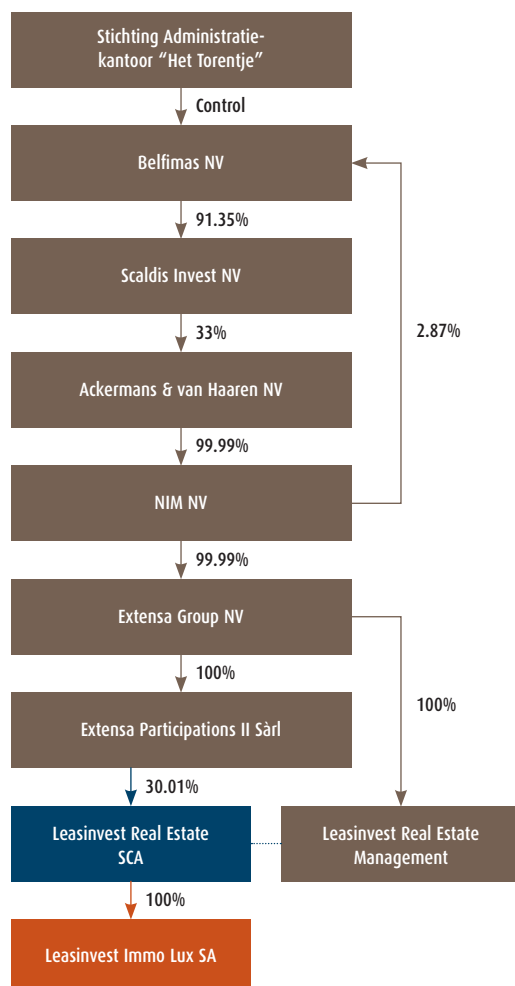
There are no important agreements concluded by Leasinvest Real Estate that enter into force, change or end in case of a change in the control over Leasinvest Real Estate after a public take over bid. No agreements are concluded between Leasinvest Real Estate, its statutory manager or employees providing in compensations when, following a public take over bid, the directors resign or have to leave without any valid reason or the contract of employees is terminated.

5.11 Relevant information in accordance with the legislation on public take over bids

Leasinvest Real Estate is controlled by Leasinvest Real Estate Management SA, Ackermans & van Haaren SA and Extensa Participations II sàrl (Extensa Group SA, promotor and founder of Leasinvest Real Estate).

6 For more information we refer to page 118.

In application of article 74 § 7 of the law of 1 April 2007 on public take over bids, Ackermans & van Haaren has declared holding more than 30% of the shares with voting rights of Leasinvest Real Estate.



5.12 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 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. The 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 2009 and 2013. The fixed interest rates of the interest rate swaps lie between 3.38% and 3.87%, excluding the credit margin.

5.13 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 31/12/08.

Next to that, on the proposal of the audit committee, will be asked to renew the mandate of the auditor Ernst & Young, represented by Mrs. Christel Weymeersch, for a term of 3 years, thus till the annual meeting which will be held in 2012.

Drawn up in Antwerp on 16/03/09.

Jean-Louis Appelmans
Managing director

Luc Bertrand
Chairman of the
board of directors



Riverside Business Park, Brussels



Canal Logistics, Brussels

1 2 3 4 5 **6** 7 8 9 10 11 12

Real estate report

6.1 Real estate market¹ in 2008

1. Real estate market Belgium

Office market

Despite the worldwide economical recession the Brussels office market has known an acceptable slow-down of the take-up of approximately 12% with a total of +/- 450,000 m² depending on the source. The last 5 years there was an average take-up of 520,000 m², but the last 3 years stood at an exceptionally high level.

The major transactions in 2008 came from the European institutions and governments, which indicates the stability of Brussels as an office market with an interaction between the private sector and the public authorities.

Nevertheless we need to put these take-up figures into perspective, as an important slow-down has been recorded in the 2nd half of the year, due to the lack of major lettings to the banking sector.

Surprisingly this take-up is relatively well spread across the different districts with not one really dominating the others.

The vacancy rate had dropped below 10% last year, but will surely exceed 10% in 2009 due to the number of speculative projects (400,000 m² for beginning of 2010) and the increased 'second hand' buildings which will reach the market.

This is due, a.o. to the sales on plan of unrented new built buildings or buildings with a limited rental guarantee to a number of foreign investors, which will be available for letting in the 2 coming years.

The total offices stock reaches +/- 12.5 million m² in Brussels and will further grow to over 13 million m², which will cause a structural vacancy, taking into account the expected lower take-up and will induce a negative take-up.

Moreover, the prime rent has dropped to € 275/m² and will further decrease according to the different real estate market players.

The office market in Ghent has a stock of approximately 752,000 m² and has not known a substantial extension in 2008. This results in the fact that the rents have stood firm at around € 125/m² and that the Axxes Business Park has known a high occupancy rate. The total take-up in Ghent was around 32,000 m² in 2008, which is rather strong and reaching a constant level compared to other years. The future developments at 'The Loop', at the Gent-Sint-Pieters station and around the Artevelde stadium are estimated at 350,000 m² with a distortion of the market as a consequence, in the future.

Leasinvest Real Estate has executed an active commercial policy during the past years and has strived for signing up rental contracts for a medium term (more than 3 years) in order to be better prepared for the consequences of the current economical slow-down.

Retail market

Last year a take-up of 300,000 m² was reached reflecting an increase of more than one fifth compared to 2007 mainly realized due to the growth of some retail parks. The market segmentation according to take-up lies around 23% for retail warehousing (retail parks), 23% for shopping centres and 54% for high street shops.

Due to the slow-down of the consumption there will certainly be a downward pressure on the prime rents, which currently reach € 1,600/m² for the high streets, € 170/m² for retail warehousing and € 1,200/m² for shopping centres.

The decreasing purchasing power as a consequence of the economical crisis will benefit the discounters, found in retail warehousing, a segment where Leasinvest Real Estate is present through its retail complex in Zaventem (near Brussels), let at a fixed term until 2018.

The prime yield which was below 5% for top locations in high streets, will probably reach more than 5% in the coming months. Retail warehousing yields which went below 6% last year, will now generate a 6.25% yield.

Logistics and semi-industrial

In this current annual financial report 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 m² as a European/national distribution centre and a minimum of 10,000 m² if it concerns logistics with loading docks of 1/1.000 m², 8 meter of height, 3 ton/m² and the offices amount to less than 20%. Semi-industrial is usually below 5,000 m², loading docks are not always present and the purpose is mainly storage and/or light manufacturing. If we apply these definitions to the Leasinvest Real Estate portfolio, Prins Boudewijnlaan (Kontich) and SKF (Tongres) can be considered as logistics in the strict sense. The buildings in a.o. Malines and Wommelgem, which also function

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¹ Sources: Expertise, Research CBRE, King Sturge Brussels Report 2008, Jones Lang LaSalle Industrial Report 2008, Snapshots 2008 of Cushman & Wakefield, Jones Lang LaSalle Luxembourg City Profile 2008, De Tijd and Trends.

as logistics or distribution centres do not exactly fit this strict definition; as a consequence, the relevance of the difference is too narrow to split up our portfolio.

Despite the economical recession, the logistics market had an excellent year in 2008, which has led to an estimated total take-up of 700,000 m², substantially higher than last year (500,000 m²). This was mainly due to a number of major transactions of more than 50,000 m².

The prime rents quoted at € 55/m² in 2008, but will probably decrease to € 50/m² in 2009 due to the economical crisis.

Many professional and specialised players in the logistics real estate market slow down the speculative projects resulting in very few new projects to be started.

Furthermore, the year 2008 became the year of the switch-over to durability and green energy. Installing solar panels to offer energy friendly buildings to the tenants has also become a major agenda item in logistics portfolios.

The investment volume in 2007 reached a record level of over € 440 million, but this has now dropped to € 263 million, with a slight upward yield evolution as a consequence, to 6.75% for top locations.

Leasinvest Real Estate will acquire at the end of 2009, with Canal Logistics in Neder-Over-Heembeek, the only speculative logistics project (though with a rental guarantee of 1 year) in the Brussels region. Due to its excellent location and unique size, Leasinvest Real Estate is persuaded to find tenants for this project.

Investment market

The investment market in Europe has come to a standstill in the last five months. The transaction volume on the Brussels investment market in 2008 is estimated at € 2.8 billion compared to € 4.9 billion in 2007. During the last quarter, an exceptionally low transaction volume has been recorded in offices, due to the consequences of the financial and economical crisis, which has led to the current standstill, caused by an expectative attitude between potential buyers and sellers.

The Brussels office market undergoes better the crisis than the European office market, due to the major stabilizing factor of the presence of European and other public tenants on the one hand, and the less felt increase of the rental yields, compared to the surrounding countries, on the other hand.

Therefore, a clear effect on the real estate yields is hard to define, but it is generally accepted that top real estate objects have evolved to 6% compared to 5.75% last year. The more difficult locations are now confronted with yields of more than 7%.

The difference in yields between very qualitative and less qualitative professional real estate will further increase in the future.

The decrease in the investment volume in retail was less emphasized than in offices, for which a volume of € 734 million was reached in 2008 compared to € 915 million last year.

The diversification of different local and foreign investment funds into retail had led to the fact that it is still more appealing to invest in retail than in other real estate objects.

Leasinvest Real Estate is careful in investing in the Brussels office market and has been in an expectative modus in 2008. There will be scrutinised for possibly interesting opportunities keeping in mind that the value of the land and the quality of the tenants will remain primordial. In Belgium we have mainly diversified into logistics.

2. Real estate market Luxembourg

Office market

The Luxembourg office market has known a good year with a take-up of +/- 145,000 m², which is lower than the year before (190,000 m²), but which corresponds to a normal take-up over the last five years.

In this comparison we do not take into account the exceptional take-up of the new building of the European Investment Bank (40,000 m²) nor the new buildings of the European Court (55,000 m²).

The major transactions do not come surprisingly enough from the financial sector, but rather from companies, the European institutions and the Luxembourg government.

The financial sector takes up 32,000 m² or 63% less than in 2007 and the companies almost the triple, with 91,000 m², of which the take-up by Ferrero of 16,000 m² and Arcelor Mittal of 12,000 m² are the largest transactions.

The vacancy rate in Luxembourg has again decreased from 2.10% to 1.70%, with nearly no vacancy to be recorded in the Central Business District.

The coming completions of 140,000 m² of new offices and 60,000 m² of current offices in 2009 and 160,000 m² of new offices in 2010 will increase the total stock to 3.2 million m², which means an increase of 12%.

The slow-down in take up, estimated at 120,000 m² for 2009 and the completions, will cause a downward pressure on the rents, whereby the highest rent recorded in 2008 of € 40/m²/month or € 480/m²/year in the Central Business District will probably decrease in 2009.

The first major slow-downs will mainly be perceived in the periphery of Luxembourg where the vacancy stands currently at 6.5%, but will increase due to the completion of larger projects.

Despite this all, Luxembourg – as well as Belgium – remains a healthy market, and even at higher vacancy rates and a lower demand, this market will still be a more stable office market in comparison to the rest of Europe. The impact of the financial crisis will cause a slow-down but can not be compared to the violent repercussion in major capitals, such as London.

The planned major city projects, such as Etoile, development around the station, the Gasperich development and the further plans in Belval, summarized at 1 million m² on paper, will have to be reduced to their real proportions in order not to create an unnecessary exceeding offer in Luxembourg and keeping the office market healthy.

Leasinvest Real Estate takes into account the possible evolution of the real estate market and continues to work on a decent and professional management of its buildings. The real estate investment trust strives at owning a portfolio with well spread locations, such as the Montimmo building in the centre of Luxembourg, and increasing the average duration of the leases of its real estate portfolio.

Retail market

The lifting of the moratorium for new shopping centres and the high income per capita have led to the planning of many new retail projects in the coming 5 years.

A total of 225,000 m² of new projects means a doubling of the current number of shops in Luxembourg, which will have a major impact on the market.

A large number of these next developments are extensions of current shopping centres (such as Belle Etoile or Topaz in Mersch), but there are also new projects such as Wickrange (45,000 m²) and Belval (40,000 m²).

The prime rent in the town centre stands at € 1.500/m²/year and the expected rents for shopping centres outside the city are situated between € 200 and € 400/m²/year.

It is striking that due to the expensive land most developers are drawn to building shopping centres with floors, outside of the city centre. Leasinvest Real Estate has turned to retail warehousing by the acquisition of 3 top retail locations in December 2008, with a top location at the rue d'Arlon in

Strassen, a D-I-Y in Diekirch and a discount fashion store in Foetz next to the Cora hypermarket. Through this acquisition Leasinvest Real Estate diversifies into retail warehousing where there is less competition to be expected than in the other shopping centres and these sites offer a nice development potential for the future.

Investment market

The investment volume in Luxembourg has dropped to € 0.5 billion, compared to € 2.5 billion last year. In the first half of the year caused by a lack of investment opportunities, but after the summer, the worldwide economical crisis had practically reduced the investment level to a standstill.

Nevertheless, the office market seems to perform relatively well as to investment values, with yields of approximately 6% or lower in the Central Business District, and reach around 6.5% in the periphery.

It is expected that investments in such small markets can probably drop further and will evolve towards yields of slightly above 6%, and will reach more than 7% in the periphery.

Leasinvest Real Estate has continued to invest in Luxembourg and has realised the 4th major investment transaction with the acquisition of 3 top retail locations in Strassen, Diekirch and Foetz. Together with the acquisition of Montimmo, office building at the avenue Monterey, Leasinvest Real Estate has become the 7th largest real estate investor in Luxembourg (according to Expertise).

6.2 Leasinvest Real Estate versus the market

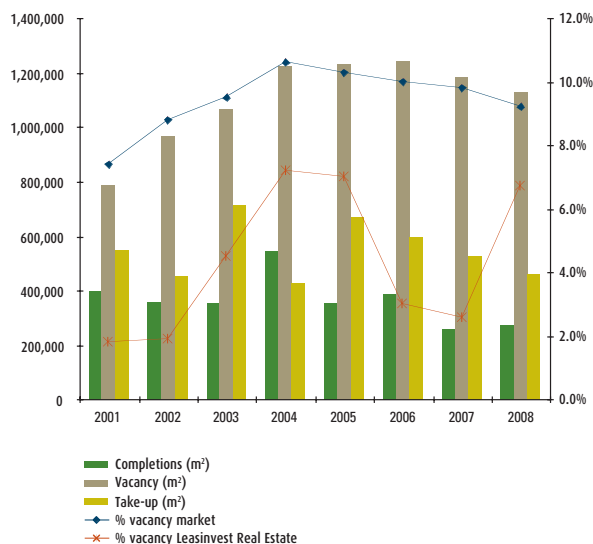
The overview hereafter is limited to the two largest market segments where Leasinvest Real Estate is active, namely the office market in Brussels and the Grand Duchy of Luxembourg, which represent respectively 25.99% and 23.21%, or 49% of the total portfolio in operation. Only the buildings in operation 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 department of Jones Lang Lasalle.

The total occupancy of the portfolio remains high and amounts to 97.29%.

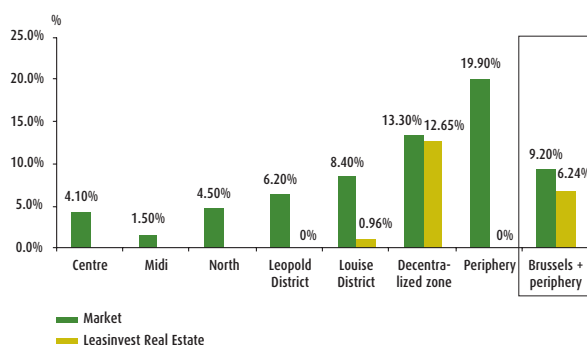
6.2.1 Brussels

Completions, take-up and vacancy



The occupancy of the total real estate portfolio of Leasinvest Real Estate in Belgium remains high and amounts to 96.19%. The occupancy rate of our offices in Brussels amounts to 93.76%, or a vacancy rate of 6.24% (2007: 4.2%), which is better than the average vacancy rate of the Brussels office market (9.20%).

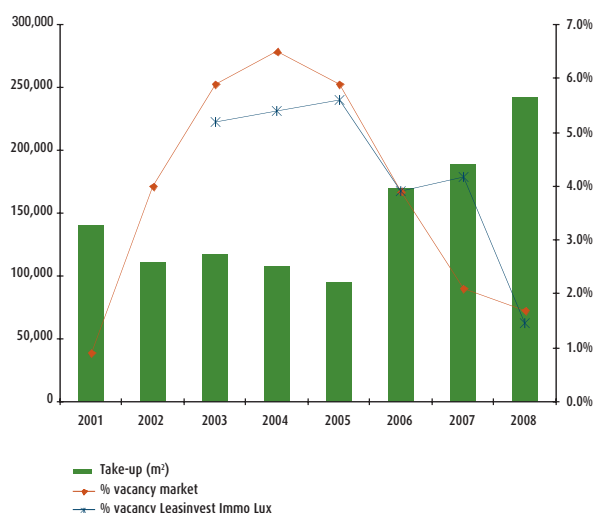
Vacancy per region 31/12/08



The vacancy rate of our offices in Brussels of 6.24% is mainly due to the vacancy at the Riverside Business Park (Decentralised zone) of 20% due to the departure of an important tenant of 5,000 m². In the meanwhile both buildings are let again, but the rental contracts will start in respectively May and July this year. The vacancy will then be reduced to 3 to 4%.

6.2.2 Grand Duchy of Luxembourg

Office rental market Luxembourg



The lettings in our buildings in Luxembourg went smoothly and the low vacancy rates of route d'Esch 25 and EBBC are eliminated, and as a result an occupancy rate of 98.54% in our Luxembourg offices has been reached. The remaining vacancy relates to parking spaces or archives.

The tenant European Investment Fund of the Kennedy building has left but still has a lease running till 2013 and pays up to then the agreed rent. Leasinvest Real Estate is looking for a new tenant to take over the rent in order to reach an extension of the rental contract. A part of this space has already been let to Atac.

Furthermore it is expected that the projects Bian and Montimmo will be completed respectively in May 2009 and end-2009. The marketing of the Bian project offers good perspectives, while the marketing of Montimmo starts now.

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 m²



rue Montoyer 63, 1000 Brussels

Extremely well situated office building

Year of construction 1974, partially renovated in 2003

Area rented 6,745 m²



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 m²



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 & 2001 – ground floor and façade renovated in 2007

Area rented 3,398 m²



Route de Lennik 451, 1070 Anderlecht

New office building in the Erasmus Science Park in Anderlecht

Year of construction 2002

Area rented 15,132 m²



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 – different partial renovations 2005-2009

Area rented 26,826 m²

Rue Lusambo, 1190 Forest

Semi-industrial building consisting of offices and storage

Year of construction 1993

Area rented 3,191 m²



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 m²



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 – 2008: additional parking level

Area rented 23,719 m²



Prins Boudewijnlaan 7, 2550 Kontich

Distribution centre

Year of construction 1989, extension in 2000

Area rented 27,589 m²



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

One office building situated in a newly landscaped business park

Year of construction 2000

Area rented 1,792 m²



Nijverheidsstraat 96, 2160 Wommelgem

Storage and distribution site with offices

Year of construction 1992-1993

Area rented 26,590 m²

Riyadhstraat 21, 2321 Meer

Storage hall with offices

Year of construction 2002

Area rented 5,015 m²



Wenenstraat 1, 2321 Meer

Storage hall with offices

Year of construction 1989-1990

Area rented 8,071 m²



**Vierwinden Business Park /
Leuvensesteenweg 532,
1930 Zaventem**

Semi-industrial business park

Year of construction 1973, renovated in
1994 and 1998

Area rented 13,624 m²



Motstraat-Zeutestraat, 2800 Malines

Office building and logistics centre

Year of construction 2002

Area rented 21,536 m²



SKF, 3700 Tongres

Distribution centre consisting of
storage halls and offices

Year of construction 1993/2003

Area rented 25,872 m²

Luxembourg²

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 m²



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 m²

Co-ownership

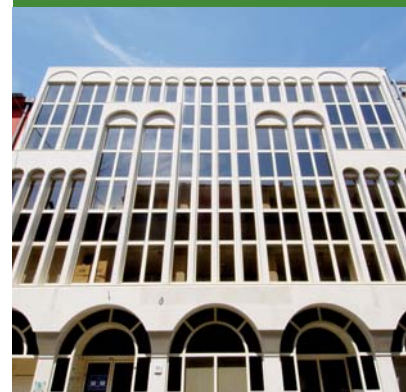


Avenue Pasteur 16, 2520 Luxembourg

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

Year of construction 1980

Area rented 4,928 m²



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

Year of construction 2002

Area rented 1,834 m²



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 4,473 m²

Co-ownership



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 m²

² All buildings are held by Leasinvest Immo Lux, a 100% subsidiary of Leasinvest Real Estate.

**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 m²

Co-ownership



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 m²



**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 on the other hand

Year of construction 1990 – renovated in 2008 and extended to 4,788 m² inside and outside storage space and 1,214 m² office space

Area rented 19,987 m²



**Place Schwarzenweg,
3474 Dudelange**

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

Year of construction 1991

Area rented 3,759 m²



Rue du Curé, 9217 Diekirch

Mixed-use building commercial/residential

Year of construction 1994

Area rented 3,100 m²

Co-ownership



Rue du Cimetière/An der N7, Diekirch

Retail building situated alongside the N7 in Diekirch

Year of construction 1996

Area rented 8,843 m²

Rue du Brill, Foetz

Retail building next to the Cora outlet

Year of construction 1987

Area rented 4,219 m²



Route d'Arlon 2, Strassen

Retail site situated alongside the Route d'Arlon the important approach road to the city of Luxembourg

Year of construction 1988

Area rented 22,721 m²



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 and extension 2007-2009 – completion expected in May 2009

Area rented 5,500 m² after extension



Montimmo, Avenue Monterey 35, 2163 Luxembourg

Situated in one of the main streets of the Central Business District of the City of Luxembourg

Year of construction completion foreseen in 2009

Area rented 1,686 m²

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 2009

Area rented 2,019 m²



Baarbeek-Zwijndrecht, Alpha Campus

Situated in the business park 'Alpha Campus' in Zwijndrecht (Antwerp)

Year of construction completion foreseen end-2009

Area rented 3,478 m²



6.3.3. Investments and divestments

Active investing took place during the financial year 2007/2008, as well in Belgium as in the Grand Duchy of Luxembourg. All acquisitions entirely fit the well thought-out portfolio growth and the further geographical diversification in the Grand Duchy of Luxembourg and the diversification according to asset class.

Investments

Belgium

The main acquisitions in Belgium are the logistics site in Wommelgem of nearly 27,000 m² (including 4,200 m² of offices) together with the two storage buildings of a total of 13,000 m² situated in the Meer Transport zone.

Moreover, an agreement has been concluded for the future acquisition, under a number of usual conditions precedent, of 100% of the company Canal Logistics, through which a future logistics site in Neder-over-Heembeek near Brussels of more than 50,000 m² (2,500 m² of offices) is acquired, of which the completion is foreseen for end-2009.

Besides, a fixed term agreement for a 15 years real estate leasing has been concluded with Cegelec NV for the construction and the financing of its new regional branch

of 3,500 m² of offices with 1,000 m² of workplaces and a warehouse in Zwijndrecht-Antwerp. The land for this project has already been acquired in 2008.

Luxembourg

Leasinvest Immo Lux, subsidiary of Leasinvest Real Estate, has acquired 3 top retail locations, among which, a retail site in Strassen of 22,721 m² and two retail buildings, of which one in Diekirch of 8,843 m² and one in Foetz of 4,219 m².

At the avenue Monterey 35 the constructed building of the office project 'Montimmo' (1,585 m² office space and 15 underground parking spaces) has been acquired.

Divestments

On 04/07/07 Leasinvest Immo Lux has sold the building Aubépines in Luxembourg.

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

For none of the acquisitions the acquisition value is higher than the value estimated by the real estate expert.

6.4 Composition of the real estate portfolio³

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

	Fair value (€ mio)	Investment value (€ mio)	Share in portfolio (%) based on fair value	Contractual rents (€ mio/year)	Rental yield based on fair value (%)	Rental yield based on investment value (%)	Occupancy rate (%)
Belgium	327.65	336.17	61	24.7	7.53	7.35	96
Grand Duchy of Luxembourg	206.39	211.69	39	14.15	6.86	6.69	99
General total projects excluded	534.04	547.86	100	38.85	7.27	7.09	97
Projects Belgium ¹	2.96	3.13					
Projects Grand Duchy of Luxembourg ¹	26.64	27.31					
General total projects included	563.64	578.30					

- ¹ The projects are recorded in the balance sheet under the item 'Development projects' at acquisition value and not at fair value. The acquisition value of the development projects in Belgium amounts to € 3.47 million compared to a fair value of € 2.96 million, due to activated construction and development costs. For Luxembourg the acquisition value is lower than the fair value.

6.4.2 Segmentation based on asset class (secondary segmentation)

	Fair value (€ mio)	Investment value (€ mio)	Share in portfolio (%) based on fair value	Contractual rents (€ mio/year)	Rental yield based on fair value (%)	Rental yield based on investment value (%)	Occupancy rate (%)
Offices							
Offices Brussels	138.81	142.29	25.99	10.15	7.31	7.13	94
Offices Malines	28.73	29.45	5.38	2.11	7.36	7.18	100
Offices Antwerp	2.34	2.56	0.44	0.22	8.89	8.67	98
Offices Ghent	41.47	42.52	7.77	3.33	8.03	7.83	92
Offices Grand Duchy of Luxembourg	123.95	127.18	23.21	8.19	6.61	6.44	99
Total offices	335.30	344.00	62.79	24	7.16	6.98	96
Logistics							
Logistics Belgium	92.5	94.96	17.32	8.05	8.7	8.48	99
Logistics Luxembourg	19.26	19.75	3.61	1.36	7.07	6.89	100
Total logistics	111.76	114.71	20.93	9.41	8.42	8.20	99
Retail							
Retail Belgium	23.8	24.39	4.46	0.83	3.49	3.41	100
Retail Luxembourg	63.18	64.76	11.83	4.6	7.28	7.1	100
Total retail	86.98	89.15	16.29	5.43	6.24	6.09	100
General total projects excluded	534.04	547.86	100.00	38.85	7.27	7.09	97
Projects Belgium	2.96	3.13					
Projects Grand Duchy of Luxembourg	26.64	27.31					
General total projects included	563.64¹	578.30					

- ¹ The difference between the fair value as accounted for into the valuation report by the experts Cushman & Wakefield (€ 563.81 million), results from a different calculation of the fixed transfer rights of the building Satenrozen. Due to the fact that the investment value of Satenrozen as from 30/06/07 for the first time exceeded the limit of € 2.5 million, the expert took into account 2.5% transfer rights, whereas in the consolidated financial statements, for reasons of consistency with prior periods, still 10% is applied (see valuation rules on page 69).

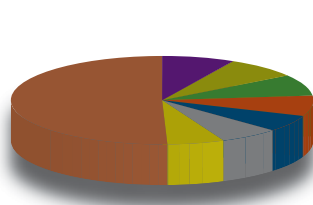
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³ For more information regarding the segment information we refer to note 4 of the financial statements.

6.4.3 Total breakdown of the real estate portfolio⁽¹⁾

	Total surface (in m ²)	Contractual rents (€ mio/year)	Occupancy rate (%)	Contractual rents + estimated rents on vacancy (€ mio/year)	Estimated rents (€ mio/year)
OFFICES					
Square de Meeüs 5-6	5,965	1.30	100	1.30	1.14
Rue Montoyer 63	6,745	1.77	100	1.77	1.46
Avenue Louise 250	9,948	1.85	99	1.86	1.52
Avenue Louise 66	3,398	0.59	98	0.60	0.55
Riverside BP - Phase I, III and IV	21,645	2.36	80	2.94	2.31
Lenniksebaan, Anderlecht	15,132	2.27	100	2.27	2.04
Total offices Brussels (Belgium)	62,833	10.15	94	10.75	9.02
WKB offices, Motstraat	14,174	2.11	100	2.11	1.89
Total offices Malines (Belgium)	14,174	2.11	100	2.11	1.89
Delta Business Park	1,792	0.22	98	0.23	0.20
Total offices Antwerp (Belgium)	1,792	0.22	98	0.23	0.20
Axxes BP	23,719	3.33	92	3.58	3.04
Total offices Ghent (Belgium)	23,719	3.33	92	3.58	3.04
EBBC	4,473	1.51	96	1.57	1.39
CFM Offices	5,559	1.21	100	1.21	1.56
ESCH	1,839	0.61	97	0.62	0.54
Kennedy	2,270	0.85	100	0.85	0.84
Kiem	1,834	0.51	97	0.52	0.51
Mercure	807	0.21	100	0.21	0.15
Monnet	3,866	1.41	100	1.41	1.46
Monterey	1,555	0.67	100	0.67	0.57
Pasteur	4,928	1.22	98	1.25	1.19
Total offices Grand Duchy of Luxembourg	27,131	8.19	99	8.31	8.22
Total offices	129,649	24.00	96	24.98	22.36
LOGISTICS					
SKF, Tongeren	25,872	1.14	100	1.14	1.04
Prins Boudewijnlaan 7	27,589	1.64	100	1.64	1.35
Meer - Dobra	5,015	0.14	100	0.14	0.17
Meer - Helios	8,071	0.34	100	0.34	0.28
Wommelgem - Nijverheidsstraat	26,590	1.25	100	1.25	1.27
Riverside BP - Phase II	5,181	0.43	98	0.44	0.42
Brixton BP	21,668	1.40	95	1.46	1.20
Vierwinden BP	13,624	0.93	100	0.93	0.74
Alcan, Vorst	3,191	0.26	100	0.26	0.22
WKB Warehouses, Zeutestraat	7,362	0.53	100	0.53	0.37
Total logistics Belgium	144,163	8.05	99	8.12	7.05
CFM Warehouse	14,428	1.36	100	1.36	1.17
Total logistics Luxembourg	14,428	1.36	100	1.36	1.17
Total logistics	158,591	9.41	99	9.48	8.20
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	0.62	100	0.62	0.45
Dudelange	3,759	0.33	100	0.33	0.36
Foetz - Adler	4,219	0.52	100	0.52	0.56
Diekirch - Batiself	8,843	0.82	100	0.82	0.91
Strassen	22,721	2.31	100	2.31	2.49
Total retail Luxembourg	42,642	4.60	100	4.60	4.77
Total Retail	57,096	5.43	100	5.43	6.86
GENERAL TOTAL PROJECTS EXCLUDED	345,336	38.85	97.29	39.89	37.42
PROJECTS					
Baarbeek - Zwijndrecht	3,487	0.00			
Torenhof (Axxes BP)	2,019	0.00			
Total offices Belgium	5,506	0.00			
Bian	3,864	0.00			
Montimmo	1,686	0.00			
Total offices Grand Duchy of Luxembourg	5,550	0.00			
GENERAL TOTAL PROJECTS INCLUDED	356,392	38.85			

1 Classification of buildings according to their main destination.

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



CFM Luxembourg	- 8%
Axxes Business Park Ghent	- 7.8%
Riverside Business Park Anderlecht	- 7.7%
Brixton Business Park Zaventem	- 7.4%
Lenniksebaan Anderlecht	- 6.3%
Motstraat Malines	- 6.3%
Strassen	- 6.2%
< 5%	- 50.3%

6.4.5 Insured value⁴

The figures below relate to all buildings except if explicitly mentioned otherwise.

Belgium	(in € million)
Offices	209.36
Logistics	136.17 ⁵
Retail	9.36
TOTAL	354.89

Luxembourg	(in € million)
Offices	556.34
Logistics	11.84
Retail	57.03
TOTAL	625.21⁶

6.5 Valuation report^{7 8}

Valuation update as at 31 December 2008 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 31 December 2008.

Our valuation has been prepared on the basis of the information provided to us by Leasinvest Real Estate CVA. 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, Tongeren and Merelbeke) and in the Grand Duchy of Luxembourg.
2. The average of the current rental income (+ the market rent on vacant space) is 3.81% higher than the market rent (respectively 6.16% and -0.05% for the Belgian and Luxembourg portfolios).
3. The occupancy rate⁹ of the total portfolio (excluding the Projects Bian, Montimmo, Zwijndrecht and Torenhof) is 97.29% (respectively 96.19% and 99.15% for the Belgian and the Luxembourg portfolios).
4. The office building Aubepines in Route d'Arlon 283, Luxembourg, has been sold and is consequently not a part of the portfolio anymore.
5. The office building Torenhof, even as Bian, does not belong to the active portfolio anymore and is now placed individually under 'Projects'.

4 The buildings which are not recorded in the global insurance policy of the real estate investment trust, and are therefore individually insured, are, for Belgium, rue Montoyer 63, route de Lennik 451, Axxes Business Park, SKF, Prins Boudewijnlaan and rue de Lusambo (Alcan forst), and for Luxembourg, Kennedy, Mercure, Monterey, Diekirch (Match), Foetz, Diekirch (Batiself) and Strassen. The insured value does not include the loss of rent for the buildings recorded in the global insurance policy of the real estate investment trust.

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.

6 These amounts take into account 100% of the insured value, while Leasinvest Immo Lux is co-owner of the buildings: Avenue de la Gare, Diekirch, EBBC and Kennedy. The total insured value for the buildings, which Leasinvest Immo Lux owns for 100%, amounts to € 146.54 million.

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.

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 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).

6. The semi-industrial properties located in Meer (Meer-Do-bla and Meer-Helios) and Wommelgem as well as the retail warehouse property located on the Bredabaan in Merksem have been bought by Leasinvest Real Estate and were a part of the portfolio at 31/03/08. In the meantime, the retail warehouse property located on the Bredabaan in Merksem has been transferred and is consequently out of the portfolio as of 30/06/08.
7. CFM, a site with warehouse and offices located in Luxemburg, is not considered as project anymore and is now part of the active portfolio. Both parts, office and warehouse, are valued separately.
8. 193 extra parking places were created in Axxes Business Park: there has been built an extra parking on top of the already existing outside parking.
9. Leasinvest Real Estate has bought, end 2008, following properties :
 - A plot of land (Baarbeek project) in Zwijndrecht
 - An office building (shell construction) in the centre of Luxembourg City (Montimmo)
 - Metrolux portfolio, which consists of retail warehouse located in Strassen (multi-tenant), in Foetz and in Diekirch

For all buildings of Leasinvest Real Estate CVA, we determined the following values as at 31/12/08, including the part that has been valued by Winssinger & Associés:

1. an investment value of € 578,300,000 (five hundred seventy-eight million three hundred thousand euros), with respectively € 339,300,000 and € 239,000,000 as investment values for the Belgian and Luxembourg portfolios.
2. a fair value of € 563,810,000 (five hundred sixty-three million eight hundred and ten thousand euros), with respectively € 330,770,000 and € 233,040,000 as fair values for the Belgian and Luxembourg portfolios.

On this basis, the initial yield of the total portfolio (excluding the Projects Bian, Montimmo, Zwijndrecht and Torenhof) in terms of investment value is 7.09% (with respectively 7.35% and 6.69% for the Belgian and Luxembourg portfolios) and the initial yield of the complete portfolio in terms of fair value is 7.27% (respectively 7.53% and 6.86% for the Belgian and Luxembourg portfolios).

Cushman & Wakefield

6.6 Development projects

The total estimated budget for the development projects in Belgium and in Luxembourg (incl. works already executed on 31/12/08) amounts to € 54.2 million.

Belgium

Canal Logistics

Leasinvest Real Estate has concluded an agreement for the acquisition, under a number of usual conditions precedent, of 100% of the company Canal Logistics Brussels NV end-2009. The project relates to an important future logistics site in Neder-over-Heembeek (Brussels) of more than 50,000 m² of storage and 2,500 m² of offices. The completion is foreseen end-2009.

Given the fact that this is the only high-end logistics site of this size on Brussels territory, Leasinvest Real Estate is convinced to find tenants for this project.

Zwijndrecht, Alpha Campus

In Belgium, Leasinvest Real Estate has concluded a real estate leasing agreement for a fixed period of 15 years with Cegelec NV for the construction and financing of its new regional branch of 3,500 m² of offices with 1,000 m² of workplaces and a warehouse, situated at the business park 'Alpha Campus' (12 ha business park alongside the E17 Antwerp-Ghent) in Zwijndrecht-Antwerp. Leasinvest Real Estate has acquired the land on which this branch will be built, during the past financial year. The completion of the building is foreseen for 31/12/09.

Torenhof

For the castle-farm at the Axxes Business Park in Ghent, which is renovated into a business center, the work has started. The completion is foreseen for end-2009.

Luxembourg

Bian

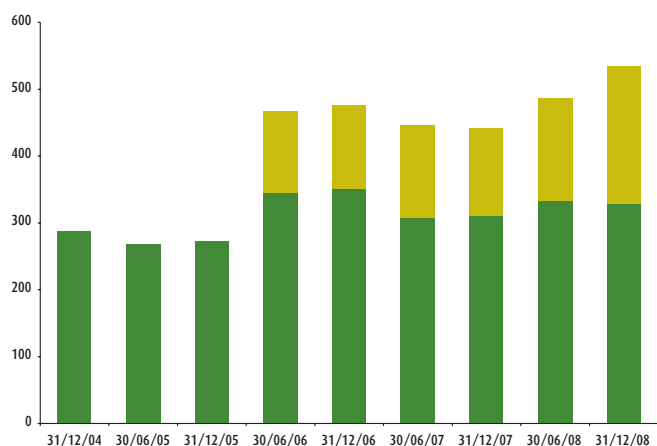
The 'Bian' project is an office building which has been entirely stripped and has been extended to 5,500 m². During the past financial year no rental income was realised. The completion of the renovated office building, for which the work has started in June 2007, is expected in May 2009. The marketing of the project offers good perspectives. A substantial gain is expected on this project on its completion.

Montimmo

At the avenue Monterey 35, one of the main streets of the city centre of Luxembourg, the construction of the office project 'Montimmo' has been acquired. The project comprises 1,585 m² office space and 15 underground parking spaces. The construction will be further completed by Leasinvest Immo Lux. The demand for such extremely well-situated office buildings remains very strong on the Luxembourg market, and it is expected that the building will be entirely let, even before its completion, foreseen for end-2009.

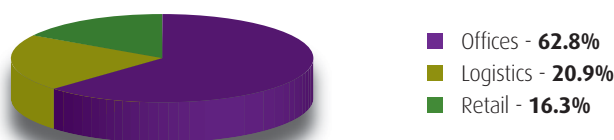
6.7 Analysis of the real estate portfolio in operation¹⁰ based on the fair value

Evolution of the fair value



The fair value of the investment properties on 31/12/08 (€ 534 million) has risen by nearly 20% compared to 30/06/07 (€ 445.8 million) also following the acquisition of the 3 retail sites in Luxembourg, the storage buildings in the Antwerp region and the important increase of the fair value on the CFM site in Luxembourg. 61% of our portfolio is situated in Belgium and 39% in Luxembourg.

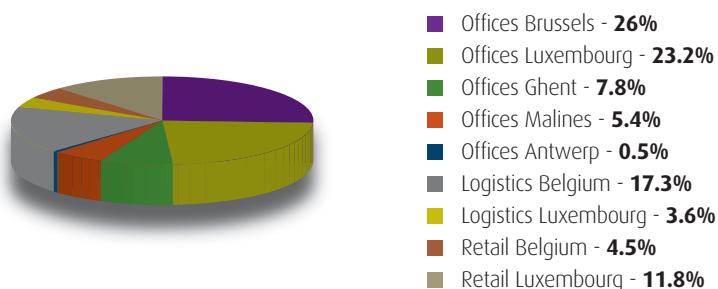
Asset class



The major part of the real estate portfolio of Leasinvest Real Estate consists of offices (62.8%), followed by logistics (20.9%) and retail (16.3%). The offices part dropped compared to the previous year (71.9% on 30/06/07) due to the sale of the office building 'Aubépines' in Luxembourg

and the acquisitions in retail and logistics buildings in the financial year 2007/2008. The important increase in retail is the consequence of the acquisitions in Luxembourg end-2008 (30/06/07: 7.64%).

Portfolio breakdown

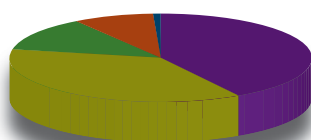


Of the total portfolio in operation, the offices part in Brussels is the largest one with a fair value of € 138.8 million, or 26%. Second comes the offices part in the Grand Duchy of Luxembourg with 23.2% or € 124 million. The logistics part in Belgium has increased but remains third with € 92.5

million or 17.3% of the total portfolio. Retail in the Grand Duchy of Luxembourg comes fourth with 11.8% or € 63.2 million. The Axxes Business park in Merelbeke (Ghent) is fifth with € 41.5 million or 7.8%.

¹⁰ The development projects are not recorded in the analysis.

Offices portfolio

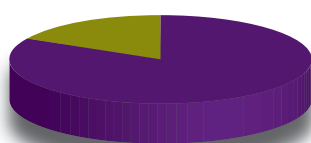


- Offices Brussels - **41.4%**
- Offices Luxembourg - **36.9%**
- Offices Ghent - **12.4%**
- Offices Malines - **8.6%**
- Offices Antwerp - **0.7%**

Just like it is the case for our total portfolio, the offices portfolio in Brussels represents the largest part with € 138.8 million or 41.4%. 36.9% of the portfolio is taken up by our

Luxembourg offices. After these follow the offices in Ghent, in Malines and in Antwerp.

Logistics portfolio

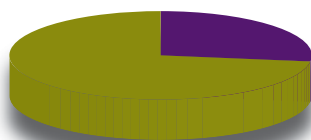


- Logistics Belgium - **82.8%**
- Logistics Luxembourg - **17.2%**

The main part is taken up by mainly the following sites/buildings in Belgium, situated in Wommelgem (Antwerp), Prins Boudewijnlaan (Kontich, Antwerp), the Brixton Business Park (Zaventem), the 'SKF' building (Tongres) and the

Vierwinden Business Park (Zaventem). The largest building of the total portfolio is the CFM building which has been extended during the financial year, situated in the Grand Duchy of Luxembourg.

Retail portfolio

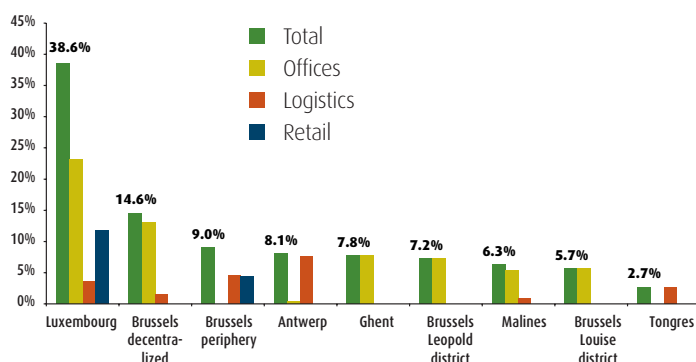


- Retail Belgium - **27.4%**
- Retail Luxembourg - **72.6%**

Retail in Luxembourg is situated in Strassen, Diekirch, Dudelange and Foetz. Retail in Belgium mainly consists

of the shops in the Brixton Business Park in Zaventem.

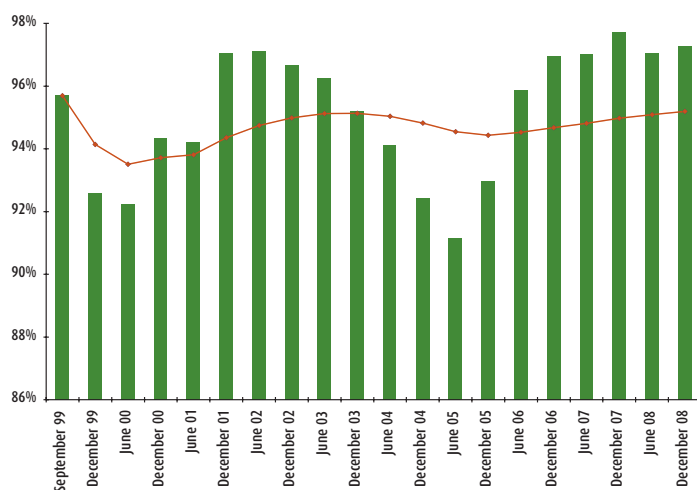
Assets class according to geographical breakdown



The real estate portfolio in Belgium still represents the most important part of the total consolidated portfolio in operation with 61.4% (30/06/07: 68.9%). Offices in Belgium still represent the largest part, or 39.6%, of which Brussels has the main share with 26%, followed by the offices in Ghent (7.8%), Malines (5.4%) and Antwerp (0.4%). Logistics and retail in Belgium represent respectively 17.3% and 4.5%.

With the recent acquisitions in retail the Grand Duchy of Luxembourg represents 38.6% of the total consolidated portfolio in operation (30/06/07: 31.1%), of which offices 23.2% (30/06/07: 23.8%), logistics 3.6% (30/06/07: 4.8%) and retail 11.8% (30/06/07: 2.5%).

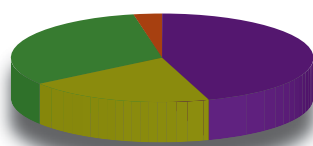
Occupancy rate



The occupancy rate on 31/12/08 amounted to 97.29% (97.01% on 30/06/07). Thanks to a continuous follow-up of the needs of our tenants, different marketing programs and the recent acquisitions of fully let logistics & retail buildings, Leasinvest Real Estate succeeds in maintaining its occupancy rate at a high level.

■ Occupancy rate
— Moving average⁽¹⁾

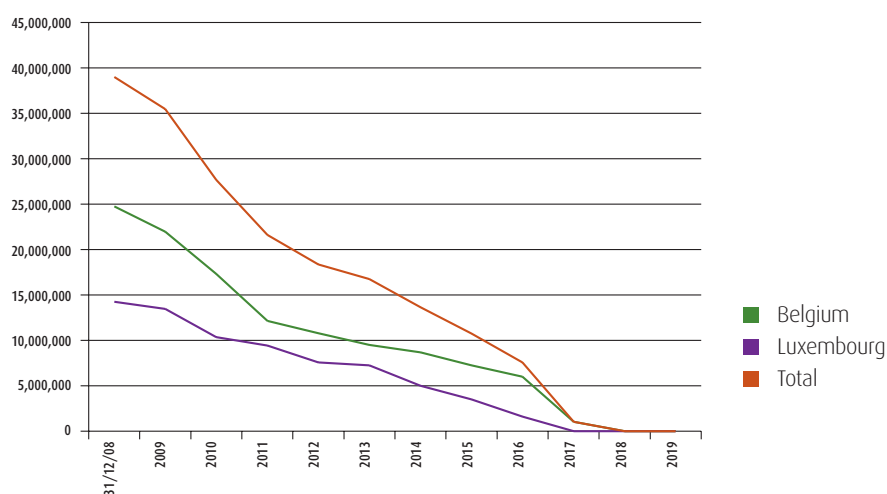
1 A moving average is a type of average value based on a weight of the current occupancy rate and the previous occupancy rates.

Remaining lease terms and contractually guaranteed rental income¹¹

■ 0-3 years - **45%**
■ 3-6 years - **20%**
■ 6-9 years - **32%**
■ More than 9 years - **3%**

The graph is based on the first break date of the current rental contracts and on the contractual rents. 55.4% of the annual contractual rents are guaranteed until 31/12/11. In the financial year 2007/2008 different rental contracts with a break possibility within the financial year were extended. In 2009 9.1% (€ 3.54 million) of the rental contracts expire. In 2010 there are important breaks, namely 19.9% and in 2011 15.6%. 71% of the annual contractual rents are guaranteed until 31/12/10¹².

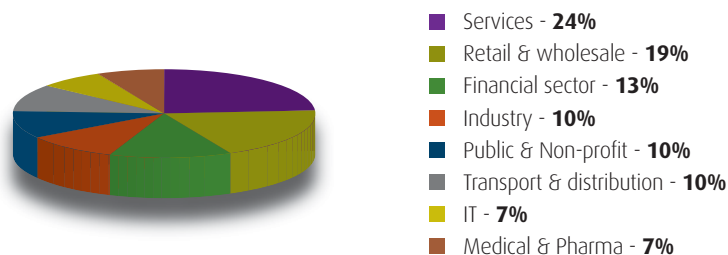
The portfolio of Leasinvest Real Estate comprises mainly players from the private sector and to a lesser degree from the public sector. As a consequence, companies wish more flexible contracts with shorter fixed durations, namely the classical 3/6/9 contracts. The average remaining duration of the rental contracts amounts to 4.6 years (30/06/07: 4.9 years).



11 For more information we refer to note 5 of the financial statements.

12 Leasinvest Real Estate has always succeeded in the past in renewing most of its expiring rental contracts or conclude new rental contracts, which is reflected in the relatively constant duration of our rental contracts over the years. The real estate investment trust has already started negotiations for renewal with most of its important tenants of whom the rental contracts expire within the 3 coming years.

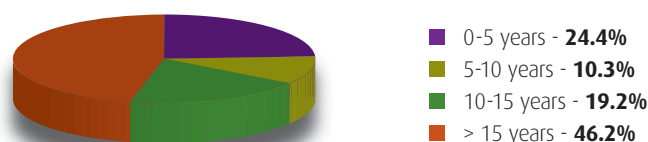
Type of tenants



The portfolio of Leasinvest Real Estate is rather directed towards the private sector than to the public sector. This way, we notice that the non-profit and public sector only represent 10% of the portfolio. The main sectors of the portfolio are services (24%), retail & wholesale (19%), the

financial sector (13%), public/non-profit (10%), industry (10%) and transport/distribution (10%). In the financial sector the Grand Duchy of Luxembourg represents 11.8% of the 13%.

Average age



More than 34% of the buildings are younger than 10 years. Due to the recently acquired retail buildings in the Grand Duchy of Luxembourg, the part older than 15 years has increased from 37.8% to 46.2%. 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 government.

The retail buildings in Luxembourg are older than 15 years, but there the tenants are responsible for maintenance and installation of the shops, which should put the importance of the buildings older than 15 years into perspective. The average age is calculated as from the construction year or possible important renovation.

6.8 Technical management of the buildings

Belgium - Leasinvest Services

The property management of Leasinvest Real Estate is performed by its subsidiary Leasinvest Services SA, which has gradually taken over last year all buildings previously managed by Bopro Real Estate Services SPRL.

The decision to in source the property management of the Belgian portfolio as from 01/07/07 was necessary to reinforce direct communication with our tenants. See also footnote on page 21 of Corporate Governance.

The exclusive activities of Leasinvest Services SA are the property and project management of the real estate portfolio of Leasinvest Real Estate.

Leasinvest Services SA (company number 0878.901.063, register of legal persons Antwerp) has been created 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 Schermersstraat 42, 2000 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.

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.

Leasinvest Services SA is a separate company within (i.e. subsidiary of) Leasinvest Real Estate and will be self-supporting by a remuneration of 3% (excluding 21% VAT) of the rental income of the buildings managed by the company, as from 2009. 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.

Leasinvest Services SA has the ability to offer project management services exclusively to Leasinvest Real Estate. The project management consists of technical assistance to the client (i.e. Leasinvest Real Estate) within the framework of important renovations during the construction/renovation process, with activities going from the preparation of the specifications over the comparison of offers, the follow-up and planning of the construction till managing the budgets. This project management is remunerated separately in function of the specific project.

During the past financial year (18 months), Leasinvest Real Estate has paid a remuneration of € 150,684.23 (excl. VAT) to Leasinvest Services, of which the largest part relates to project management costs for the different renovations regarding the Belgian real estate portfolio. These types of assignments were previously outsourced to architects and consultancy offices.

During the past financial year, Leasinvest Real Estate has paid a remuneration of € 92,782.70 (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 manager, Peter Garré 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 31 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 Charles Martel, 54 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 € 29,245.48 (excl. VAT) to Property Partners.

Investment advice

The exclusive mission of Leasinvest Immo Lux Conseil is offering investment advice to Leasinvest Immo Lux.

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 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 € 1.5 million.

In case of termination of the investment advice agreement, Leasinvest Immo Lux needs to pay a cancellation fee to Leasinvest Immo Lux Conseil of 3% of the sales price of the buildings at market value.

1 2 3 4 5 6 **7** 8 9 10 11 12

Financial statements



Motstraat-Zeustestraat, Malines

Consolidated results

(in € 1,000)			31/12/08 IFRS (18 months)	30/06/07 IFRS (12 months)	30/06/06 IFRS (12 months)
	Notes				
(+)	Rental income		49,058	33,154	23,958
(+)	Write-back of lease payments sold and discounted		0	0	0
(+/-)	Related rental expenses		-117	0	1
	NET RENTAL INCOME	5	48,941	33,154	23,959
(+)	Recovery of property charges	6	952	228	31
(+)	Recovery income of charges and taxes normally payable by tenants on let properties	7	3,910	2,168	3,457
(-)	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	6	-483	-143	-129
(-)	Charges and taxes normally payable by tenants on let properties	7	-3,910	-2,168	-3,500
(+/-)	Other rental-related income and expenditure		-176	-236	0
	PROPERTY RESULT		49,234	33,003	23,818
(-)	Technical costs	8	-1,784	-2,406	-2,152
(-)	Commercial costs	9	-810	-400	-179
(-)	Charges and taxes on unlet properties	10	-581	-569	-1,019
(-)	Property management costs	11	-3,808	-2,004	-1,494
(-)	Other property charges		-497	-514	-242
	PROPERTY CHARGES		-7,480	-5,893	-5,086
	PROPERTY OPERATING RESULT		41,754	27,110	18,732
(-)	Corporate operating charges	12	-2,796	-1,944	-770
(+/-)	Other current operating income and expenditure		260	417	5,234
	OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		39,218	25,583	23,195
(+/-)	Gains or losses on disposals of investment properties	13	3,600	1,486	0
(+/-)	Changes in fair value of investment properties	14	13,371	16,609	3,923
	OPERATING RESULT		56,189	43,678	27,118
(+)	Financial income	15	4,936	3,406	2,286
(-)	Interest charges	16	-16,331	-10,316	-4,592
(-)	Other financial charges	17	-4,939	-364	-700
	FINANCIAL RESULT		-16,334	-7,274	-3,006
	PRE-TAX RESULT		39,855	36,404	24,112
(+/-)	Corporate taxes	18	-294	-469	-787
(+/-)	Exit tax		1	-415	0
	TAXES	-293	-884	-787	
	NET RESULT		39,562	35,520	23,325
	Attributable to:				
	Minority interests		1,240	586	3,602
	Group share		38,322	34,934	19,723

Results per share

(in €)	31/12/08	30/06/07	30/06/06
Net result per share, share of the group ⁽¹⁾	9.59	8.71	5.94
Net result per diluted share, share of the group ⁽¹⁾	9.59	8.71	5.94

(1) Net result, share of the group, divided by the number of shares participating in the result of the period.

The consolidated results of the financial year ending on 31/12/08 comprise the results of the period 01/07/07 till 31/12/08 included (18 months).

Note 47 presents the division of the consolidated results per semester.

Consolidated balance sheet

(in € 1,000)		period 31/12/08 IFRS	period 30/06/07 IFRS	period 30/06/06 IFRS
	Note			
ASSETS				
NON-CURRENT ASSETS		564,222	454,174	469,946
Intangible assets	19	2	0	0
Investment properties	20	534,039	436,376	467,182
Development projects	21	29,195	13,397	101
Other tangible assets	22	33	17	54
Non-current financial assets	23,24	953	4,384	2,609
CURRENT ASSETS		12,662	23,028	13,713
Assets held for sale	20	0	9,483	0
Current financial assets	25	2,887	6,626	2,616
Trade receivables	26	4,762	4,000	4,697
Tax receivables and other current assets	27	1,659	252	357
Cash and cash equivalents	28	2,580	1,472	5,518
Deferred charges and accrued income	29	774	1,195	526
TOTAL ASSETS		576,884	477,202	483,659
LIABILITIES				
TOTAL SHAREHOLDER'S EQUITY	cfr. statement of mutation	264,431	272,046	262,555
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		264,438	262,071	237,849
Capital	30	44,128	44,128	44,128
Share premium account	30	70,622	70,622	70,611
Treasury shares (-)	30	-1,046	-12	0
Reserves	30	121,506	117,205	99,051
Result	30	38,322	34,934	30,597
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	32	-8,120	-6,219	-6,910
Change in fair value of financial assets and liabilities on financial assets available for sale	33	-974	1,413	375
on derivative financial instruments		-630	336	0
		-344	1,077	1,077
MINORITY INTERESTS	34	-7	9,975	24,706
LIABILITIES		312,453	205,156	221,104
NON-CURRENT LIABILITIES		176,688	88,943	95,581
Provisions	35	1,105	1,751	27
Non-current financial debts	36	172,460	86,300	94,800
Other non-current financial liabilities	37	2,704	33	82
Other non-current liabilities		419	859	672
CURRENT LIABILITIES		135,765	116,213	125,523
Provisions		0	0	0
Current financial debts	36	92,021	100,321	108,524
Trade debts and other current debts	38	11,141	6,698	8,529
Other current liabilities	39	24,298	1,125	1,004
Accrued charges and deferred income	40	8,305	8,069	7,466
TOTAL EQUITY AND LIABILITIES		576,884	477,202	483,659

Consolidated cash flow statement

(in € 1,000)	Note	31/12/08 (18 months)	30/06/07 (12 months)	30/06/06 (12 months)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	28	1,472	5,518	1,986
1. Cash flow from operating activities		52,351	12,551	11,200
Net results		39,562	35,520	23,325
Amendment of the profit for non-cash and non-operating elements		-14,010	-18,511	-8,939
Depreciations and write-downs		140	36	107
- Depreciations and write-downs on intangible and other tangible assets (+/-)		23	36	35
- Write-downs on current assets (-)		117	0	72
Other non-cash elements		-10,550	-17,061	-9,045
- Changes in fair value of investment properties (+/-)		-13,371	-16,609	-3,712
- Movements in provisions (+/-)		-646	1,723	0
- Phasing of gratuities (+/-)		-604	110	0
- Changes in the fair value of derivative financial instruments (+/-)		4,368	-959	0
- Other non-current transactions		-297	-1,326	-5,333
Non-operating elements		-3,600	-1,486	0
Gains or losses on disposals of non-current assets		-3,600	-1,486	0
Change in working capital requirements:		26,799	-4,458	-3,187
Movements in asset items:		4,879	-3,538	-3,889
- Current financial assets		6,273	-3,670	-2,593
- Trade receivables		-678	697	-1,527
- Tax receivables and other current assets		-1,185	104	440
- Deferred charges and accrued income		469	-669	-208
Movements in liability items:		21,920	-920	702
- Trade debts and other current debts		-226	-1,643	447
- Other current liabilities		22,043	120	119
- Accrued charges and deferred income		103	603	137
2. Cash flow from investment activities		-92,151	12,547	-177,543
Investment properties		-51,942	28,614	-3,007
Development projects		-18,062	-1,910	-101
Intangible and other tangible assets		-40	0	-16
Non-current financial assets		-35,318	-14,157	-212,534
Assets held for sale		13,083	0	0
Effect in consolidation of new participations		128	0	38,115
3. Cash flow from financing activities		40,908	-29,144	169,877
Change in financial liabilities and financial debts				
Increase (+) / Decrease (-) of financial debts		72,797	-16,703	135,243
Increase (+) / Decrease (-) of other financial liabilities		0	0	-1,360
Change in other liabilities				
Increase (+) / Decrease (-) in other liabilities		0	0	16
Change in shareholder's equity				
Variation of capital and share premium account (+/-)		0	14	47,728
Increase (+) / Decrease (-) of treasury shares		-1,034	-12	
Dividend of the previous financial year		-15,470	-12,443	-11,328
Interim dividend of the current financial year		-15,385	0	0
Increase (+) / Decrease (-) in fair value of financial assets and liabilities				
- on derivative financial instruments		0	0	1,691
Increase (+) / Decrease (-) of transfer rights		0	0	-2,114
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	28	2,580	1,472	5,518

Statement of mutation of shareholder's equity

(in € 1,000)	Capital	Share premium account	Treasury 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	Shareholders' equity attributable to the shareholders of the parent company	Minority interests	Total shareholders' equity
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 Meeüs 5-6 SA	2	11					13		13
- Profit of the financial year 2006-2007 (12 months)				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
- Distribution of dividend of the previous financial year				-15,248			-15,248		-15,248
- Distribution of interim dividend of the current financial year				-15,385			-15,385		-15,385
- Profit of the financial year 2007-2008 (18 months)				38,322			38,322	1,240	39,562
- Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties					-1,901		-1,901		-1,901
- Change in fair value of financial assets and liabilities						-2,387	-2,387		-2,387
- Treasury shares			-1,034				-1,034		-1,034
- Various							0	-11,222	-11,222
Balance sheet under IFRS on 31/12/08	44,128	70,622	-1,046	159,828	-8,120	-974	264,438	-7	264,431

Note 1 General business information

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

As the Company makes the transition towards a financial year from 1 January till 31 December (included), the previous financial year has been extended from 30 June 2008 till 31 December 2008 (included). As a consequence, the previous financial year covers a period of 18 months, namely the period 1 July 2007-31 December 2008.

The consolidated annual accounts of the Company of the financial year ending on 31/12/08 comprise the Company and its subsidiaries ('the Group').

The statutory and consolidated annual accounts were authorised for issue by the board of directors on 12/02/08 and will be proposed to the annual general meeting of shareholders for approval, on 18/05/09. 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.

Note 2 Significant accounting principles

IFRS valuation rules

A. Statement of compliance

The consolidated annual accounts are prepared in accordance with International Reporting Standards and IFRIC interpretations, entering into force as of 31/12/08, as adopted by the European Commission.

The new and modified standards applicable on the past financial year are the following:

IFRIC 13 'Loyalte programmes'

IAS 39 'Financial instruments: Recording and valuation' and IFRS 7 'Financial Instruments: Communication – Reclassification of financial assets' (adjustments)

The interpretations and modifications mentioned above have not led to adjustments to the significant accounting principles of the group.

For the next financial year, beginning on 1 January 2009, the following new or modified standards and interpretations will enter into force : IFRS 8 'operating segments' (in substitution of IAS 14 'Segment information');

IAS 23 'Financing costs (adjustment);

IAS 1 'Presentation of the annual accounts' (adjustment);

IFRS 2 'Share based payment' (adjustment);

IFRS 3 'Business combinations' (adjustment)

IFRIC 14, IAS 19 'The limit for an asset originating from a committed pension scheme, minimum coverage degrees and their interaction'

IFRIC 15 'Agreements for the construction of real estate'

IAS 40/IAS 16 regarding assets under construction, held as investment properties later on (adjustment).

The implementation of the adjusted standards and interpretations will have an impact hebben on the presentation of the annual accounts as from 31/12/09 and/or on the significant accounting principles of. The group has yet no insight into the bearing of the implementation.

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', Leasinvest Real Estate 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 en 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 treasury shares

Repurchased treasury 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 treasury 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 Leasinvest Real estate 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 Leasinvest Real estate 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 date 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, liquidity and cash flow risk

Leasinvest Real Estate finances its real estate portfolio through its shareholders' equity, the issuing of short term commercial paper (from 1 week to 6 months) and the conclusion of bank credit lines (from 1 to 5 years). The issued commercial paper is covered by back-up credit lines (with a typical duration of 364 days). The financing and liquidity risks for Leasinvest Real Estate could consist of 1) insufficient solvency to be able to renew current or conclude new credit lines with its banks, 2) the liquidity being no longer assured by the drying-up of the commercial paper issuing or the non-extension of current loans and/or back-up credit lines and 3) the real estate investment trust not being able to respect the current financial and other covenants imposed by its banks. The consolidated debt ratio¹ of Leasinvest Real Estate amounted to 52.06% (30/06/07: 40.93%) on 31/12/08, which is significantly lower than the legally allowed maximum debt ratio of 65% as defined by the RD of 21/06/06, which amends the RD of 10/04/95 on this point. The increase of the debt ratio is due to, a.o., the different acquisitions realised during the past financial year. At the end of 2008 Leasinvest Real Estate has succeeded in closing important additional credit lines for its important retail acquisitions in the Grand Duchy of Luxembourg, which confirms the notoriety of the real estate investment trust. The liquidity risk is limited on the one hand by spreading the financing across different banks, and on the other hand, by diversifying the maturity dates of the credit facilities. Leasinvest Real Estate has

only 6.3% (€ 13.7 million) of its credits expiring in 2009, 0% in 2010, 22.9% in 2011, 5.7% in 2012 and 65.2% in 2013. All back-up credit lines expire in 2009, or € 104.2 million, of which already € 10 million has been extended on 05/02/09 for 1.5 years. It is expected that the loans and back-up lines of Leasinvest Real Estate coming to maturity, given its good creditworthiness, will be extended by the banks.

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 short term bank loans) and long term bank loans at 50% - 50%. On 31/12/08 this proportion short-term financing / long-term loans was 38% - 62% (30/06/07: respectively 54% - 46%)².

The bank loans include financial covenants, which relate mainly to the status of real estate investment trust and the related maximum debt ratio. Until present, the real estate investment trust fully complies to all of its imposed covenants.

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 almost exclusively 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 2009 and 2013. On 31/12/08 only 68% of the financial debt was hedged due to the acquisitions of end-December 2008. The fixed interest rates of the interest rate swaps lie between 3.38% and 3.87%, excluding the credit margin.

Till September/October 2008 increasing short-term interest rates were recorded as a consequence of the financial uncertainties on the world markets, which have promptly turned to fiercely decreasing short-term interest rates. As a result, most real estate investment trusts and also Leasinvest Real Estate recorded negative market fluctuations on their interest rate hedges. These negative 'mark-to-market' are no cash expenses, but merely non-cash accounting adjustments.

¹ Calculated according to the RD 21/06/06.

² This breakdown is no strict breakdown per maturity date: the short term financing comprise the issued commercial paper and the short term bank loans on more than 1 year and the long term bank loans comprise draw-downs which have to be reimbursed within 1 year.

The monetary regulatory authorities in the world have drastically reduced their reference interest rates to extremely low (often historically) interest rate levels of f.i. 1 to 1.50%. Low interest rates are for a real estate investment trust and in case of Leasinvest Real Estate, which has an indexed gross rental yield of 7.27% (based on the fair value), a possibly profit-increasing factor. Normally this results in the increase of the gross margin between the received rental yield and the paid interest rate in function of 1) the hedged interest positions and 2) the interest rate margins increased by the banks in case of renewal of credit lines. Notwithstanding, Leasinvest Real Estate finances its needs mainly based on floating interest rates and these rates are currently at a very low level, we can not entirely benefit from these decreased interest rates, as Leasinvest Real Estate – from a risk adverse profile – has concluded interest rate hedging instruments (such as a.o. IRS's and interest rate collars) to hedge this interest rate risk, as a consequence of which the company can not always (in the case of IRS's) or can only partially (in the case of interest rate collars) or completely (for the non-hedged part) benefit from these lower interest rates. A reduction of the interest rates often leads to a negative change in the fair value of the interest rate hedges, with a(n) (accounting but non-cash) negative impact on the shareholders' equity and the result. It is expected that further negative changes in the fair value of the interest rate hedges will occur for Leasinvest Real Estate. Due to the fierce financial crisis banks systematically apply higher credit margins for the extension of current or conclusion of new credit lines. In so far as the borrower has to extend its loans, the eventual consequent increase of the credit margins could therefore reduce, partially or entirely, the above mentioned positive effect of non-hedging caused by the previously mentioned decrease of the interest rates. Leasinvest Real Estate has only 6.3% (€ 13.7 million) of its loans expiring in 2009, while all its back-up credit lines (€ 104.2 million) for its issued commercial paper in 2009 expire. It is expected that the extensions of the credit lines will be granted by the banks but that the credit margins on these to be renewed different credit lines could eventually increase and therefore compensate partly the decrease of the interest rates.

Tenant & credit risks

Efforts are being made to reduce the relative importance of the large 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 obtain a rental risk and income with an improved diversification therefore limiting the dependency of the real estate investment trust to the fall-out of a tenant due to termination of the rental contract or bankruptcy. The breakdown per sector of our tenant portfolio is good with a more prominent accent on retail and distribution than before.

The main sectors are the services sector (24% compared to 30% on 30/06/07), retail & wholesale (19% compared to 11% on 30/06/07), the financial institutions (13% compared to 18% on 30/06/07), followed by the public sector, non-profit and international professional associations (10% compared to 11% on 30/06/07) and transport & distribution (10% compared to 9% on 30/06/07). Retail and distribution have taken up a more important part in our consolidated portfolio. Retail and storage buildings can somewhat be less sensitive for the consequences of the crisis than offices. Approximately 90% of the consolidated tenants of Leasinvest Real Estate consist of companies. The creditworthiness of our tenants' portfolio is very good, which is proven by the fact that barely no write-downs of doubtful receivables were booked till the end of the first quarter of 2009, nor in Belgium, nor in Luxembourg. For most of the rental contracts the rents are paid quarterly in advance, which means that the income is received at the beginning and not at the end of the rental period concerned. Furthermore our occupancy rate in Belgium and Luxembourg is very high and we are better armed against the crisis than during the recent IT crisis in 2004/2005 when our occupancy rate was lower than 92%.

Except from the continuous follow-up of our tenants creditworthiness, we aim at signing a maximum of long-term rental contracts and/or to acquire buildings with long-term rental contracts to insure the durability of our rental income stream and as a consequence increase the duration of the rental contracts.

In the financial year 2007/2008 different rental contracts with a break possibility within the financial year were extended. In 2009 9.1% of the rental contracts expires. In 2010 there are important break possibilities, namely 19.9% and in 2011 15.6%. 71% of the annual contractual rents are assured till 31/12/10³. Leasinvest Real Estate has always succeeded in the past in renewing the largest part of its expired rental contracts or in concluding new rental contracts, which is reflected in the relatively constant duration of our rental contracts over the years. The real estate investment trust has already started negotiations for renewal with most of its important tenants of whom the rental contracts expire within the 3 coming years.

The duration of the current rental contracts in Belgium and Luxembourg, closed with companies (representing 90% of Leasinvest Real Estate's consolidated portfolio), is mainly of the classical type (3-6-9 years).

Thanks to our pro-active and dynamic management, which has led to new rental contracts, extensions of current rental contracts and the realised acquisitions in 2007/2008, the real estate investment trust has succeeded in keeping the average duration of the consolidated portfolio at a quasi constant level of 4.6 years (30/06/07: 4.9 years).

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3 For more information, see page 60 and note 5 of the financial statements.

The duration of the Luxembourg portfolio on 31/12/08 has systematically increased from 2.3 years (30/06/06) to 4.1 years (30/06/07) and to 4.8 years on 31/12/08. The duration of the Belgian portfolio is reduced from 5.3 years (30/06/07) to 4.5 years on 31/12/08. The pro-active management of Leasinvest Real Estate is also focused on closing rental contracts of a longer duration than the classical 3-6-9 years type.

Tenant loyalty is very important to Leasinvest Real Estate. The tenants generate the rental income and define the vacancy. Through 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 6.2% (30/06/07: 4.2%) in its Brussels office portfolio, which is better than the global vacancy in the Brussels office market of 9.2% (30/06/07: 9.6%). The vacancy rate for offices in the Grand Duchy of Luxembourg was 1.7% (3.5% op 30/06/07), which is higher than 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).

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-SIF 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 asset class, 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)	Belgium		Luxembourg		Corporate		TOTAL	
	31/12/08	30/06/07	31/12/08	30/06/07	31/12/08	30/06/07	31/12/08 (18 months)	30/06/07 (12 months)
(+) Rental income	34,512	22,999	14,546	10,155			49,058	33,154
(+) Write-back of lease payments sold and discounted							0	0
(+/-) Related rental expenses	-117						-117	0
NET RENTAL INCOME	34,395	22,999	14,546	10,155	0	0	48,941	33,154
(+) Recovery of property charges	811	64	141	164			952	228
(+) Recovery income of charges and taxes normally payable by tenants on let properties	3,898	2,168	12				3,910	2,168
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	-483	-143	0				-483	-143
(-) Charges and taxes normally payable by tenants on let properties	-3,898	-2,168	-12				-3,910	-2,168
(+/-) Other rental-related income and expenditure	-70	-236	-106				-176	-236
PROPERTY RESULT	34,653	22,684	14,581	10,319	0	0	49,234	33,003
(-) Technical costs	-1,489	-2,155	-295	-251			-1,784	-2,406
(-) Commercial costs	-493	-400	-317				-810	-400
(-) Charges and taxes on unlet properties	-430	-264	-151	-305			-581	-569
(-) Property management costs ⁽¹⁾	-3,527	-2,004	-281				-3,808	-2,004
(-) Other property charges	-364	-263	-133	-251			-497	-514
PROPERTY CHARGES	-6,303	-5,086	-1,177	-807	0	0	-7,480	-5,893
PROPERTY OPERATING RESULT	28,350	17,598	13,404	9,512	0	0	41,754	27,110
(-) Corporate operating charges					-2,796	-1,944	-2,796	-1,944
(+/-) Other current operating income and expenditure	-156	797	537	286	-121	-666	260	417
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	28,194	18,395	13,941	9,798	-2,917	-2,610	39,218	25,583
(+/-) Gains or losses on disposals of investment properties		1,486	3,600	0	0	0	3,600	1,486
(+/-) Changes in fair value of investment properties	-6,669	10,697	20,040	5,912	0	0	13,371	16,609
OPERATING RESULT	21,525	30,578	37,581	15,710	-2,917	-2,610	56,189	43,678
(+) Financial income					4,936	3,406	4,936	3,406
(-) Interest charges					-16,331	-10,316	-16,331	-10,316
(-) Other financial charges					-4,939	-364	-4,939	-364
FINANCIAL RESULT	0	0	0	0	-16,334	-7,274	-16,334	-7,274
PRE-TAX RESULT	21,525	30,578	37,581	15,710	-19,251	-9,884	39,855	36,404
(+/-) Corporate taxes					-294	-469	-294	-469
(+/-) Exit tax					1	-415	1	-415
TAXES	0	0	0	0	-293	-884	-293	-884
NET RESULT	21,525	30,578	37,581	15,710	-19,544	-10,768	39,562	35,520
Attributable to:								
Minority interests							1,240	586
Group shares							38,322	34,934

(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 2007/2008 (18 months) (€ 3.08 million) € 1 million 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)	Belgium		Luxembourg		Corporate		TOTAL	
	31/12/08	30/06/07	31/12/08	30/06/07	31/12/08	30/06/07	31/12/08	30/06/07
ASSETS								
Intangible assets	2						2	0
Investment properties	327,649	307,111	206,390	129,265			534,039	436,376
Development projects	3,470	1,742	25,725	11,655			29,195	13,397
Assets held for sale			0	9,483			0	9,483
Other assets	10,576	13,412	3,072	4,534			13,648	17,946
ASSETS PER SEGMENT	341,697	322,265	235,187	154,937	0	0	576,884	477,202
LIABILITIES								
Non-current financial liabilities					172,460	86,300	172,460	86,300
Current financial liabilities					92,021	100,321	92,021	100,321
Other liabilities	16,492	16,700	27,113	457	4,366	1,378	47,972	18,535
LIABILITIES PER SEGMENT	16,492	16,700	27,113	457	268,847	187,999	312,453	205,156
	Belgium		Luxembourg		TOTAL			
	31/12/08	30/06/07	31/12/08	30/06/07	31/12/08	30/06/07	31/12/08	30/06/07
OTHER SEGMENT INFORMATION								
Investment properties								
investments			28,111	978	49,894	234	78,005	1,212
divestments			-3,500	-27,649			-3,500	-27,649
Assets held for sale								
investments					8		8	0
divestments					-9,491		-9,491	0
Development projects								
investments			4,272	1,641	20,710	270	24,982	1,911
Other tangible assets (other)								
investments			36		2		38	0
depreciations			-22	-37	0		-22	-37
disposals			0				0	0
net book value at the end of the financial year			31	17	2		33	17

4.1.3 Main key figures (geographical segmentation)

(in € 1,000)	Belgium		Luxembourg		TOTAL	
	31/12/08	30/06/07	31/12/08	30/06/07	31/12/08	30/06/07
REAL ESTATE PORTFOLIO						
Fair value of the real estate portfolio	327,649	307,111	206,390	138,748	534,039	445,859
Investment value of the real estate portfolio	336,170	314,960	211,690	142,350	547,860	457,310
Yield (in fair value) of the segment	7.53%	7.29%	6.86%	7.06%	7.27%	7.22%
Yield (in investment value) of the segment	7.35%	7.11%	6.69%	6.88%	7.09%	7.04%
Total rentable surface (sqm)	261,135	221,460	84,201	44,787	345,336	266,247
Occupancy rate	96.19%	97.00%	99.15%	97.03%	97.29%	97.01%
Weighted average duration till first break possibility (# years)	4.5	5.3	4.8	4.1	4.6	4.9

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, the newly acquired building Montimmo 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)	Offices		Logistics (and semi-industrial)		Retail		TOTAL	
	31/12/08	30/06/07	31/12/08	30/06/07	31/12/08	30/06/07	31/12/08	30/06/07
Rental income	30,904	24,117	15,210	7,297	2,944	1,740	49,058	33,154
Fair value of the real estate portfolio	335,302	320,601	111,761	91,180	86,976	34,078	534,039	445,859
Investment value of the real estate portfolio	344,000	328,920	114,710	93,460	89,150	34,930	547,860	457,310
Yield (in fair value) of the segment	7.16%	7.14%	8.42%	8.29%	6.24%	5.15%	7.27%	7.22%
Yield (in investment value) of the segment	6.98%	6.96%	8.20%	8.08%	6.09%	5.03%	7.09%	7.04%
Occupancy rate	95.83%	96.09%	99.17%	98.67%	100%	100%	97.29%	97.01%
Weighted average duration till first break possibility (# years)	3.8	4.1	4.6	5.9	7.1	8.4	4.6	4.9

The real estate portfolio only consists of buildings in operation recorded under the balance sheet items 'Investment properties' and 'Assets held for sale' and does not include the development projects.

Contrary to the previous financial year, where the investments (€ 1.2 million) were made in the 'Offices' segment, the investments in the current financial year (€ 78 million) took place as well in the segment 'Logistics' (€ 24.4 million) as in the segment 'Retail' (€ 47.5 million).

In the segment 'Offices' a divestment of € 9.5 million was made (€ 27.6 million the previous financial year), namely the sale of the building Aubépines, recorded in the balance sheet on 30/06/07 under the 'Assets held for sale'; and € 3.5 million in the segment 'Retail', namely the contribution in kind of a retail building in the real estate investment trust Retail Estates.

Notwithstanding the sale of the Aubépines building, the real estate portfolio increased in the segment offices thanks to the occupation of the renovated CFM site.

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)	31/12/08 (18 months)	30/06/07 (12 months)
Rental income	49,058	33,154
Rents	48,454	32,979
Guaranteed income		
Rent free periods	604	-110
Rental incentives		
Indemnities for early termination of the leases	0	285
Income from finance leases and comparable items		
Write-back of lease payments sold and discounted	0	0
Rental-related expenses	-117	0
Rent payable on rented premises		
Write-downs on trade receivables	-137	
Write-backs of write-downs on trade receivables	20	
NET RENTAL RESULT	48,941	33,154

The table below indicates how much of the annual rental income could possibly be lost, namely if each tenant having a break possibility would actually leave the building and there would be no re-letting.

(in € 1,000)	31/12/08 (12 months)
Within one year	3,540
Between one and five years	24,700
More than five years	10,761
TOTAL	39,001

Note 6

(in € 1,000)	31/12/08 (18 months)	30/06/07 (12 months)
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	-483	-143
Recovery of property charges	952	228
Compensations received for rental damage	629	228
Recovery of refurbishment costs at end of lease	322	0
TOTAL	469	85

Note 7

(in € 1,000)	31/12/08 (18 months)	30/06/07 (12 months)
Recovery income of charges and taxes normally payable by tenants on let properties	3,910	2,168
Rebiling of rental charges paid by the landlord	445	325
Rebiling of taxes on let properties	3,465	1,843
Rental charges and taxes normally payable by tenants on let properties	-3,910	-2,168
Rental charges paid by the landlord	-445	-325
Taxes on let properties	-3,465	-1,843
RENTAL CHARGES BORNE BY THE LANDLORD ON LET PROPERTIES	0	0

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)	31/12/08 (18 months)	30/06/07 (12 months)
Recurring technical costs	-1,739	-2,397
Maintenance	-1,732	-2,353
Compensation for total guarantees		
Insurance premiums	-7	-44
Non-recurring technical costs	-45	-9
Major repairs (building contractors, architects, engineering, ...)	-7	0
Claims	-39	-9
TOTAL	-1,784	-2,406

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)	31/12/08 (18 months)	30/06/07 (12 months)
Letting fees paid to real estate agents	-562	-344
Marketing expenses	-164	-12
Lawyer fees and legal expenses	-84	-44
TOTAL	-810	-400

Note 10 Charges and taxes on unlet properties

(in € 1,000)	31/12/08 (18 months)	30/06/07 (12 months)
Charges on unlet properties of the financial year	-424	-449
Property taxes on unlet properties	-157	-120
TOTAL	-581	-569

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.

Note 11 Property management costs

(in € 1,000)	31/12/08 (18 months)	30/06/07 (12 months)
External management costs	-3,083	-2,004
Costs of the internal management of the property	-725	
TOTAL	-3,808	-2,004

The company Leasinvest Real Estate SCA (on a statutory basis) has no own peronnel. The statutory manager, Leasinvest Real Estate Management SA ('LREM'), is responsible for the management of the real estate investment trust and had a staff of nine persons on 31/12/08 under the direction of the permanent representative (ten in total).

The **external management costs** consist of the remuneration of the statutory manager, which is defined at 0.415% of the investment value of the consolidated real estate portfolio, including the buildings of Leasinvest Immo Lux, according to the articles of association.

The **costs of the internal management of the property** consist of the personnel costs of Leasinvest Immo Lux (1 person) on the one hand, and Leasinvest Services on the other hand, which takes care of the technical management of the buildings of the real estate investment trust since the beginning of the past financial year (01/07/07) (personnel: 6 persons).

Note 12 General corporate charges

(in € 1,000)	31/12/08 (18 months)	30/06/07 (12 months)
ICB tax	-566	-309
Despositary	-276	-146
Auditor fees	-170	-142
Liquidity provider	-31	-9
Other expenses	-1,753	-1,338
TOTAL	-2,796	-1,944

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 investment trust as a legal, listed entity and are mainly related to all kinds of prescriptions/obligations regarding transparency, liquidity of the share and financial communication.

Note 13
Result of disposal of investment properties

(in € 1,000)	31/12/08 (18 months)	30/06/07 (12 months)
Net gains on investment properties (selling price – Transfer rights)	13,091	29,826
Book value of real estate sold (fair value)	-9,491	-27,649
Write-back of impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	0	-691
TOTAL	3,600	1,486

On 4 July 2007 Leasinvest Immo Lux has sold the Aubépines building situated in the Grand Duchy of Luxembourg to the 'Commission de Surveillance du Secteur Financier (CSSF)', the Luxembourg supervising authority for the banking sector.
On this sale a capital gain of € 3.6 million was realised.

The realised capital gain in the financial year 30/06/07 comes from the sale of Extensa Square in Evere and the sale of a smaller building at Schranshoevebaan 18 in Wommelgem.

The fixed transfer rights for disposal of an investment property, booked at acquisition at 'Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties' have to be deducted from the unrealised gain.

Note 14
Changes in fair value of investment properties

(in € 1,000)	31/12/08 (18 months)	30/06/07 (12 months)
Positive changes in fair value of investment properties	24,434	19,985
Negative changes in fair value of investment properties	-11,063	-3,376
TOTAL	13,371	16,609

Thanks to the successful redevelopment a positive change in the fair value of the CFM site in Luxembourg was booked for an amount of € 14.4 million.

The other positive changes relate to, a.o. the 3 retail sites in Luxembourg acquired end-December, the Brixton Business Park in Brussels and the Monnet building in Luxembourg.

Of the total negative changes on 31/12/08 (€ -11 million), € 10 million come from buildings situated in Belgium (a.o. Montoyerstraat 63, Louizalaan 250 and Riverside Business Park), and this due to the increasing 'yields' in the real estate market.

Note 15 Financial income

(in € 1,000)	31/12/08 (18 months)	30/06/07 (12 months)
Interests and dividends received	157	430
Income from finance leases and comparable items	14	14
Income from derivative financial instruments	4,163	2,002
Change in the fair value of financial assets	0	960
Net realised gains on the disposal of financial assets	602	0
TOTAL	4,936	3,406

The interests and dividends received are almost exclusively interests from temporary, short term deposits of cash surpluses.

The main part of the financial income consists of floating interests received from interest rate swaps, for which Leasinvest Real Estate always pays a fixed interest rate. These fixed interest rate charges 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 on 30/06/07 concern positive changes in the fair value of non-effective hedges (see Note 23). Due to the decreasing market interest rate the fair value of the derivative financial instruments decreased during this financial year, and the negative evolution of the non-effective hedges (€ 4.4 million) has been deducted from the results (See note 17).

On the sale of the Immo Croissance shares a gain of € 0.6 million was realised at the beginning of the financial year 31/12/08.

Note 16 Interest charges

(in € 1,000)	31/12/08 (18 months)	30/06/07 (12 months)
Nominal interest charges on loans	-13,722	-8,397
Interest charges on non-current financial debts	-7,126	-4,371
Interest charges on current financial debts	-6,596	-4,026
Re-composition of the nominal amount of the financial debts	0	0
Costs of derivative financial instruments	-2,605	-1,944
Other interest charges	-4	25
TOTAL	-16,331	-10,316

The costs of derivative financial instruments comprise a.o. the fixed interest rate which Leasinvest Real Estate pays within the framework of the interest rate swap's concluded (see note 15).

Note 17 Other financial charges

(in € 1,000)	31/12/08 (18 months)	30/06/07 (12 months)
Bank costs and other commissions	-571	-364
Changes in the fair value of financial assets	-4,368	0
TOTAL	-4,939	-364

The changes in the fair value of financial assets on 31/12/08 relate to the negative changes of the fair value of the non-effective hedges (see note 23). In the previous financial year a positive change of € 0.96 million was recorded, booked at financial income (see note 15).

Note 18
Income taxes

(in € 1,000)	31/12/08 (18 months)	30/06/07 (12 months)
Parent company LRE	-15	185
Pre-tax result	12,029	26,980
Result exempted from income tax due to the real estate investment trust regime	12,029	26,980
Taxable result based on non-deductible costs	432	361
Tax rate of 33.99%	-147	-123
Income tax provision	0	300
Withholding tax	0	0
Previous tax year adjustment	131	8
Subsidiaries	-279	-654
TOTAL	-294	-469

Real estate investment trusts 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, 100% 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
Intangible assets

(in € 1,000)	31/12/08	30/06/07
Software	0	0
Other intangible assets	0	0
Movements in intangible assets		
Balance at the end of the previous financial year	0	0
Gross amount	0	0
Accumulated depreciations (-)	0	0
Accumulated impairments	0	0
Investments	2	
Acquisitions through business combinations		
Disposals through retirement (-)		
Disposals through splitting-up (-)		
Depreciations (-)	0	
Balance at the end of the financial year	2	0

Note 20

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

(in € 1,000)	Investment properties		Assets held for sale		Total	
	31/12/08	30/06/07	31/12/08	30/06/07	31/12/08	30/06/07
Balance at the end of the previous financial year	436,376	467,182	9,483	0	445,859	467,182
Investments	50,041	1,212	8		50,049	1,212
Divestments	-3,500	-27,649	-9,491		-12,991	-27,649
Acquisitions through business combinations	27,964	0			27,964	0
Transfer from/(to) project development	9,183	-11,385			9,183	-11,385
Transfer from/(to) other accounts		-8,780		8,780	0	0
Increase/(decrease) in fair value	13,975	15,796		703	13,975	16,499
Balance at the end of the financial year	534,039	436,376	0	9,483	534,039	445,859

The investments (€ 50 million) consist of, a.o. the acquisition of the retail site in Strassen and 2 retail buildings in Diekirch and Foetz (€ 47.5 million) end-December 2008.

Through the take over of the companies Zebra Trading NV and Alm Distri (see note 42) Leasinvest Real Estate has become the owner of storage spaces situated in the Antwerp region (€ 24.4 million) and a retail building in Merksem (€ 3.5 million), which has afterwards been contributed in kind in the real estate investment trust Retail Estates (see divestments).

The balance sheet item 'Assets held for sale', at the end of the past financial year, comprised the Aubépines building in Luxembourg, sold at the beginning of July 2007.

The transfer from development projects to investment properties (€ 9.2 million) relates to the renovated CFM site and the parking building in Axxes Business Park.

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 transfer rights, 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 transfer rights 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 € 547.86 million on 31/12/08 (€ 457.31 million on 30/06/07).

Of the total transfer rights (€ 13.82 million), deducted from the investment value to calculate the fair value, € 8.12 million have been directly deducted from the shareholders' equity through the item 'Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties', or € 2.03 per share.

Leasinvest Real Estate has, on 31/12/08, the contractual obligation for the acquisition of a logistics building situated in Brussels through the take over of 100% of the company Canal Logistics Brussels NV. This acquisition is subject to a number of conditions precedent.

Note 21 Development projects

(in € 1,000)	31/12/08	30/06/07
Balance at the end of the previous financial year	13,397	101
Capital expenditures	16,759	366
Investments	1,342	1,545
Acquisitions through business combinations	6,880	
Divestments		
Transfer from/(to) investment properties	-9,183	11,385
Balance at the end of the financial year	29,195	13,397

The development projects comprise the land and buildings in (re)development resulting in the fact that they only represent investments for a certain period of time, without generating rental income.

The development projects are recorded at acquisition price. For more details we refer to the valuation rules (note 2).

The main capital expenditure relates to the CFM project (€ 6.5 million), the renovation of the Bian building (€ 7.2 million) and the new parking building in Axxes Business Park (€ 2.3 million).

The investments in the financial year closed at 31/12/08 consist of, on the one hand, the acquisition of the office project Montimmo in Luxembourg (€ 6.9 million) through a transaction in shares (see note 42), and on the other hand, the acquisition of the land for the Cegelec file (€ 1.3 million).

In the previous financial year (30/06/07) the investments related to the acquisition of the castle-farm 'Torenhof', for an amount of € 1.5 million.

The transfer to investment properties (€ 9.2 million) relates to the renovated CFM site and the parking building in Axxes Business Park.

Note 22 Other tangible assets

(in € 1,000)	31/12/08	30/06/07
Installations, machines and equipment	21	17
Furniture, office equipment and vehicles	12	0
Other	0	0
Other tangible assets	33	17
Changes in other tangible assets		
Balance at the end of the previous financial year	17	54
Gross amount	109	109
Accumulated depreciations (-)	-92	-55
Accumulated extraordinary write-downs	0	0
Investments	38	
Acquisitions through business combinations		
Transfers and disposals (-)		
Disposals through splitting-up (-)		
Depreciations (-)	-22	-37
Balance at the end of the financial year	33	17

The item 'Other tangible assets' is written off in a linear way in function of its economical life cycle (3 to 9 years).

Note 23

Non-current financial assets

(in € 1,000)	31/12/08	30/06/07
Available for sale	0	0
Loans and receivables	85	128
Other	619	889
Derivative financial instruments	249	3,367
Participations in associated companies	0	0
TOTAL	953	4,384

The decrease of the non-current financial assets is mainly the consequence of the decrease of the fair value of the derivative financial instruments which is recorded in the balance sheet at fair value according to IAS 39. For more information we refer to note 24.

Note 24

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	Interest rate	Duration
OPTIONS			
Active 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	20,000,000	4.00%	2011
disposal FLOOR	20,000,000	2.00%	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
acquisition CAP	20,000,000	4.50%	2013
disposal FLOOR	20,000,000	3.17%	2013
SWAPS			
Active swaps			
IRS	20,000,000	3.38%	2009
IRS	15,000,000	3.87%	2011
OPTIONS ON A SWAP			
Forward start			
Acquisition of payer swaption ⁽¹⁾	20,000,000	4.75%	2009
Sale of receiver swaption ⁽²⁾	20,000,000	3.50%	2009

(1) The acquired payer swaption grants an option to Leasinvest Real Estate to conclude an IRS with the bank in 2009, for which Leasinvest Real Estate, as from the exercise of the option, for a fixed term of 5 years, pays a fixed interest rate to the bank, namely 4.75%, against the reception of a floating interest rate.

(2) The sold receiver swaption grants an option to the bank to conclude an IRS with Leasinvest Real Estate in 2009, for which Leasinvest Real Estate, as from the exercise of the option, for a fixed term of 5 years, pays an interest rate, namely 3.50%, against the reception of a floating interest rate.

Regarding the active 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, repriced at short term intervals (typically three months or less).

Regarding the accounting, we refer to the IFRS valuation rules.

The caps, floors and the swaptions on the contrary 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 on closing date is composed as follows :

(in € 1,000)	31/12/08		30/06/07	
	Assets	Liabilities	Assets	Liabilities
Bought caps	164		2,289	
Sold floors		-1,831		-33
Interest Rate Swaps	85	-429	1,077	
Acquired payer swaption	0		0	
Sold receiver swaption		-444		0
	249	-2,704	3,366	-33

Changes in the fair value of the derivative financial instruments:

(in € 1,000)	
Effective part of the fair value (cfr. Section in the shareholders' equity) (see note 33)	
Balance on 30/06/07	1,077
Change in the effective part of the fair value of derivative financial instruments	-1,421
Balance on 31/12/08	-344
Non-effective part of the fair value	
Balance on 30/06/07	2,256⁽¹⁾
Change in the non-effective part of the fair value of derivative financial instruments	-4,368
Balance on 31/12/08	-2,112

(1) In the financial statements of the annual brochure 2006/2007 (note 23) a wrong balance on 30/06/07 was recorded (1,558 instead of 2,256).

Note 25

Financial current assets

(in € 1,000)	31/12/08	30/06/07
Assets held to maturity		
Assets available for sale	2,871	6,599
Assets at fair value through profit or loss		
Loans and receivables	16	27
Others		
TOTAL	2,887	6,626

On 31/12/08 the item 'Assets available for sale' consists of the Retail Estates shares which Leasinvest Real Estate received following the contribution in kind of a retail building.

For more details we refer to note 4.1.2. (other segment information).

At the end of the previous financial year (30/06/07) this item consisted 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. Both assets were sold during the past financial year.

Note 26 Trade receivables

(in € 1,000)	31/12/08	30/06/07
Trade receivables	4,367	3,050
To be invoiced	390	945
Doubtful receivables	5	5
TOTAL	4,762	4,000

Note 27 Tax receivables and other current assets

(in € 1,000)	31/12/08	30/06/07
Taxes	1,592	222
Salaries and social security	0	0
Other	67	30
TOTAL	1,659	252

Note 28 Cash and cash equivalents (see also the consolidated cash flow statement)

(in € 1,000)	31/12/08	30/06/07
Cash	2,580	1,472
Cash equivalents	0	0
TOTAL	2,580	1,472

The cash and cash equivalents consist exclusively of bank accounts at financial institutions.
For the evolution of the cash and cash equivalents we refer to the cash flow statement.

Note 29 Deferred charges and accrued income – assets

(in € 1,000)	31/12/08	30/06/07
Accrued and not due rental income		
Rent free periods and incentives for appropriation		
Prepaid property charges	464	830
Prepaid interests and other financial charges	259	335
Other	51	30
TOTAL	774	1,195

Note 30**A. Subscribed capital****a) Evolution subscribed capital since the creation of the real estate investment trust**

Date		Issued capital (in € 1,000)	Number of shares
31-12-1998	Initial capital Brixton Zaventem	2,922	61,250
04-05-1999	New number of shares ⁽¹⁾		864,808
07-05-1999	Acquisition of treasury shares and annulment of the acquired shares		-24,603
08-06-1999	Contribution in kind of the 'Extensa buildings'	2,788	727,818
08-06-1999	Contribution in kind of the Vierwinden Business Park	9,370	191,574
	Total before the offering	15,080	1,759,597
01-07-1999	Capital increase	20,334	370,851
01-07-1999	Merger with Brixton Louise	7,561	394,672
01-07-1999	Merger with Kapex		4
01-07-1999	Decrease of the capital	-15,209	
	Capital and number of shares after the offering	27,765	2,525,124
28-06-2001	Contribution in kind buildings D4 and D5 of the Axxes Business Park	2,206	200,500
14-12-2001	Contribution in kind D2 of the Axxes Business Park	1,152	104,742
28-11-2003	Merger with Brussimmo		2
28-11-2003	Merger with Ekiport		3
	Issued capital and number of issued shares on 30/06/04	31,123	2,830,371
23-12-2004	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
29-05-2006	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
29/12/2006	Merger with Square de Meeüs 5-6 SA	2	204
	Issued capital and number of issued shares on 30/06/07 & 31/12/08	44,128	4,012,832

(1) On 31/12/98 the registered capital of Brixton Zaventem amounted to € 2,921,652, 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 dematerialised shares.

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.

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

d) Costs related to capital increases:

For the financial years ending on 30/06/07 and 31/12/08 no costs related to a capital transaction or issuing of new shares have been deducted from the capital.

B. Share premium account

(in € 1,000) 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 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 of buildings Extensa-portfolio	39,331
	Share premium account on 30/06/06	70,611
29/12/06	Merger with Square de Meeüs 5-6 SA	11
	Share premium account on 30/06/07 & 31/12/08	70,622

C. Result

(in € 1,000)	31/12/08	30/06/07
Result to be carried forward	30,929	19,685
Proposed dividend	7,393	15,249
TOTAL	38,322	34,934

The consolidated net result, share of the group, of the past financial year 2007/2008 amounted to € 38.32 million.

On 15/10/08 a gross interim dividend of € 3.85 was distributed.

The board of directors of the statutory manager proposes to the ordinary general meeting of shareholders to distribute a gross closing dividend of € 1.85, which results in a total closing dividend of € 7.4 million, based on the fact that all 4,012,832 shares are entitled to dividends, minus the number of treasury shares on a consolidated basis.

D. Acquired treasury shares

At the end of the previous financial year (30/06/07) Leasinvest Real Estate held 204 treasury shares. These shares are held by Leasinvest Services NV, a subsidiary of Leasinvest Real Estate, and are the consequence of the merger of Square de Meeüs 5-6 NV with Leasinvest Real Estate. For more details we refer to the annual brochure 2006/2007.

During the past financial year 2007/2008 Leasinvest Real Estate has acquired, on the stock exchange, 16,334 treasury shares, resulting in a total number of treasury shares on 31/12/08 of 16,538.

Note 31

Comments on the number of shares, dividends and profit per share

31.1. Changes in the number of shares

	31/12/08 Number of shares	30/06/07 Number of shares
Number of shares at the beginning of the financial year	4,012,832	4,012,628
Additional shares following the merger with Square de Meeüs	0	204
Number of shares at the end of the financial year	4,012,832	4,012,832
Number of shares entitled to dividends	4,012,832	4,012,832
Number of treasury shares (on a consolidated basis)	16,538	204
Number of shares participating in the result of the period ⁽¹⁾	3,996,294	4,012,628

(1) In the annual brochure of the financial year 2006/2007 4,012,832 were mentioned as shares participating in the result of the period; this is without taking into account the 204 treasury shares in the portfolio on 30/06/07.

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

(in € 1,000)	31/12/08 (18 months)	30/06/07 (12 months)
Net result according to the statutory annual accounts	12,015	26,973
+ Depreciations	17	36
+ Write-downs	117	0
+/- Other non-monetary elements	2,136	-3,501
+/- Result disposal of real estate	0	-1,486
+/- Changes in the fair value of property investments	5,545	-9,926
Adjusted result (A)	19,830	12,096
Net gains from the realisation of investment properties not exempt from the mandatory distribution (B)	0	0
A+B	19,830	12,096
Minimum mandatory distribution (80%)	15,864	9,677
Dividend (proposal)	22,779	15,249
Interim dividend	15,386	
Closing dividend	7,393	

The minimum mandatory distribution has been calculated according to the RD of 21/06/06 and has been established based on the statutory annual accounts, for the first time on 30/06/07, according to IFRS rules, but without taking into account a possible net decrease of the debts.

The profit for appropriation of the current financial year 2007/2008, defined, based on the statutory accounts, amounts to € 17,559,522 and is composed of the net result of the financial year (€ 12,014,732) minus the changes in the fair value of the investment properties (€ -5,544,790).

The net result of the financial year, the results carried forward of the previous financial years and the available reserves at a statutory level are sufficient to proceed to the distribution of the proposed dividend.

31.3. 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:

		31/12/08 (18 months)	30/06/07 (12 months)
Net result, share of the group (in € 1,000)	(a)	38,322	34,934
Number of shares participating in the result of the period	(b)	3,996,294	4,012,628
Net result, share of the group, per share (€) ⁽¹⁾	(a)/(b)	9.59	8.71
Distributable profit per share (€) ⁽²⁾		4.96	3.01
		proposal 2008	paid 2007
Gross dividend attributable to ordinary shareholders (€)		22,873,142	15,248,762
Gross dividend per share (€) ⁽³⁾		5.70	3.80
Net dividend per share (€)		4.85	3.23

(1) The net profit per share, is the net result, share of the group, as stated in the results account, divided by the number of shares participating in the result of the period.

(2) The distributable profit per share is the amount taken into account to calculate the mandatory distribution, divided by the number of shares participating in the result of the period, but without taking into account the net decrease of the debts.

(3) On 15/10/08 a gross interim dividend of € 3.85 (net € 3.27) was distributed. A closing dividend of € 1.85 (net € 1.57) will be proposed to the ordinary general meeting of 18/05/09, for the financial year closing on 31/12/08.

Note 32

Impact on fair value of estimated transfer rights resulting from hypothetical disposal of investment properties

(in € 1,000)	31/12/08	30/06/07
Balance at the end of the previous financial year	-6,219	-6,910
Impact of disposal of investment properties		691
Impact of acquisition of investment properties	-1,901	0
Balance at the end of the financial year	-8,120	-6,219

The fixed transfer rights, which are deducted from the investment value to obtain the fair value, are directly deducted from the shareholders' equity when acquiring an investment property.

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, and the related transfer rights, are entirely incorporated in the results, for the total current portfolio. The item 'Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties' is therefore used once-only for recording and does not change later on if changes in the fair value occur.

The changes in the financial year 2007/2008 are the consequence, on the one hand, of the acquisition of the companies Zebra Trading NV and Alm Distri NV (€ 0.7 million) and, on the other hand, of the direct acquisition of 3 retail sites in Luxembourg at the end of December 2008 (€ -1.2 million).

Note 33

Change in fair value of financial assets and liabilities

(in € 1,000)	31/12/08	30/06/07
On financial assets available for sale	-630	336
On derivative financial instruments	-344	1,077
TOTAL	-974	1,413

Note 34

Minority interests

(in € 1,000)		31/12/08	30/06/07
Company	Percentage of participation		
Leasinvest Immo Lux Sicav ⁽¹⁾	100%	0	9,973
Leasinvest Services SA	99%	-7	2
Total minority interests		-7	9,975
TOTAL SHAREHOLDERS' EQUITY		264,431	272,046

(1) Leasinvest Real Estate had a participation of 96.04% in Leasinvest Immo Lux Sicav on 30/06/07.

The minority interests have substantially decreased as a consequence of the repurchase procedure launched by Leasinvest Immo Lux on the remaining minority interests following the conversion of Leasinvest Immo Lux SICAV into a SICAV-SIF. As a consequence, Leasinvest Real Estate has become a 100% shareholder of Leasinvest Immo Lux, directly and indirectly, on 31/12/08.

Note 35 Provisions

(in € 1,000)	Provisions for guarantees	Other provisions	TOTAL
Balance at the end of the previous financial year	1,725	26	1,751
Additional provisions	400		400
Amount of provisions used (-)	-1,046		-1,046
Write-back of unused provisions			0
Balance at the end of the financial year	1,079	26	1,105

The provisions for guarantees concern the provisions for rental guarantees granted within the framework of the sale of the two buildings 'Extensa Square' in the previous financial year.

Note 36 Financial debts

(in € 1,000)	31/12/08	30/06/07
Non-current financial debts	172,460	86,300
Credit institutions	163,901	86,300
Other	8,559	0
Current financial debts	92,021	100,321
Credit institutions	22,167	0
Other	69,854	100,321
TOTAL	264,481	186,621

The financial debts with credit institutions are composed of, on the one hand, long-term credit facilities (31/12/08: € 164.1 million), and on the other hand, of back-up lines for the commercial paper program (31/12/08: € 22 million).

The long-term credit facilities (€ 164.1 million) are recorded at the non-current financial debts (€ 163.9 million) as well as at the other current financial debts (€ 0.17 million).

The other financial debts comprise as well the commercial paper (31/12/08: € 78.3 million), as the received rental guarantees (31/12/08: € 0.14 million).

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

(in € 1,000)	31/12/08				30/06/07			
	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
Financial debts – credit institutions								
Credit lines	13,700	205,000	600	219,300	12,500	107,500	30,000	150,000
Credit draw-downs	13,605 ⁽¹⁾	149,816	647	164,068	0	56,300	30,000	86,300
% share (credit draw-downs/credit lines)	99.3%	73.1%	107.8%	74.8%	0.0%	52.4%	100.0%	57.5%
Commercial paper and back-up lines								
Commercial Paper program			210,000	210,000			210,000	210,000
Commercial Paper draw-downs	69,854	8,415		78,269	100,321			100,321
Back-up credit lines	104,100			104,100	64,100	40,000		104,100
Back-up credit draw-downs	22,000			22,000				0
% share CP / backup credit lines				75.2%				96.4%
% share back-up draw-downs / credit lines				21.1%				
% share CP / CP program				37.3%				47.8%

(1) This amount has not been recorded for the entire amount at the current financial debts, as imposed by IFRS, but the financial statements have not been adjusted for this as it relates to a non-material adjustment. As from the next financial year the credit draw-downs on the long term credit facilities with a remaining duration of less than 1 year will be recorded at the current financial debts for their comprehensiveness.

All credit lines are based on a floating interest rate, for which the interest rate risk is mainly covered by derivative financial instruments. For more details we refer to Note 24 (Derivative financial instruments).

Note 36 Other non-current financial liabilities

(in € 1,000)	31/12/08	30/06/07
Derivative financial instruments	2,704	33
Other	0	0
TOTAL	2,704	33

The other non-current financial liabilities consist of the negative fair value of the derivative financial instruments recorded in the balance sheet according to IAS 39. For further comments we refer to note 24.

Note 38 Trade debts and other current debts

(in € 1,000)	31/12/08	30/06/07
Exit tax	3,298	0
Other		
Suppliers	7,685	3,228
Tenants	0	0
Taxes, salaries and social security	158	3,470
TOTAL	11,141	6,698

Note 39 Other current liabilities

(in € 1,000)	31/12/08	30/06/07
Other current liabilities	24,298	1,125
TOTAL	24,298	1,125

The deferred payment till 30/01/09 of the acquisition price of the 3 retail locations in Luxembourg (€ 14.8 million) and the Leasinvest Immo Lux shares to be paid (on 12/01/09) within the framework of the repurchase procedure (€ 8.6 million) are recorded in the item 'other current liabilities' on 31/12/08.

Note 40 Accrued charges and deferred income - liabilities

(in € 1,000)	31/12/08	30/06/07
Property income received in advance	6,642	6,434
Interests and other charges accrued and not due	1,662	1,344
Other	1	291
TOTAL	8,305	8,069

Note 41
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 financial year 2006/2007 a rental guarantee has been granted by Leasinvest Real Estate.

In relation to this risk, the accounts of Leasinvest Real Estate contain a provision of € 1.08 million (see note 35) on 31/12/08, by which the risk is covered at maximum.

Leasinvest Real Estate has concluded an agreement for the acquisition of a logistics site situated in Brussels through the take over of 100% of the company Canal Logistics Brussels NV.

This acquisition is subject to a number of conditions precedent.

The expected fair value of this site will fluctuate between € 34 to 38 million.

Note 42
Company acquisitions

The company acquisitions of Leasinvest Real Estate during the past financial year 2007/2008 are the following:

- acquisition of the participations Zebra Trading NV (100%) and Alm Distri NV (100%)
- acquisition by Leasinvest Immo Lux SA of the company Montimmo SA, followed by a merger
- take over of all the shares of Leasinvest Immo Lux still held by third parties (participation on 30/06/07: 96.04%)

All company acquisitions relate to business combinations, treated in the financial statements according to the purchase method according to IFRS 3.

Acquisition Zebra Trading SA and Alm Distri SA

Leasinvest Real Estate has acquired, on 29/02/08 – directly and indirectly - 100% of the shares of Zebra Trading NV and Alm Distri NV. Through this acquisition Leasinvest Real Estate acquired a storage and distribution site in Wommelgem, two storage halls in Meer and a retail building in Merksem. This latter retail building has, after the acquisition, been brought in kind in the real estate investment trust Retail Estates.

The acquisition of the shares (€ 21.9 million, including acquisition costs) has been entirely financed with bank debts.

The companies Zebra Trading NV and Alm Distri NV have for the first time been incorporated in the consolidation on 29/02/08.

The acquisition balance sheets of both companies (on 29/02/08), in which the buildings are valued at fair value, can be summarized as follows:

Investment properties	27,964
Current assets	477
Total assets	28,441
Shareholders' equity	21,764
Liabilities	6,677
Total of shareholders' equity and liabilities	28,441

On the acquisition of Zebra Trading NV and Alm Distri NV no goodwill, nor goodwill was booked.

Acquisition Montimmo SA

Leasinvest Immo Lux SA, a 100% subsidiary of Leasinvest Real Estate, has acquired the shares of the real estate company Montimmo SA on 31/07/08 for an amount of € 3.1 million.

Subsequently Montimmo SA has been merged with Leasinvest Immo Lux.

This merger has had almost no impact on the consolidated figures of Leasinvest Real Estate.

Thanks to the acquisition of the company Montimmo Leasinvest Real Estate has become the owner of a constructed building of an office project in Luxembourg, which will be further finished and completed in 2009.

The acquisition balance sheet of Montimmo SA on 31/07/08 is as follows:

Development projects	6,880
Current assets	122
Total assets	7,002
Shareholders' equity	3,125
Liabilities	3,877
Total shareholders' equity and liabilities	7,002

On the acquisition of Montimmo SA no goodwill, nor goodwill was booked.

Increase of the participation in Leasinvest Immo Lux SA

On 30/06/07 Leasinvest Real Estate owned 96.04% of the shares of Leasinvest Immo Lux.

During the financial year 2007/2008 Leasinvest Real Estate has acquired additional Leasinvest Immo Lux shares through different transactions, on the stock exchange. Subsequently a repurchase procedure was launched by Leasinvest Immo Lux on the remaining shares still in the hands of third parties, within the framework of the conversion of Leasinvest Immo Lux SICAV into a SICAV-SIF. Consequently Leasinvest Real Estate has become a 100% shareholder, directly and indirectly of Leasinvest Immo Lux on 31/12/08.

During the previous financial year Leasinvest Immo Lux has already been fully consolidated, resulting in the fact that the increase of the participation only results in a decrease of the minority interests.

As the total acquisition price (€ 10.5 million) of the acquired shares was lower than the net asset value⁽¹⁾ (€ 11 million), a goodwill of € 0.5 million was realised, incorporated in the results according to IFRS 3 (through the item 'other operating charges and income').

(1) The net asset value corresponds to the revalued shareholders' equity based on the fair value as recorded in the balance sheet of Leasinvest Real Estate.

Note 43 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, 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.

The consolidate accounts are established on the same date as the date on which the subsidiaries establish their annual accounts.

Name & address of the administrative office	VAT or national number	Direct or indirect part of the capital held and voting rights (in %)	
		31/12/08	30/06/07
Leasinvest Services NV Schermersstraat 42 - 2000 Antwerp	BE 878.901.063	99.00	99.00
Leasinvest Immo Lux SA 17. Route d'Esch - L-1470 Luxembourg	LU 16372655	100.00	96.04
Leasinvest Immo Lux Conseil SA 17. Route d'Esch - L-1470 Luxembourg	LU 10355144	100.00	100.00
Zebra Trading NV⁽¹⁾ Schermersstraat 42 - 2000 Antwerp	BE 424.903.946	100.00	-
Alm Distri NV⁽¹⁾ Schermersstraat 42 - 2000 Antwerp	BE 475.333.157	100.00	-
Warehouse Finance NV⁽²⁾ Mechelsesteenweg 34/8 -2018 Antwerp	BE 419.819.463	-	100.00
De Leewe NV⁽²⁾ Mechelsesteenweg 34/8 -2018 Antwerp	BE 457.482.583	-	100.00
Logistics Finance I NV⁽²⁾ Mechelsesteenweg 34/8 -2018 Antwerp	BE 418.979.325	-	100.00

(1) On 29/02/08 Leasinvest Real Estate acquired, directly and indirectly, Zebra Trading NV and Alm Distri NV.

(2) On 15/10/07 Warehouse Finance NV, De Leewe NV and Logistics Finance I NV were merged with Leasinvest Real Estate.

Note 44 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 2007/2008 (18 months) amounted to € 3 million.

During the past financial year Leasinvest Real Estate SCA has acquired a land, situated in Zwijndrecht (Antwerp) with a surface of approximately 6,725 m² from Baarbeek BV, an indirect 100% subsidiary of Ackermans & van Haaren (and therefore a person intended by article 24 of the RD of 10/04/95 relating to real estate investment trusts⁽¹⁾), for an amount of € 1.14 million, which is not higher than the valuation by the real estate expert.

On this land a new corporate building will be constructed that will be fully let, through a real estate leasing, to Cegelec NV.

Furthermore, Bank Delen NV, part of Ackermans & van Haaren group, has been appointed as depositary of Leasinvest Real Estate.

Bank Delen receives a fixed remuneration of € 30,000 (VAT incl.) on an annual basis.

Bank Delen NV has been appointed as the main paying agent at the end of December within the framework of the adoption of ESES (Euroclear Settlement for Euronext-zone Securities).

(1) For more details we refer to page 29 of the annual financial report (Corporate Governance).

Note 45

Remuneration of the auditor Ernst & Young (excl VAT)

(in € 1,000)	Leasinvest Real Estate	Subsidiaries	TOTAL 31/12/08
Remuneration of the auditor for the audit mandate	47	60	107
Remuneration for extraordinary activities or special assignments:			0
- Other auditing assignments			0
- Tax consulting		33	33
Other than audit assignments	5		5
TOTAL	52	93	145

Note 46

Events after the closing of the balance sheet

No events of any interest have occurred after the balance sheet closing date.

Note 47**Division in semesters of the consolidated results
of the current financial year 2007/2008 (18 months)⁽¹⁾**

(in € 1,000)	01/07/07 - 31/12/07 (6 months)	01/01/08 - 30/06/08 (6 months)	01/07/08 - 31/12/08 (6 months)	01/07/07 - 31/12/08 (18 months)
(+) Rental income	15,499	16,286	17,273	49,058
(+) Write-back of lease payments sold and discounted			0	0
(+/-) Related rental expenses		-102	-15	-117
NET RENTAL INCOME	15,499	16,184	17,258	48,941
(+) Recovery of property charges	76	682	194	952
(+) Recovery income of charges and taxes normally payable by tenants on let properties	1,327	1,588	995	3,910
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease		-210	-273	-483
(-) Charges and taxes normally payable by tenants on let properties	-1,329	-1,586	-995	-3,910
(+/-) Other rental-related income and expenditure	-190	4	10	-176
PROPERTY RESULT	15,383	16,662	17,189	49,234
(-) Technical costs	-592	-780	-412	-1,784
(-) Commercial costs	-411	-173	-226	-810
(-) Charges and taxes on unlet properties	-149	-171	-261	-581
(-) Property management costs	-967	-1,444	-1,397	-3,808
(-) Other property charges	-173	-160	-164	-497
PROPERTY CHARGES	-2,292	-2,728	-2,460	-7,480
PROPERTY OPERATING RESULT	13,091	13,934	14,729	41,754
(-) Corporate operating charges	-856	-966	-974	-2,796
(+/-) Other current operating income and expenditure	-17	-516	793	260
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	12,218	12,452	14,548	39,218
(+/-) Gains or losses on disposals of investment properties	3,597	3	0	3,600
(+/-) Changes in fair value of investment properties	4,205	11,295	-2,129	13,371
OPERATING RESULT	20,020	23,750	12,419	56,189
(+) Financial income, excl. (positive) changes in fair value of financial assets	2,045	1,505	1,386	4,936
(-) Interest charges	-4,910	-5,592	-5,829	-16,331
(-) Other financial charges, excl. (negative) changes in fair value of financial assets	-228	-171	-172	-571
(+/-) Changes in fair value of financial assets ⁽²⁾	-899	2,542	-6,011	-4,368
FINANCIAL RESULT	-3,992	-1,716	-10,626	-16,334
PRE-TAX RESULT	16,028	22,034	1,793	39,855
(+/-) Corporate taxes	-159	-34	-101	-294
(+/-) Exit tax		-54	55	1
TAXES	-159	-88	-46	-293
NET RESULT	15,869	21,946	1,747	39,562
Attributable to:				
Minority interests	380	654	206	1,240
Group share	15,489	21,292	1,541	38,322

(1) See consolidated results on page 65.

(2) The changes in fair value of the financial assets consist of changes in the value of non-effective hedges incorporated in the results, according to IAS 39.

The figures on 31/12/07 and 30/06/08 are subject to a limited review by the auditor.

Report of the auditor

Statutory auditor's report to the general meeting of shareholders of Leasinvest Real Estate on the consolidated financial statements for the accounting period of 18 months ended 31 December 2008

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 and its subsidiaries (collectively referred to as 'the Group') for the year: accounting period of 18 months ended 31 December 2008, 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 31 December 2008, and the consolidated statements of income, changes in equity and cash flows for the accounting period of 18 months then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of € 576,884 (000) and the consolidated statement of income shows a profit for the accounting period of 18 months, share of the Group, of € 38,322 (000).

Responsibility of the board of directors for the preparation and fair presentation of the consolidated financial statements

The board of directors 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 board of directors 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 accounting period of 18 months ended 31 December 2008 give a true and fair view of the Group's financial position as at 31 December 2008 and of the results of its operations and its cash flows for the financial year closed at that date 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 board of directors.

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.

Diegem, 18 March 2009

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 establishment of the statutory annual accounts as from the financial years beginning on or after 01/01/07. To the real estate investment trusts, 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 then decided to bring its statutory annual accounts under IFRS as from the financial year 2006/2007, thus earlier than required.

As Leasinvest Real Estate makes the transition towards a financial year from 1 January till 31 December included, the previous financial year has been extended from 30 June to 31 December 2008. Consequently, the previous financial year covers a period of 18 months, namely the period 1 July 2007 – 31 December 2008.

The auditor has approved the statutory annual accounts without reservations.

Results

(in € 1,000)	Period 31/12/08 IFRS 18 months	Period 30/06/07 IFRS 12 months	Period 30/06/06 IFRS 12 months
Rental income	33,008	19,356	17,548
Write-back of lease payments sold and discounted	0	0	0
Related rental expenses	-117	0	1
NET RENTAL INCOME	32,891	19,356	17,549
Recovery of property charges	811	64	31
Recovery income of charges and taxes normally payable by tenants on let properties	3,569	1,851	2,916
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	-483	-143	-129
Charges and taxes normally payable by tenants on let properties	-3,569	-1,851	-2,916
Other rental-related income and expenditure	-396	-236	0
PROPERTY RESULT	32,823	19,041	17,451
Technical costs	-1,462	-2,115	-2,076
Commercial costs	-493	-393	-179
Charges and taxes on unlet properties	-430	-264	-693
Property management costs	-3,083	-1,801	-1,301
Other property charges	-487	-245	-189
PROPERTY CHARGES	-5,955	-4,818	-4,438
PROPERTY OPERATING RESULT	26,868	14,223	13,013
Corporate operating charges	-1,290	-1,390	-723
Other current operating income and expenditure	2,186	2,959	-1,796
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	27,764	15,792	10,494
Results on disposals of investment properties		1,486	0
Changes in fair value of investment properties	-5,545	9,926	2,096
OPERATING RESULT	22,219	27,204	12,590
Financial income	15,779	11,936	4,633
Interest charges	-21,039	-11,830	-4,593
Other financial charges	-4,930	-330	-476
FINANCIAL RESULT	-10,190	-224	-436
PRE-TAX RESULT	12,029	26,980	12,154
Corporate taxes	-14	58	-439
Exit tax	0	-65	0
TAXES	-14	-7	-439
NET RESULT	12,015	26,973	11,715

Balance sheet

(in € 1,000)	Period 31/12/08 IFRS	Period 30/06/07 IFRS	Period 30/06/06 IFRS
ASSETS			
NON-CURRENT ASSETS	496,731	481,489	479,802
Investment properties	302,288	259,218	258,180
Development projects	3,393	1,545	0
Other tangible assets	0	17	54
Non-current financial assets	191,050	220,709	221,568
CURRENT ASSETS	13,431	9,516	7,079
Assets held for sale			
Current financial assets	8,062	4,847	2,588
Trade receivables	3,844	3,613	3,747
Tax receivables and other current assets	54	30	30
Cash and cash equivalents	805	614	383
Deferred charges and accrued income	666	412	331
TOTAL ASSETS	510,162	491,005	486,881
LIABILITIES			
TOTAL SHAREHOLDERS' EQUITY	223,692	245,635	229,460
Capital	44,128	44,128	44,126
Share premium account	70,622	70,622	70,611
Treasury securities (-)	-1,034		
Reserves	105,096	110,641	100,715
Legal reserves	602	602	602
Non-distributable reserves	80,372	84,883	86,679
Available reserves	24,122	25,156	13,434
Result	11,782	24,857	20,254
Results carried forward from previous financial years	9,608	7,810	10,635
Result of the financial year ⁽¹⁾	2,174	17,047	9,619
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-5,929	-5,929	-6,620
Change in fair value of financial assets and liabilities			
On financial assets available for sale	-973	1,316	375
On derivative financial instruments	-630	0	0
	-343	1,316	375
LIABILITIES	286,470	245,370	257,421
NON-CURRENT LIABILITIES	139,043	88,843	133,229
Provisions	1,105	1,725	0
Non-current financial debts	134,815	86,300	132,475
Other non-current financial liabilities	2,704	33	82
Other non-current liabilities	419	785	672
CURRENT LIABILITIES	147,427	156,527	124,192
Provisions	0	0	0
Current financial debts	134,781	144,343	113,108
Trade debts and other current debts	4,057	4,019	4,803
Other current liabilities	1,116	1,002	880
Accrued charges and deferred income	7,473	7,163	5,400
TOTAL EQUITY AND LIABILITIES	510,162	491,005	486,881

(1) The result of the financial year ending on 31/12/08 (2,174) corresponds to the net result of the financial year (12,015) minus the changes in the fair value of the investment properties (-5,545) and minus the interim dividend (15,386). In the consolidated balance sheet however the interim dividend has been deducted from the reserves and the transfer of the changes in the fair value of investment properties to the non-distributable reserves will only occur, as usual, during the next financial year (amounts in € 1,000).

The filed statutory annual accounts of the financial year 2005/2006 were drawn up according to Belgian accounting principles. Nevertheless, for reasons of comparability with the consolidated annual accounts, restated statutory IFRS-figures have been recorded in the annual brochure. For the impact of the main differences between the Belgian accounting principles and IFRS and the reconciliation of the shareholders' equity and the results we refer to the annual brochure 2005/2006.



Rue Jean Monnet, Luxembourg

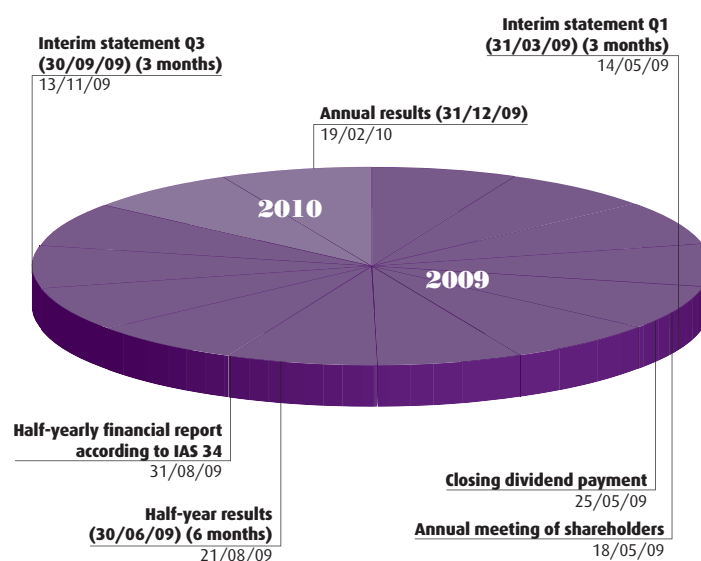
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Leasinvest Real Estate on the stock exchange



Brixton Business Park, Zaventem

Financial calendar



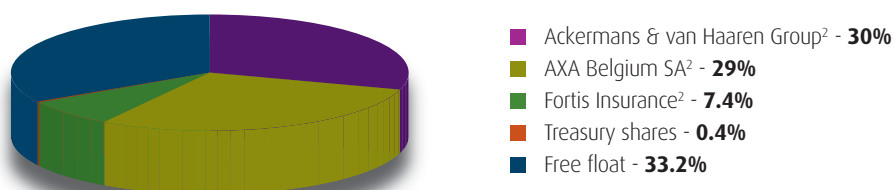
The annual financial report for the financial year 2007/2008 (18 months) will be available, as from 15/04/09 on the website www.leasinvest.be.

Shareholder structure

The Leasinvest Real Estate shares are listed in Belgium on Euronext Brussels (Bel Mid since April 2009).

Extensa Group SA (Ackermans & van Haaren Group) is the founder and promotor of the real estate investment trust and holds 100% of the shares of the statutory manager, Leasinvest Real Estate Management SA.

Number of listed shares (4,012,832)¹



The number of issued shares on 31/12/08 amounted to 4,012,832.

On 31/12/08 the real estate investment trust held 16,538 treasury shares on a consolidated basis in portfolio, or a participation of 0.41%. Leasinvest Real Estate Management held 6 Leasinvest Real Estate shares.

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

² For more information on the transparency notifications by Ackermans & van Haaren Group, AXA Belgium and Fortis Insurance including the relevant chains of control, we refer to the related press release on the website www.leasinvest.be.

Key figures of the share on the stock market

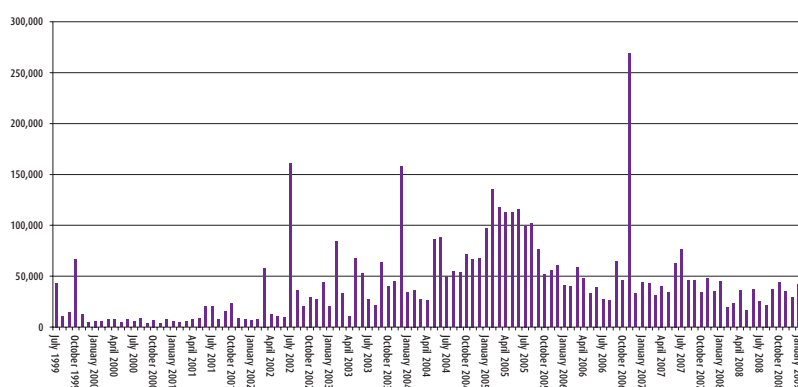
The Leasinvest Real Estate share is listed on NYSE Euronext Brussels (continuous market) and is part of the BEL MID since April 2009.

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



After a decrease in the first semester of the financial year 2007/2008, followed by a considerable recovery till the end of September 2008, the price of the Leasinvest Real Estate share, just like all other listed shares, has decreased till end-2008. On 31/12/08 the share closed at € 48.05 (30/06/07: € 78.10). In the last quarter of 2008 the lowest price was reached on 18/12/08, or € 46.13. The highest price was reached on 24/09/08 (€ 78). The average price over 18 months amounted to € 65.85 in comparison with € 75.96 in the previous financial year.

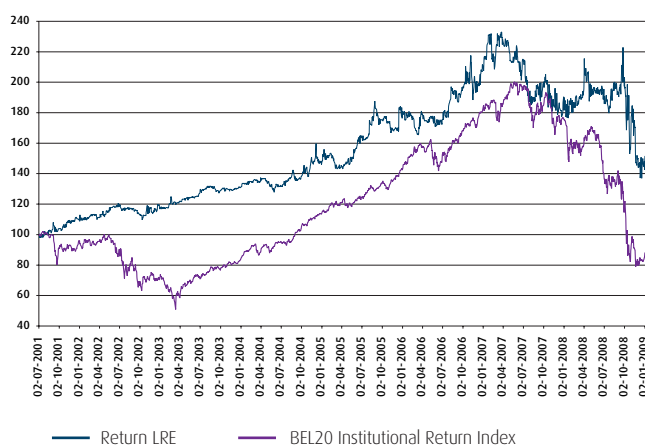
Monthly volume of the Leasinvest Real Estate share since the IPO on 02/07/99



The results in terms of traded volume and turnover of the Leasinvest Real Estate share have decreased this year, compared to the previous year. The average transaction volume per month amounted to 36,233 shares compared to 60,073 shares the previous financial year. During the past financial year 652,187 shares were traded over a period of 18 months (01/07/07 till 31/12/08) compared to 720,881 shares in the financial year 2006/2007 (over 12 months).

The velocity in the financial year 2007/2008 amounted to 16.25% compared to 17.96% on 30/06/07.

Comparison of return of Leasinvest Real Estate with the return on BEL20 Index³

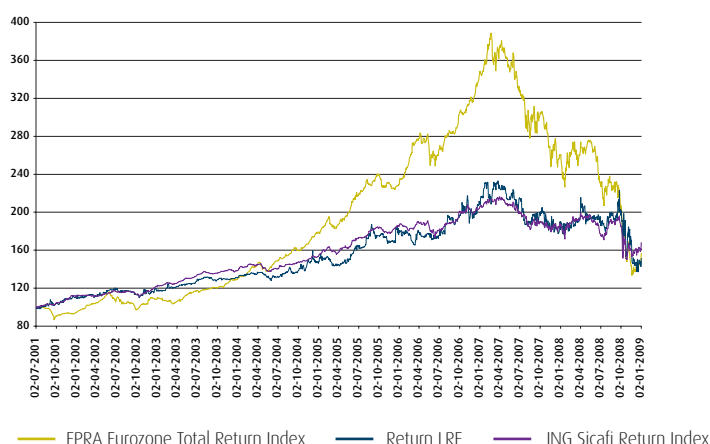


The return of the Leasinvest Real Estate share and the BEL20 Index are shown on this graph as base 100 on 02/07/01.

Till the end of September 2008 the return of the Leasinvest Real Estate share increased compared to a decreasing BEL20 Institutional Return Index, but from then on both returns have equally decreased. In comparison to the return on the BEL 20 Index Leasinvest Real Estate records almost systematically a better return till present.

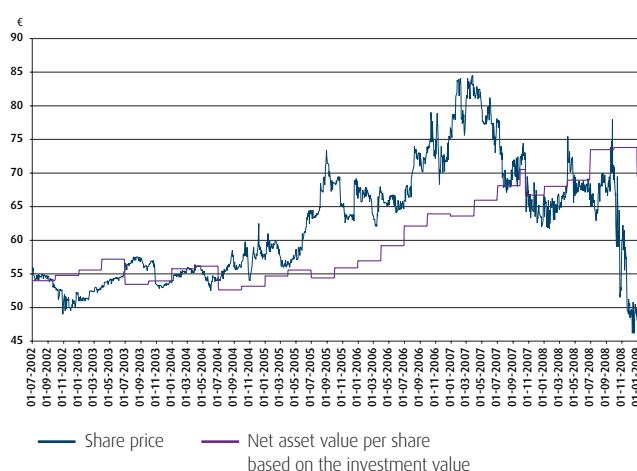
3 Indexes to consult in the financial newspapers, i.e. l'Echo and De Tijd in the stock market pages.

Comparison of return of Leasinvest Real Estate with the return of the EPRA Eurozone Total Return and ING Sicafi Return Indexes⁴



The EPRA Eurozone shows a significant downward correction since the beginning of the past financial year to even drop below the return of the Leasinvest Real Estate share at the end of 2008. The return of the Leasinvest Real Estate share has known an approximately equal evolution as the ING Sicafi Return Index during the past financial year.

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



From the financial year 2004/2005 till the beginning of the past financial year (1 July 2007) the Leasinvest Real Estate share has continuously recorded at a premium. In the past 18 months of the current financial year (period 01/07/07-31/12/08) the Leasinvest Real Estate share recorded at an average discount of 5.7%, while during the previous financial year (period 01/07/06-30/06/07) an average premium of 18.9% was reached.

On 31/12/08 the share closed at € 48.05, which implies a discount of nearly 31% compared to the net asset value per share (including the closing dividend) based on the investment value of € 69.59 (31/12/08). In comparison with the net asset value (including the closing dividend) per share based on the fair value on 31/12/08 of € 66,17 the share recorded at a discount of 27.4% on 31/12/08.

Analysts' coverage

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

Glossary

1 2 3 4 5 6 7 8 9 10 11 12



Axxes Business Park, Ghent

9.1 Real estate investment trust (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, in case there are profits of the financial year, 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 Open-ended real estate investment fund-Specialised Investment Fund (Grand Duchy of Luxembourg)

At the extraordinary general meeting of 18/12/08 it has been decided to convert Leasinvest Immo Lux (open-ended real estate investment fund) into an open-ended real estate investment fund-Specialised Investment Fund ('SICAV-SIF') as from 31/12/08.

- open-ended real estate investment fund with variable capital
- only well informed investors ('investisseurs avertis'), in the sense of article 2 of the law of 13 February 2007 regarding specialised investment funds are admitted as shareholders

- 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 (in case the dividends are paid in favour of the real estate investment trust)
- 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 31/12/08.

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 / closing 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.

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 transfer rights 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 is the value as defined by an independent real estate expert, and of which, the transfer rights 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 (excluding the number of treasury shares on a consolidated level).

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.

Take-up

The total number of square meters which are rented in the 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.



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General information



SKF, Tongres

Company profile

Real estate investment trust Leasinvest Real Estate invests in high-quality and well situated office, logistics and retail buildings in Belgium and the Grand Duchy of Luxembourg. The fair value of the real estate portfolio in operation¹ on 31/12/08 amounts to € 534.04 million, the investment value¹ to € 547.86 million. The portfolio in operation represents a surface of 345,336 m², with 55 buildings, of which 41 in Belgium and 14 in the Grand Duchy of Luxembourg.

Geographically, the portfolio in operation is situated for 38.6% in the Grand Duchy of Luxembourg, 36.5% in Brussels, 8.1% in the Antwerp region, 7.8% in Ghent 6.3% in Malines and 2.7% in Tongeren.

The real estate fund is listed on Euronext Brussels (Bel Mid since April 2009) and is part of the EPRA Eurozone Total Return Index since January 2005.

At the extraordinary general meeting of 15/10/07 it has been decided to amend the investment policy as described in art. 5 of the articles of association in order to make it correspond to the actual investment policy; since then the text of article 5 of the articles of association is as follows:

‘The collective investment in real estate by means of capital raised from public savings in Belgium or abroad will happen as described hereafter.

Since the establishment, the portfolio of the company is composed, for a large part, of office buildings and, for a less important part, of semi-industrial, logistics and retail buildings.

A further risk diversification, as well as to the type of assets as geographically, is aspired.

Nevertheless, for the future the portfolio will probably still be composed, for a large part, of offices. The type of assets in which can be invested are: office buildings, semi-industrial and logistics buildings, retail, and additionally, possibly other institutional real estate types.

The emphasis is always on strategically well-situated buildings, with a good visibility, sufficient parking possibilities, appropriate access and the possibility for capital gains in term.

Further, each investment object is analyzed based on its re-letting potential, carried by its location, polyvalence, flexibility and technical durability of the building.

As for the geographical spread, the company will mainly invest in Belgium and the Grand Duchy of Luxembourg. Investments in other countries will be considered if it concerns buildings for which a dynamic management remains possible.

The ongoing improvement of the quality of the technical follow-up, including the possible re-development of existing buildings and of the services to the tenants, guarantees an extra added-value to the portfolio.’

.....
1 Excluding the development projects.

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.

Leasinvest Real Estate has not the intention, except for its participation in Leasinvest Immo Lux, to invest more than 20% of its assets in any other UCI.

Identification Leasinvest Real Estate

Name

Leasinvest Real Estate, ‘fixed capital public real estate investment trust under Belgian law’ (a closed-end public real estate investment trust, 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 Schermersstraat 42 in 2000 Antwerp.

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 (Bel Mid since April 2009).

Purpose of the company / activities

Art. 4 of the coordinated articles of association dated 27/06/08:

The sole purpose of the company is the collective investment from publicly drawn financing possibilities in real estate, as defined in article 7, first paragraph, 5° of the Law of July 20th 2004 regarding certain forms of collective management of investment portfolios.

Real estate is defined as:

1. immovable 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 31 or article 129 of the aforementioned Law of July 20th 2004;
5. real estate certificates as described in article 5 § 4, first subparagraph of the Law of June 16th 2006 on the

public offering of investment instruments admission of investment instruments authorized to trading on a regulated market;

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 legislation applicable to public collective investment institutions investing in real estate 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 "sicafi s";
- 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 mobilization;
- 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.

Financial year

The financial year of Leasinvest Real Estate starts on 1 January and ends on 31 December as from the change decided by the extraordinary general meeting held on 27/06/08, resulting in the fact that at that time, the current financial year was extended by 6 months and thus relates to a period of 18 months. Previously the financial year started on 1 July and ended 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 31/12/08 the registered capital amounted to € 44,128,326.64. The total number of shares was 4,012,832, and these have a no-par value.

Authorised capital

Art. 7 of the coordinated articles of association dated 27/06/08:

The manager is empowered to increase the registered capital on dates and under conditions specified by him, in one or more installments, by an amount of forty-four million one hundred and twenty-eight thousand three hundred and twenty-six euro sixty-four cent (€ 44,128,326.64 in the cases foreseen in the relevant report.

This authorization is valid for a term of five years as from the publication of the minutes of the general meeting of fifteen October two thousand and seven.

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 "sicafi s", 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.

Till present the aforementioned authorisation has not been used.

In the past the manager has already been authorized to increase the registered capital by a maximum of € 27,500,000 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 euros (€ 2,205,500).
- 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 euros (€ 1,152,162).

Acquisition of treasury shares

Art. 9 of the coordinated articles of association dated 27/06/08:

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-realization of these shares can be established in the same meeting.

2. The statutory manager is permitted to proceed to the acquirement of own securities 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 as from the publication of the amendment of the articles of association of fifteen October two thousand and seven and is renewable for the same period of time.
3. The conditions for the de-realization of own securities acquired by the company are established depending on the case in accordance with article 622 § 2 of the company law, or by the general meeting or by the manager. The statutory manager is permitted to de-realize own

securities as foreseen in article 622 § 2, 1° of the company law, and for a term of three years counting as from the publication of the amendments to the articles of association of fifteen October two thousand and seven, in article 622 § 2, 2° of the company law.

Finally the general meeting has granted a new authorisation to the manager, during a term of 18 months as from 15/10/07, with regard to the conditions defined by article 617 of the company law and with regard to the conditions defined by law, 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 to be able to proceed to the sale of that type of securities, 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, increased by 10 % maximum or decreased by 10 % maximum.

To the extraordinary general meeting of 18/05/09 a new authorisation to acquire and to sell will be asked, for a term of 5 years, to count as from the date of the general meeting having adopted this proposal, and with a maximum of 20% of the number of existing shares of the company. The acquisition manner will hereby be adapted to the new rules regarding the matter and also the manner of disposal will be formulated in a broader way.

Identificatie Leasinvest Immo Lux

At the extraordinary general meeting of Leasinvest Immo Lux of 18/12/08 the following changes have been approved, that have entered into force on 31/12/08:

- Conversion of Leasinvest Immo Lux into a SICAV-specialised investment fund ('SICAV-SIF'), subject to the law of 13 February 2007 regarding specialised investment funds².
- Suspension of the issuing of bearer shares by Leasinvest Immo Lux; deletion of all bearer shares of Leasinvest Immo Lux and exchange of these shares to an equal number of nominative shares.
- Deletion of the listing of the Leasinvest Immo Lux shares on the Luxembourg stock exchange and deletion of the possibility of listing shares on a stock exchange in the future.
- Change of the frequency of the calculation of the net inventory value from monthly to yearly.

2 For the related notification to the shareholders and the invitation to the extraordinary general meeting, we refer to the website www.leasinvest.be (section Leasinvest Immo Lux).

Following the repurchase procedure, within the framework of the aforementioned conversion, regarding the remaining minority shares by Leasinvest Immo Lux, Leasinvest Real Estate has become, directly and indirectly, a 100% shareholder of Leasinvest Immo Lux (96.04% on 30/06/07).

Following the acquisitions in the Grand Duchy of Luxembourg during the financial year 2007/2008 the investment properties in operation of Leasinvest Immo Lux on 31/12/08 represent 38.6%³ of the consolidated real estate portfolio⁴ of Leasinvest Real Estate.

On 31/12/08 Leasinvest Immo Lux owned 14 buildings in operation, in ownership or co-ownership with a total surface of 84,201 m², exclusively situated in the Grand Duchy of Luxembourg.

At present Leasinvest Immo Lux does not hold any building through a real estate company.

Following the redevelopment with extension of the CFM building and the important acquisition at the end of 2008 of the retail site in Strassen, both buildings represent more than 5% of the consolidated Leasinvest Real Estate-portfolio in operation, namely, respectively 8.0% and 6.2%. The buildings are mostly multi-tenant and consist of offices (60%), one logistics building (9%) and retail (31%). Geographically, the buildings are well spread across Luxembourg city (66%) and the periphery (34%).

Name

Leasinvest Immo Lux, 'real estate investment trust-specialised investment fund with variable capital under Luxembourg Law' or 'a SICAV-SIF' under Luxembourg Law.

Legal entity

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

Registered office

Following the decision of the extraordinary general meeting of Leasinvest Immo Lux of 18/12/08 the registered office has been moved from 69, route d'Esch, to 17, route d'Esch, 1470 Luxembourg.

3 Based on the fair value.

4 For more information we refer to the Real estate report and to note 4 'Segment information' in the Financial statements.

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, on 18/09/06 and on 18/12/08.

“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

Following the decision of the extraordinary general meeting of Leasinvest Immo Lux of 18/12/08 the listing of the shares on the Luxemburg stock exchange has been deleted at the beginning of 2009. The shares of Leasinvest Immo Lux were also listed on Euronext Brussels until 15/09/06.

Purpose of the company / activities

Following the decision of the extraordinary general meeting of Leasinvest Immo Lux of 18/12/08 the purpose of

the company has been amended as follows (art. 3 of the articles of association):

‘Purpose of the company. The main purpose of the company is the direct or indirect investment in buildings in the Grand Duchy of Luxembourg, in Belgium and abroad, aiming at the diversification of its investment risks and to benefit the results of its assets management to its shareholders. The company can furthermore take on participations, own all moveable assets that can be traded on the Luxembourg stock exchange or on Euronext Brussels, invest its cash and execute all actions, necessary to fulfil or develop its purpose within the limits imposed by the law of 13 February 2007 on specialised investment funds.’

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.



Rue du Brill, Foetz

1 2 3 4 5 6 7 8 9 10 **11** 12

Articles of association

Coordinated articles of association from date 27/06/08

"LEASINVEST REAL ESTATE"

Partnership limited by shares which makes a public appeal to savings Sicafi under Belgian law
1040 Bussels-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 fulfillment 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 authorized 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 20031212-31932, including the merger by absorption of the public companies 'EKIPORT' and 'BRUS-SIMMO'.
- under a deed recorded by notary public Frank Liesse in Antwerp, on the twenty-third of December two thousand and four, announced in the appendices to the Moniteur Belge on the seventeenth of January thereafter under number 20050117-9802, including, among other things, authorisations regarding authorized 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 two thousand and four, 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, announced in the appendices to the Moniteur Belge on January twenty-second under number 20070122-12628, including a merger by take over of the 'Société Anonyme Square de Meeûs 5-6' by The Company, of which a rectification was announced in the appendices to the Moniteur Belge on March thirtieth two thousand and seven under number 20070330-48139.
- under a deed recorded by notary public Frank Liesse in Antwerp, on the fifteenth of October two thousand and seven, announced in the appendices to the Moniteur Belge on November fifth under the number 20071105-159299, including the merge by take over of the Sociétés Anonymes "De Leewe", "Warehouse Finance" and "Logistics Finance I" by The Company, followed by a deed of conclusion of the fulfillment of the suspensive condition under which the decisions to change the articles of association were taken, recorded by notary public Frank Liesse in Antwerp, on June twenty-seventh two thousand and eight, announced in the appendices to the Moniteur Belge on the seventeenth of July thereafter under number 20080717-119053.
- under a deed recorded by notary public Frank Liesse in Antwerp, on June twenty-seventh two thousand and eight, announced in the appendices to the Moniteur Belge on July seventeenth thereafter under number 20080717-119054, in which the financial year, as well as the date of the annual meeting was modified.

**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 19 of the Law of July 20th 2004 regarding certain forms of collective management of investment portfolios.

The social naming of the "sicafi" and all the documents that it brings forth (including all deeds and invoices) contain the declaration "public closed-end real estate investment fund under Belgian law" or "public bevak / sicafi under Belgian law" or are immediately followed by these words. The company has opted for the category of investments provided by Article 7, first paragraph, 5° (real estate) of the aforementioned Law of July 20th 2004.

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 the aforementioned Law of July 20th 2004, as well as to the provisions of the Royal Decree of the tenth of April nineteen ninety five with regard to "Sicafis", as modified afterwards.

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 7, first paragraph, 5° of the Law of July 20th 2004 regarding certain forms of collective management of investment portfolios.

Real estate is defined as:

1. . immovable 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 31 or article 129 of the aforementioned Law of July 20th 2004;
5. real estate certificates as described in article 5 § 4, first subparagraph of the Law of June 16th 2006 on the public offering of investment instruments admission of investment instruments authorized to trading on a regulated market;
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 legislation applicable to public collective investment institutions investing in real estate 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 "sicafi s";
- 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 mobilization;
- 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 hereafter.

Since the establishment, the portfolio of the company is composed, for a large part, of office buildings and, for a less important part, of semi-industrial, logistics and retail buildings.

A further risk diversification, as well as to the type of assets as geographically, is aspired.

Nevertheless, for the future the portfolio will probably still be composed, for a large part, of offices. The type of assets in which can be invested are: office buildings, semi-industrial and logistics buildings, retail, and additionally, possibly other institutional real estate types.

The emphasis is always on strategically well situated buildings, with a good visibility, sufficient parking possibilities, appropriate access and the possibility for capital gains in term.

Further, each investment object is analyzed based on its (re)letting potential, carried by its location, polyvalence, flexibility and technical durability of the building.

As for the geographical spread, the company will mainly invest in Belgium and the Grand Duchy of Luxembourg. Investments in other countries will be considered if it concerns buildings for which a dynamic management remains possible.

The ongoing improvement of the quality of the technical follow-up, including the possible (re)development of existing buildings and of the services to the tenants, guarantees an extra added-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 manager is empowered to increase the registered capital on dates and under conditions specified by him, in one or more installments, by an amount of forty-four million one hundred and twenty-eight thousand three hundred and twenty-six euro sixty-four cent (€ 44,128,326.64 in the cases foreseen in the relevant report.

This authorization is valid for a term of five years as from the publication of the minutes of the general meeting of fifteen October two thousand and seven.

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 "sicafi s", 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 registered shares, bearer shares or dematerialized, within the limitations foreseen by law.

Each shareholder can, at any given moment, and at his own expense, ask for the conversion of his shares into registered shares or dematerialised shares.

For the registered shares ownership is exclusively concluded from the registration in the share register held at the company's office.

The dematerialised shares are represented by booking on an account in the name of the owner or holder, with a settlement body.

The bearer shares which are issued by the company and which are on a securities account on January 1st 2008 exist in dematerialized form, as from that date. The other bearer shares are also automatically dematerialized, as soon as they are registered on a securities account as from January 1st 2008.

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-realization of these shares can be established in the same meeting.

2. The statutory manager is permitted to proceed to the acquirement of own securities 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 as from the publication of the amendment of the articles of association of fifteen October two thousand and seven and is renewable for the same period of time.

3. The conditions for the de-realization of own securities acquired by the company are established depending on the case in accordance with article 622 § 2 of the company law, or by the general meeting or by the manager.

The statutory manager is permitted to de-realize own securities as foreseen in article 622 § 2, 1° of the company law, and for a term of three years counting as from the publication of the amendments to the articles of association of fifteen October two thousand and seven, in article 622 § 2, 2° of the company law.

ARTICLE 10. CHANGING THE REGISTERED CAPITAL

Except for the possibility of the use of the authorized 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 75 of the aforementioned Law of July 20th 2004 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, then the following conditions will have to be fulfilled:

- a) at least two members of the board of directors of the statutory manager-legal entity are physical persons who will be instructed with the joint supervision of the daily management in accordance with article 4, paragraph 1, 5° of the Royal Decree of ten April nineteen hundred and ninety-five, this as far and for so long as the aforementioned regulatory provision is in force. Afterwards the current provision under a) will be held for unread;

- b) the effective direction of the real estate fund (Bevak/Sicafi) must, according to article 38 of the Law of 20 July 2004 regarding certain forms of collective management of investment portfolios, be entrusted to at least two physical persons or single-headed “sociétés privées à responsabilité limitée (SPRL)”, with as a permanent representative in the sense of article 61 § 2 of the company law their only partner and statutory manager, of which at least one has to be a member of the board of directors of the statutory manager-legal person;

- c) one of the persons intended under b) who is also a member of the board of directors of the statutory manager-legal entity, is appointed as permanent representative of the statutory manager-legal entity in the sense of article 61 § 2 of the company law, who is in charge of the execution of the mandate of manager of the real estate fund (Bevak/Sicafi) in the name and for the account of the statutory manager-legal entity and who is specifically authorised to, acting alone, represent and legally bind the real estate fund (Bevak/Sicafi) towards third parties but without infringing the provisions of article 18 of the Royal Decree of ten April nineteen hundred and ninety-five regarding real estate funds (Bevaks/Sicafis), as far and for so long as the aforementioned regulatory provisions are in force, nor to any other provision applicable on institutions for collective investments. The statutory manager-legal entity cannot dismiss its representative, without, at the same time, appointing a successor. For the appointment and end of the mission of permanent representative, the same rules for publication are applied, as if they would fulfill this mission in their own name and for their own account;

- d) the members of the board of directors of the statutory manager-legal entity and their potential permanent representative, and also the persons (respectively their permanent representatives) intended under b), others than members of the board of directors of the statutory manager-legal entity, must have the necessary professional reliability and the experience appropriate for these functions and must be able to assure the autonomous management of the real estate fund (Bevak/Sicafi). They can not be subject to a prohibition foreseen by article 39 of the aforementioned Law of 20 July 2004.

The members of the board of directors of the statutory manager-legal entity and their potential permanent representative comply with the articles 24 and 26 of the Royal Decree of ten April nineteen hundred and ninety-five regarding real estate funds (Bevaks/Sicafis) as far and for so long as the aforementioned regulatory provisions are in force; afterwards, the current provision will be held for unread.

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.
4. The statutory manager is obliged, after his resignation, to further fulfill 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

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 92 of the aforementioned Law of July 20th 2004.

In case of the application of the provisions of article 39 of the aforementioned Law of July 20th 2004 which endanger all members of the managing board or of the statutory manager's executive committee, the statutory manager or the auditors must convene the general meeting with the reporting of the application of the aforementioned Article 39 of the aforementioned Law of July 20th 2004 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 92 of the aforementioned Law of July 20th 2004.



Riverside Business Park, Anderlecht

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 reorganization 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.

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 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 fulfill 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 July 20th 2004 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 article 133, paragraph 6, 1° 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 article 133, paragraph 6, 1° 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 realization of the operation;
- major changes in the organization 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 May at four p.m. or, if this day is a legal holiday, on the next 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 authorized 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 authorized 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. CONDITIONS FOR ADMITTANCE TO THE GENERAL MEETINGS

To be permitted into the general meeting the holders of registered securities must, when required by the invitation, communicate their intention to participate to the general meeting, at least three working days before the meeting, by sending a normal letter to the company office.

When required by the invitation, the holders of dematerialised securities must deposit, within the same term, a certificate that records the unavailability, from the settlement body, at the place specified in the invitation.

When required by the invitation, the bearer holders must also, within the same term, deposit their shares or a certificate that records the unavailability drawn up by the concerned financial institution, at the place specified in the invitation. The aforementioned provision ceases to exist and is held for unread as from the moment that no bearer shares exist anymore or cannot, legally, exist anymore.

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 in 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 preemptive 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 January and ends on the thirty first of December. 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

As a remuneration for the capital, the company pays out an amount, which is at least in accordance with article 7 of the Royal Decree of June 21st 2006 on the accounting, annual accounts and consolidated accounts of public real estate funds (Bevaks/Sicafis) and regarding the modification of the Royal Decree of April 10th 1995 regarding public real estate funds (Bevaks/Sicafis).

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

In case of dissolution of the company for whatever reason and at whatever time, the liquidation is being carried out

by a liquidator or a board of liquidators, appointed thereto by the general meeting in accordance with the legal provisions on the matter. If nothing has been decided on that matter, the statutory manager who is in function is to be considered as the liquidator towards third parties. 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.

For the manager,

An associated notary public

rue Montoyer 63, 1000 Brussels



1 2 3 4 5 6 7 8 9 10 11 12

Statements



Square de Meeûs, Brussels

12.1 Forward-looking statements – responsible persons

This annual financial 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 is responsible for the information provided in this annual financial report. The statutory manager of Leasinvest Real Estate has made all reasonable efforts to check all information presented in this annual financial report and states accordingly that, as far as is known to him, all data in this annual financial report correspond to the reality and that no data have been omitted which could affect the tenor of this annual financial report.

12.2 General statements

The statutory manager of Leasinvest Real Estate 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 investment trust 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, founder since less than 5 years or members of the executive management 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 in-

vestment trust or its subsidiaries, 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, the real estate investment trust of its subsidiaries, and the members of the management do not provide in special payment of indemnities upon the termination of the employment, except for the usual cancellation clauses with the members of the effective management;
- 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;
- that there are no mutual family ties between the directors and the members of the executive 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, Agridéc NV*, Algemene Aannemingen Van Laere NV, Anfi ma 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 Schae-tzen NV, Bracht Deckers & Mackelbert NV, Belcadi BV, Belfi mas 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 En-gineering" 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,

1 Terminated mandates are indicated with an *.

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, Rent-a-port NV, IBF NV, Gubema VZW

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 Schaezen NV, Banque Delen Luxembourg NV, Bank J. Van Breda & Co NV, Extensa Group NV, Leasinvest Finance NV*, Oleon NV*, Oleon Holding NV*, Bureau Van Dijk Computer Services NV*, Solvus NV*, Corelio NV (ex-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*, Anfima 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, Anima Care, Groupe Financière Duval SA, T&T Koninklijk Pakhuis NV, T&T Openbaar pakhuis NV, T&T Parking NV

Bernard de Gerlache de Gomery

Mandates in other companies, currently and during the 5 previous financial years: Floridienne NV, SIPEF NV, Texaf SA, Belficor NV, Equifund SA*, BDM SA, ASCO SA, BIO SA, Polytra SA, Siat 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*, Cedex 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, Parts & Components NV, Pathoeke Industries NV, Enfinity 4 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, Mons. Revitalisation SA, Bengali NV, Kinopolis Group 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*, Granvelle 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, Zebra Trading NV, Alm Distri NV, Montimmo SA*

Kris Verhellen

Mandates in other companies, currently and during the 5 previous financial years: Arcade SRL, Axor SRL, Bel Rom Patru SRL, Bel Rom Sapte SRL, Bel Rom Uno SRL, Brusimmo NV*, CBS-Invest NV, Citérin NV, Commtech NV*, De Leewe NV*, Développements et Promotions Immobilières SA, Ekiport NV*, Exparom I BV, Exparom II BV, Extensa Development NV (ex-Stevibis NV), Extensa Group NV, Extensa I SRO, Extensa Istanbul, Extensa Land I NV (ex-Kinna Residential NV), Extensa Land II NV (ex-Schulze NV), Extensa Luxembourg SA, Extensa Nederland BV, Extensa NV, Extensa Participation I SARL, Extensa Participation II SARL, Extensa Romania SRL, Extensa Slovakia SRO, FDC Deva BV, FDC Focsani BV, FDC Targu Mures BV, Finance & Promotion NV*, Grossfeld Immobilière SA, Grossfeld PAP SA, Hypo-G, Implant NV, Kinna Finance NV*, Kinna I NV, Kinna II NV, Leasinvest Development NV, Leasinvest Finance NV, Leasinvest Real Estate Management NV, Logistics Finance I NV*, Metropool 2000 NV, Omroepgebouw Flagey NV, Project T&T NV, Sitas BVBA, T&T Koninklijk Pakhuis NV, T&T Openbaar Pakhuis NV, T&T Parking NV, Top Development AS, Upo Invest NV, Vilvlease NV, Warehouse Finance NV*

Guy Van Wymersch-Moons

Mandates in other companies, currently and during the 5 previous financial years: Blauwe Toren NV, Brustar One NV, Cabesa NV, Cornaline House NV, EVERS Freehold NV, Immo Instruction NV, Immo Jean Jacobs NV, Immo du parc hotel NV, Immo Zellik NV, Instruction NV, La tourmaline NV, LEG II MEER 15 NV, LEG II MEER 22-23 NV, LEG II MEER 42-48 NV, Lex 65 NV, Marina NV, Messancy Réalisation NV, MUCC NV, Parc Louise NV, QB19 NV, RAC HASSELT NV, Royaner NV, Royawyn NV, Sodimco NV, The Bridge Logistics NV, Transga NV, Treves Freehold NV, Treves Leasehold NV, Vepar NV, Water I eau NV, Zaventem 1 NV, Zaventem 2 NV, AXA REIM Belgium SA*, Leasinvest Immo Lux SA

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*, UPSI

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, IFMA VZW, Midhan BVBA, Zebra Trading NV, Alm Distri NV, Montimmo SA*

Micheline Paredis

Mandates in other companies, currently and during the 5 previous financial years: Brussimmo NV*, Leasinvest Immo Lux Conseil SA, Leasinvest Services NV, Autonom Gemeentebedrijf Boom Plus*, Montimmo SA*, Zebra Trading NV, Alm Distri NV

Sophie Wuyts

Mandates in other companies, currently and during the 5 previous financial years: Leasinvest Immo Lux Conseil SA, Leasinvest Services NV, BC Meetjesland NV, Zebra Trading NV, Alm Distri 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

Managing director
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 SCS
Brouckère Tower
Boulevard Anspach 1 B1
1000 Brussels

Jean-Louis Appelmans

CEO
Leasinvest Real Estate Management NV
Schermerstraat 42
2000 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

Director of companies
AXA Belgium SA
Boulevard du Souverain 25
1170 Brussels

Michel Van Geyte

COO
Leasinvest Real Estate Management NV
Schermerstraat 42
2000 Antwerp

Micheline Paredis

Secretary General/Group Counsel
Leasinvest Real Estate Management NV
Schermerstraat 42
2000 Antwerp

Sophie Wuyts**CFO****Leasinvest Real Estate Management NV**

Schermerstraat 42

2000 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 (annual financial reports), which comprise the consolidated annual accounts, the annual report and the report of the auditor concerning the financial years 2005/2006 and 2006/2007 and the conclusion of the valuation report and the half-year reports (half-yearly financial reports) including the report of the auditor for the financial years 2005/2006, 2006/2007 and 2007/2008 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 financial report 2007/2008² can also be consulted on the website www.leasinvest.be and the Euronext website (www.euronext.com).

The historical financial information of the two previous financial years of all subsidiaries of Leasinvest Real Estate for the two previous financial years (Warehouse Finance NV, De Leewe NV, Logistics Finance I NV, Zebra NV, Alm Distri NV, Leasinvest Immo Lux SA, Leasinvest Immo Lux Conseil SA, Montimmo SA and Leasinvest 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 last 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 information³**Historical financial information and the description
of the financial situation of the previous financial
years 2005/2006 and 2006/2007 and transactions
with related parties in the previous financial years
2005/2006 and 2006/2007**

For this information we refer to the annual brochures (annual financial reports), which comprise the consolidated annual accounts, the annual report and the report of the auditor concerning the financial years 2005/2006 and 2006/2007 and the semester reports (half-yearly financial reports) including the report of the auditor drawn up in the financial years 2005/2006, 2006/2007 and 2007/2008, which can be consulted on the Leasinvest Real Estate website (www.leasinvest.be).

² 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 2007/2008 can be obtained for free, and by anyone who asks, upon simple request at the office of the company and are available on the Leasinvest Real Estate website (www.leasinvest.be).

³ For transactions with related parties for the financial year 2006/2007, see also page 28 of this report.

12.8 Statement according to article 12 §2 of the RD of 14/11/07

Mr. J. L. Appelmans, Managing director of the statutory manager of Leasinvest Real Estate, declares, on behalf and for the account of the statutory manager, that, to his knowledge:

- (i) The annual accounts, established in accordance with the applicable accounting standards, present a fair view of the assets, financial situation and the results of Leasinvest Real Estate and the companies included in the consolidation;
- (ii) The annual financial report presents a fair overview of the development and the results of Leasinvest Real Estate and of the position of the company and the companies included in the consolidation, and also comprises a description of the main risks and uncertainties which the company is confronted with.

Jean-Louis Appelmans
Managing director

**Leasinvest Real Estate
Management NV**
Statutory manager

Identity card

Real estate investment trust under Belgian Law

Leasinvest Real Estate SCA

Legal entity

Legal entity

Registered office

Avenue de Tervueren 72, 1040 Brussels, Belgium

Administrative office

Schermerstraat 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 investment trust) (nr. 990626-330)

Term

Unspecified

Financial year

1 January – 31 December (the financial year 2007/2008 was an extended financial year and ran from 01/07/07 till 31/12/08 included)

Listing

Euronext Brussels (Bel Mid since April 2009)

Liquidity provider

Bank Degroof

Depository

Bank Delen

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)



Design and production: The Image Company
Printing: Antilope

Photographs:

Leasinvest Real Estate building, Schermersstraat 42, 2000 Antwerp: Nicolas van Haaren

Real estate portfolio: Marc Detiffe

Aerial photography Grand Duchy of Luxembourg: Heyndrickx fotografie

Aerial photography Axxes Business Park, Ghent: Simon Schmitt, Global View

Photograph Antwerp: Tourism Antwerp

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