



YEARS 1999-2009

**LEASINVEST  
REAL  
ESTATE**

ANNUAL  
FINANCIAL  
REPORT 2009

## 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.

## FINANCIAL CALENDAR

Annual financial report 2009  
(online on website – official Dutch version)

**19/04/10**

Interim statement Q1 (31/03/10)

**11/05/10**

Annual meeting of shareholders

**17/05/10**

Dividend payment

**24/05/10**

Half-year results (30/06/10)

**20/08/10**

Half-year financial report according to IAS 34

**31/08/10**

Interim statement Q3 (30/09/10)

**09/11/10**

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 30/03/10. 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](http://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](http://www.leasinvest.be) (rapports financiers – résultats annuels).



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# RISK FACTORS

- Our business model, focusing on cash flows and capital gains, is well suited to withstand the economic and financial crisis.

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:

- economic & real estate market risk = by being a diversified real estate investment trust according to type of building and with a substantial geographical spread across Belgium and the Grand Duchy of Luxembourg; and by keeping the occupancy rate of our properties as high as possible, even in difficult economic circumstances;
- rental and credit risk = by aiming at a well-spread tenant base with good credit risk, where 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 maintaining the buildings well in technical terms and fully meeting the technical and sustainability needs of the tenants;
- financing, liquidity and cash flow risk = by a sufficient spread of shareholders' equity and debt, resulting in a limited debt ratio;
- interest rate risk = by covering a maximum of the variable interest rate positions;
- and not being 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 SITUATION IN THE REAL ESTATE MARKET

Changes in the economy have an impact on the real estate market, admittedly with a time lag.

A poor economic climate leads to the following problems in the rental and investment market:

- 1 - lower take-up due to reduced demand for rentable space, particularly for offices and logistics;
- 2 - lower rents;

3 - bankruptcy of existing tenants;

4 - rising acquisition yields.

Due to the global economic recession, which has also had the effect of slowing down the economy in Belgium and Luxembourg, and which began to make its presence felt in the last quarter of 2008, during 2009, the demand for rentable space fell in the office and logistics market. Through pro-active and dynamic management of the portfolio, which included starting negotiations earlier to extend existing leases, Leasinvest Real Estate managed to maintain its occupancy rate at a high level (97.74% compared with 97.29% on 31/12/08).

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.

Since only a limited proportion of leases (9.9% or € 4 million) allow the possibility for tenants to terminate their lease in 2010, it is forecast that the recession will only have a limited impact on the 2010 results. For more details about the real estate market and the tenancy situation of Leasinvest Real Estate, please refer to the real estate report on page 49.

Leasinvest Real Estate was able to reduce its sensitivity to the overall economic situation by diversifying its real estate portfolio, both geographically and in terms of asset class.

The acquisition of Leasinvest Immo Lux in the course of March 2006 was part of a deliberate country diversification. The Grand Duchy of Luxembourg now accounts for 40.8% (31/12/08: 38.6%) of the consolidated real estate portfolio of Leasinvest Real Estate.

The breakdown by asset class was as follows on 31/12/09: 64% (31/12/08: 63%) offices, 20% (31/12/08: 21%) logistics buildings and 16% (idem 31/12/08) retail. Not all types of buildings (offices, logistics and retail buildings) react in the same way to economic cycles. The correlation with the trend in the economic situation is the highest for offices, followed by logistics buildings and the lowest for retail outlets.

The economic situation not only has an impact on the rental market, but also on the investment market.

Up to the end of 2007, demand in the investment market for all types of building was very high. From the second half of 2008, there was a turning-point, and in 2009, the consequences of the financial and economic crisis led to a sharp fall in the investment



volume in all types of buildings worldwide, and therefore also in Belgium and the Grand Duchy of Luxembourg in comparison with 2008. Buildings in good locations and/or with longer leases remain much in demand notwithstanding the crisis, but real estate investments continued to fall in 2008 (-39%) and 2009 (-50%).

The last quarter of 2009 saw a substantial rise in investments, as that quarter accounted for approximately half the investment volume for the whole year. In large and very liquid property markets like London and Paris, where substantial rises in acquisition yields were recorded between the end of 2008 and the middle of 2009, they have fallen back again due to increased demand from local and foreign investors.

Acquisition yields have risen since the end of 2008 and throughout 2009 for all types of property. The trend in acquisition yields has a sizeable impact on the real estate portfolio valued by the independent real estate expert. The real estate portfolio of Leasinvest Real Estate decreased by an average of 3% in 2009, mainly due to an increase in the average acquisition yields from 7.27% to 7.48% in 2009. The non-realised reductions in value caused by this (€ -17.8 million) were compensated to a large extent by the realised gain on the sale of the 'Bian' office building (€ 15.2 million).

The valuation of the buildings not only has an influence on the net result and the intrinsic value of the company, but also on the debt ratio. This entails the risk that the increasing acquisition yields may lead to the value of the buildings being written down to such an extent that the debt ratio of the company may exceed the legally authorised ceiling of 65%. Due to the current debt ratio (47.61%), Leasinvest Real Estate considers that the likelihood of this situation arising is very small to non-existent. Based on the balance sheet as of 31/12/2009, an increase in the yield of the real estate portfolio by 0.10% (e.g. from 7.48% to 7.58%) would lead to a 0.6% rise in the debt ratio (i.e. from 47.6% to 48.21%).

## 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 lease or bankruptcy.

The breakdown per sector of our tenant portfolio remains healthy. The most prominent sectors are services (25% compared with 24% on 31/12/08), retail & wholesale (19%, same as 31/12/08), financial institutions (14% compared with 13% on 31/12/08), followed by industry (10% - same as 31/12/08) and public institutions, non-profit organizations and international professional associations (9% compared with 10% on 31/12/08).

The creditworthiness of our tenants' portfolio remains very good, which is demonstrated by the fact that Leasinvest Real Estate did not have to make any write-downs of doubtful receivables in 2009, either in Belgium or Luxembourg.

Ensuring tenant loyalty has always been very important to Leasinvest Real Estate. We responded to the needs of our tenants through expert, dynamic and customer-focused commercial and operational management. In the 2009 financial year, various contracts with a termination option were extended. In 2010, 9.9% of the leases are due to expire. In 2011, more of them will have a termination option, i.e. 20.7% and in 2012, the figure will be 14.4%. The real estate investment trust has already started negotiations for renewal with most of the large tenants with leases due to expire within the 3 coming years.

In the past, Leasinvest Real Estate has always succeeded in extending the majority of the leases due to expire, or in negotiating new leases, which has been reflected in the relatively constant duration of our leases over the years: the duration of the Luxembourg portfolio rose from 2.3 years (30/06/06) to 4.8 years on 31/12/08 and was 4.3 years on 31/12/09. The duration of the Belgian portfolio has decreased from 4.5 years on 31/12/08 to 3.7 years on 31/12/09.

The relatively low duration is explained by the fact that the leases in Belgium and Luxembourg, which are mainly entered into with companies (who constitute 90% of Leasinvest Real Estate's consolidated portfolio) are mainly of the classic type (3-6-9 years).

Leasinvest Real Estate's pro-active management is also focused on entering into leases with a longer duration than the classic 3-6-9 years.

Please refer to note 5 of the financial report for a list of the rental income on an annual basis that could potentially be lost if every tenant who has a termination option were actually to leave their premises, and no re-letting proved possible.



## SUSTAINABILITY, RENOVATION AND MAINTENANCE RISK OF 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 letting of our buildings.

A relevant multi-annual plan for maintenance and renovation is drawn up for each building in the portfolio. Wherever necessary, investments are being made to keep the technical quality up to standard.

At the same time, our internal team regularly performs an evaluation of each building. Buildings in the portfolio which no longer meet our requirements are renovated or sold.

In the context of sustainable and green buildings, the real estate investment trust has deliberately sought out optimal, energy-saving and efficient buildings. Leasinvest Real Estate has launched a number of initiatives in this regard. Besides the evaluation of the various alteration works to be carried out on its buildings portfolio, Leasinvest Real Estate has signed a contract with Electrabel to buy renewable electricity generated from hydro-electric power stations for use by all its tenants. Furthermore, solar panels have been installed on the roof of the logistics site located in Wommelgem.

## FINANCING, LIQUIDITY AND CASH FLOW RISK

Leasinvest Real Estate finances its real estate portfolio through its shareholders' equity, issue of short term commercial paper (from 1 week to 6 months) and bank credit lines (from 1 to 5 years).

The financing and liquidity risks for Leasinvest Real Estate could consist of:

- 1- insufficient liquidity to be able to meet its financial obligations. The net cash flow of Leasinvest Real Estate is more than adequate to meet its interest charges. Virtually all the bank loans are of the "bullet loan" type, and therefore the principal only has to be reimbursed at the maturity date;
- 2- the commercial paper market drying up completely. This risk is taken into account by the commercial paper issues being fully covered by back-up credit lines (€ 104.2 million);
- 3- the existing bank loans and/or back-up credit loans not being extended. This risk is limited by diversifying the maturity date of the credit facilities. Leasinvest Real Estate was able to extend those bank loans and back-up credit lines that matured in 2009, but with an increase in the bank's margins. In 2010, no bank loans are due to be extended, and only a proportion of the back-up credit lines (€ 26.7 million);
- 4- the credit lines being withdrawn prematurely, due to the real estate investment trust no longer being able to meet its existing financial and other covenants imposed by its banks. The bank loans taken out include financial covenants, which relate mainly to the status of real estate investment trust and the

associated maximum debt ratio. The consolidated debt ratio<sup>1</sup> of Leasinvest Real Estate on 31/12/09 was 47.61% (31/12/08: 52.06%), which is significantly lower than the maximum debt ratio of 65% allowed by law and stipulated by the Royal Decree of 21/06/06;

- 5- the credit lines have to be withdrawn prematurely due to the default of the financial institutions (counterparty risk). This risk is limited by spreading the bank loans across various banks.

## INTEREST RATE RISK

The hedging policy is intended to cover the interest rate risk for approximately 80% of the financial debt for a 3-year period. 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 were to 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.

In 2009, Leasinvest Real Estate made use of historically low interest rates to extend the duration of its hedging from 2.6 years to 3.3 years, by entering into new forward caps, interest rate swaps and payer swaptions. The maturity dates of the interest hedging instruments are between 2010 and 2017. For more detail, please refer to Note 23 of the financial statements on page 94.

For a real estate investment trust and in this case, Leasinvest Real Estate, which has a gross indexed rental yield of 7.48% (based on the fair value), low interest rates are a potentially profit-increasing factor. Normally this results in an increase of the gross margin between the received rental yield and the interest rate paid. Notwithstanding the fact that Leasinvest Real Estate is financed mainly on the basis of floating interest rates, it could only partially take advantage of these lower interest rates, because Leasinvest Real Estate - due to its risk-averse profile - has taken out interest rate hedging instruments (such as IRS and interest collars) to cover that interest rate risk.

Nevertheless, due to its interest hedging policy, whereby the liability is covered largely by interest collars and interest caps (€ 145 million in current hedging with a ceiling on interest rates), and to a more limited extent via interest rate swaps (€ 55 million of current hedging with a fixed interest rate) Leasinvest Real Estate succeeded in reducing its average financing cost from 4.7% to 3.7% in 2009.

Moreover, a lowering of 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.

Due to the deep financial crisis, banks are systematically applying 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, this can offset, partially or entirely, the above mentioned positive effect of lower market interest rates. Since the end of 2009, a turning-point has been observed, and the credit margins for new loans or for credit extensions are going back down.

## EXCHANGE RATE 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 rate risk.

## RISK OF DESTRUCTION OF PROPERTY

The risk of destruction of property as a result of fire or other disasters is insured. For buildings which are part of the overall 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 architects' fees and value-added tax, as well as 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 46.

<sup>1</sup> Calculated pursuant to the Royal Decree of 21/06/06.





# IMPORTANT EVENTS

IN THE DEVELOPMENT OF LEASINVEST REAL ESTATE

- The successful expansion to **Luxembourg** in 2006 already accounts for **40%** of all real estate assets



1999

Listing on 2 July 1999  
on Euronext Brussels

Total portfolio of  
€ 170 million in Belgium

**LEAS**  
**LISTED**  
**NYSE**  
**EURONEXT**

Different acquisitions in offices

Total portfolio of  
**€ 270 million**

Own management & team

1999-2005

2006

Acquisition of Dexia Immo Lux in  
the Grand Duchy of Luxembourg

Total portfolio of  
**€ 467 million**



Own property & project  
management team

2007

2008

Focus on more retail, logistics  
& redevelopments

Unrealized capital gain of  
€ 14 million on the  
CFM redevelopment in Luxembourg

Expansion to retail in Luxembourg  
and logistics in Belgium

Total portfolio of  
**€ 563 million**



Redevelopments of Bian &  
Montimmo with a realized  
capital gain on the sale of Bian  
in Luxembourg of € 15.2 million

Total portfolio of  
**€ 538 million**

2009

## 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

## 2000/2001

- 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
- 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%

## 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 Neder-over-Heembeek of more than 50,000 m<sup>2</sup> of storage and 2,500 m<sup>2</sup> 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

## 2009

- Divestment of the entirely renovated and extended office building Bian in the Grand Duchy of Luxembourg
- Completion of the building Montimmo in the Grand Duchy of Luxembourg and of the regional branch of Cegelec SA in the Antwerp region
- Final adjudication of the public tender for the construction of the State archives with underground parking in Bruges to the consortium Algemene Aannemingen Van Laere-Leasinvest Real Estate



MONNET - LUXEMBOURG



# LETTER TO THE SHAREHOLDERS

- An increase of the dividend by **5%** thanks to very good results

Ladies and Gentlemen,

The difficult economic context in 2009, as a consequence of the general world crisis started at the end of 2008, will probably continue in 2010. However, at the end of 2009 some positive signs of an early improvement of the world economy became visible, as well in the US, in China as in India.

The Belgian & Luxembourg economies have also had a difficult time in 2009 and the different economic indicators for 2010 are not much better than for 2009. Further decrease of employment, a continuous loss of our economic competitive position, the lack of job creation and large investments will entail a difficult beginning of the next decennium.

Worldwide 2009 has known an important reduction of the volume of real estate investments and of the take-up in offices and logistics, as well in Belgium as in the Grand Duchy of Luxembourg.

As in the previous years, the strategy of the sicafi remains aimed at

- 1 reaching steadily growing net current results<sup>1</sup> by keeping the occupancy rate of the buildings at a high level,
- 2 realising capital gains on redevelopments wherever possible,
- 3 well-considered growth by further diversifying the portfolio to logistics, retail, long-term rental contracts and expansion in Luxembourg. This business model has led to an even better performance than during the previous financial year and contrasts sharply with the very difficult economic context.

The rental income rose by 17% to € 39.2 million (12 months) compared to € 33.6 million last year (pro forma 12 months)<sup>2</sup> mainly thanks to the retail sites in the Grand Duchy of Luxembourg, acquired at the end of December 2008. The net result (group share) closed at € 18.4 million compared to € 22.8 million the previous year. This decrease of 19.3% was mainly the consequence of limited net losses on our real estate portfolio (€ - 2.6 million) in 2009 compared to an important net capital gain the previous financial year (€ 9.2 million). The net current result has increased by 22% from € 17.7 million to € 21.6 million, mainly thanks to the retail sites in Luxembourg acquired in 2008 and a lower financing cost.

## 10 YEARS ON THE STOCK MARKET IN BRUSSELS

Since 2 July 2009 Leasinvest Real Estate is listed for 10 years on the stock market in Brussels, namely NYSE Euronext Brussels. During this decennium as well our real estate portfolio as our consolidated rental income have more than tripled to respectively nearly € 538 million (based on the fair value and including the development projects) and to € 39.2 million. The net current result has more than doubled to € 21.6 million.

Leasinvest Real Estate has successfully developed its business model in Belgium and since 2006 also in the Grand Duchy of Luxembourg.

## REDEVELOPMENTS CREATE CAPITAL GAINS IN LUXEMBOURG

After the successful redevelopment of the 'CFM' project in the Cloche d'Or region situated in the City of Luxembourg at the end of June 2008, resulting in an important increase of the fair value of € 14.4 million, two redevelopment projects were successfully delivered in 2009.

The redevelopment of the office project 'Bian', also situated in Cloche d'Or, was delivered mid-2009 and concerned an office building that was entirely stripped and extended to 5,500 m<sup>2</sup>. The completed office building was sold to an end user at the beginning of July 2009 for € 40 million and resulted in a realised capital gain of € 15.2 million.

Also in the Grand Duchy of Luxembourg, the office project acquired under finished construction, situated at a top centre location at the avenue Monterey 35 in the City of Luxembourg was successfully completed too, delivered and entirely let at the end of 2009.

<sup>1</sup> The net current result is the net result without the portfolio result and the changes in the fair value of the non-effective hedges (according to IAS 39).

<sup>2</sup> As the previous financial year was an extended financial year that ran from 01/07/07-31/12/08 (18 months) unaudited comparative pro forma results figures are presented for the period 01/01/08-31/12/08 (12 months).

## FURTHER DIVERSIFICATION OF THE REAL ESTATE PORTFOLIO INTO LOGISTICS, RETAIL, LONG-TERM RENTAL CONTRACTS AND LUXEMBOURG

At the end of December 2009 the office building with storage space built for Cegelec SA was delivered within the budget. Cegelec rents this building through a real estate leasing for a fixed term of 15 years as from 01/02/10.

At the end of 2009 the tender contract for the construction of the State Archives in Bruges has definitively been granted to the consortium Algemene Aannemingen Van Laere-Leasinvest Real Estate. This relates to the renovation and construction of new State Archives which the Buildings Agency will rent for a fixed term of 25 years, as from its completion, foreseen by 01/10/12.

The take-over of a logistics project of a total of 50.000 m<sup>2</sup> along the Brussels Canal, called Canal Logistics, will be included in 2 phases, namely the 1st phase before the end of the first quarter of 2010 and the 2nd phase by the end of 2010. A rental guarantee from the developer of 11.5 months will be obtained for each phase.

The consolidated real estate portfolio in operation is spread across Belgium and the Grand Duchy of Luxembourg for respectively 59.2% and 40.8%. The breakdown of the portfolio according to type of assets is currently: 63% offices, 21% logistics and 16% retail.

## SUSTAINABILITY

2009 was probably the year during which consumers, tenants and investors have become more conscious of the importance of sustainable development. Regarding this matter Leasinvest Real Estate has started up different initiatives. Except for the monitoring of different sustainable improvement works to be carried out in the buildings of its portfolio, Leasinvest Real Estate has concluded a contract with Electrabel for the supply of renewable energy coming from hydro-electric power stations, for all its tenants. Moreover, solar panels were placed on the 25,000 m<sup>2</sup> roof surface of the building in Wommelgem.

## OCCUPANCY RATE REMAINS STEADY AT 97.74%

The occupancy rate remained steady, like the previous financial year, namely at 97.74% compared to 97.29% (31/12/08) thanks to the conclusion of new rental contracts and mainly re-lettings of expiring rental contracts. The occupancy rate in Belgium amounted to 96.72% compared to 99.39% in the Grand Duchy of Luxembourg.

## DISTRIBUTABLE DIVIDEND

For the financial year 2009 the proposed gross dividend amounts to € 4.00 (€ 3.80 gross dividend on an annual basis the previous year)<sup>1</sup>, or net € 3.40 (€ 3.23 net the previous year 2008). This represents an increase of 5.26%.

We wish to thank all our tenants, suppliers and shareholders in Belgium and in the Grand Duchy of Luxembourg for their confidence. We also would like to thank our employees for their continued efforts, which have again led to good results, despite a difficult economic context.



**Jean-Louis Appelmans**  
Managing director



**Luc Bertrand**  
President of the board of directors

<sup>1</sup> For the extended financial year 2007/2008 a total gross dividend of € 5.70 was paid, or a gross interim dividend over the first 12 months of the previous financial year of € 3.85 and a gross closing dividend of € 1.85 over the last 6 months of the extended financial year. Pro rata for 12 months, this results in € 3.80 (€ 3.23 net).





EBBC - LUXEMBOURG



RIVERSIDE BUSINESS PARK - ANDERLECHT

# KEY FIGURES

A photograph of a modern building with a blue facade and a circular window. The building is tall and has a curved section. The sky is clear blue. There are some trees and a sidewalk in the foreground.

In 10 years time, the  
**net current result**  
has doubled to  
**€ 21.6** million



## THE KEY FIGURES CONCERN IAS/IFRS KEY FIGURES.

On 31/12/09 Leasinvest Real Estate fully consolidates the following participations: the Luxembourg SICAV-SIF Leasinvest Immo Lux SA, Leasinvest Immo Lux Conseil SA, Leasinvest Services SA, Zebra Trading SA (merged with Leasinvest Real Estate on 1/01/10) and Alm Distri SA (merged with Leasinvest Real Estate on 1/01/10).

### REAL ESTATE PORTFOLIO<sup>(1)</sup>

Total surface (in m <sup>2</sup> above ground)	31/12/09	31/12/08	30/06/07
Offices	137,749	140,705	132,504
Logistics	158,591	158,591	118,313
Retail	57,096	57,096	21,313
Total	353,436	356,392	272,130
	31/12/09	31/12/08	30/06/07
Fair value (x € 1,000) <sup>(2)(4)</sup>	537,518	563,234	459,256
Investment value (x € 1,000) <sup>(3)(4)</sup>	551,400	578,300	470,960
Occupancy rate <sup>(5)(6)</sup>	97.74%	97.29%	97.01%
Rental yield (fair value) <sup>(5)</sup>	7.48%	7.27%	7.22%
Rental yield (investment value) <sup>(5)</sup>	7.29%	7.09%	7.04%

- (1) The real estate comprises the buildings in operation as well as the development projects recorded in the balance sheet items 'Investment properties'.
- (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) 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.
- (3) Fair value and investment value estimated by real estate experts Cushman & Wakefield/Winssinger and Associates.
- (5) For the calculation of the rental yield and the occupancy rate only the buildings in operation are taken into account.
- (6) The occupancy rate has been calculated based on the estimated rental value.

As the previous financial year ran from 01/07/07 till 31/12/08 (18 months) comparative pro forma result figures are presented for the period 01/01/08-31/12/08 (12 months) (unaudited).

For more details we refer to note 47 of the financial statements recorded in the annual financial report 07/08.

## KEY RESULTS

(in € 1,000)	31/12/09 (12 months)	31/12/08 (12 months)	30/06/07 (12 months)
Rental income	39,196	33,559	33,154
Operating result <sup>(1)</sup>	29,330	36,169	43,678
Net current result, group share <sup>(2)</sup>	21,610	17,714	16,116
Portfolio result, group share	-2,629	9,169	17,859
Net result, group share	18,380	22,833	34,934
Net cash flow, group share <sup>(3)</sup>	36,434	17,601	16,555

(1) Net result without financial result and taxes, but including the portfolio result.

(2) Net result minus portfolio result and minus changes in the fair value of the ineffective hedges (IAS 39).

(3) Net cash flow: net result minus all non-cash elements, among which the amortizations, depreciations on trade receivables and the additions to and withdrawals on provisions and changes in the fair value of investment properties.

## BALANCE SHEET

(in € 1,000)	31/12/09	31/12/08	30/06/07
Total shareholders' equity	274,918	264,431	272,046
Shareholders' equity, group share	274,924	264,438	262,071
Balance sheet total	552,145	576,884	477,202
Debt ratio <sup>(1)</sup>	47.61%	52.06%	40.93%

(1) The debt ratio is calculated according to the RD of 21 June 2006.

**DATA PER SHARE<sup>(1)</sup>**

(in €)	31/12/09 (12 months)	31/12/08 (12 months)	30/06/07 (12 months)
Number of issued shares (#)	4,012,832	4,012,832	4,012,832
Number of shares participating in the result of the period (#)	3,996,294	3,996,294	4,012,628
Net asset value, group share <sup>(2)</sup>			
- based on fair value	68.79	66.17	65.31
- based on investment value	72.27	69.59	68.13
Rental income	9.81	8.40	8.26
Operating result	7.34	9.05	10.89
Net current result, group share	5.41	4.43	4.02
Portfolio result, group share	-0.66	2.29	4.45
Net result, group share	4.60	5.71	8.71
Net cash flow, group share	9.12	4.40	4.13
Gross dividend <sup>(3)</sup>	4.00	3.80	3.80
Net dividend	3.40	3.23	3.23
Gross dividend yield <sup>(4)</sup>	6.78%	7.91%	4.87%

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

This corresponds to the total number of issued shares minus the number of treasury shares on a consolidated basis.

(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 shares participating in the result of the period.

(3) In the extended financial year 2007/2008 of 18 months a total gross dividend of € 5,70 was distributed, composed of a unique interim dividend of € 3.85 and a closing dividend of € 1.85. In the table above the pro rata of the total gross dividend of € 5.70 for 12 months is presented (€ 3.80).

(4) The dividend yield is calculated based on the closing price on 31/12.

# MANAGEMENT REPORT

- Successful redevelopments and dynamic real estate asset management limited value decrease impact to a minimum





*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 17/05/10 with regard to the consolidated IFRS figures for the financial year 2009 and the related comments, which are integrally reported.*

*For more information regarding the statutory annual accounts, we refer to the declarations in the Permanent document on page 132.*

## 5.1 IMPORTANT EVENTS DURING THE FINANCIAL YEAR 2009

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

While there was actively invested during the financial year 2007/2008, focus during the financial year 2009 was the consolidation of the recent acquisitions and the completion of a number of important (re-)developments in Belgium and the Grand Duchy of Luxembourg.

### 5.1.1 REDEVELOPMENTS IN LUXEMBOURG

Notwithstanding the economic crisis, the past financial year was characterized by the successful completion of two redevelopment projects of office buildings. The dynamic management of our real estate portfolio has led to the successful sale of the redeveloped project Bian in Luxembourg, resulting in a substantial cash realized gain of € 15.2 million or € 3.8 per share.

Moreover the new office building Montimmo, which is fully let, produced an unrealized gain of € 2.5 million.

### 5.1.2 DEVELOPMENTS IN BELGIUM

On 16/12/09 the office building with storage space, built for Cegelec, was successfully completed. The real estate leasing for a fixed term of 15 years started on 01/02/10. A positive change in the value of the portfolio of € 0.36 million was recorded on 31/12/09.

In March 2008 an agreement was concluded to acquire 100% of the shares of the company Canal Logistics Brussels SA, subject to a number of conditions precedent, among which obtaining the necessary permits within the framework of the environmental

legislation, and the completion of the sites. With this take-over Leasinvest Real Estate will acquire, in phases, an important storage and distribution centre of more than 50,000 m<sup>2</sup> of storage and 2,500 m<sup>2</sup> of offices in Neder-over-Heembeek. The first phase of this project has been completed by the end of 2009 and it is expected that the take-over will take place before the end of the first quarter of 2010.

### 5.1.3 STATE ARCHIVES IN BRUGES

At the end of 2009 the tender contract for the construction of the State Archives with underground parking in Bruges has definitively been granted to the consortium Algemene Aannemingen Van Laere-Leasinvest Real Estate, having concluded a collaboration agreement to this end. This relates to the renovation of a building (the previous Red Cross-building), the construction of new State Archives with a library, 29 running km of archives and a public underground parking for 200 cars. This development project (except for the parking), situated along the Predikherenrei 4 and the Langestraat in the centre of Bruges, will be rented for a fixed term of 25 years by the Belgian government (Buildings Agency). The building permit has been requested.

After the provisional completion of the new State Archives, expected by 01/11/12, Leasinvest Real Estate will acquire 100% of the shares of RAB Invest SA, the ad hoc company established by Van Laere, which will be the owner-lessor of the new State Archives.

This transaction fits within Leasinvest Real Estate's search for long-term contracts with quality tenants. It guarantees long-term recurrent and indexed cash flows, which secure the dividend in the long term.

### 5.1.4 REDEVELOPMENT OF ROUTE DE LENNIK 451 IN ANDERLECHT INTO A 'GREEN INTELLIGENT BUILDING'

At the end of 2009, our tenant L'Oréal announced that they will stop renting the building situated at the Erasmus Campus in Anderlecht, as from the end of May 2011. This resulted in an exceptional (non-cash) unrealized loss of € -5 million on 31/12/09 (comprised in the total losses of € -17.8 million). The cash flow impact of the move of L'Oréal will be nil in 2010, and only have a moderate impact as from the last month of 2011, due to rental compensations, as far as no new tenants would have been found by then.



Notwithstanding the more difficult rental market, the opportunities for re-letting are estimated to be positive. Next to the very good location and the already existing congress and catering facilities, this building will be further optimized to a real 'green intelligent building' under the name 'The Crescent'.

## 5.2 IMPORTANT EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR 2009

No important events took place after the closing of the financial year 2009.

## 5.3. SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS REGARDING THE MANAGEMENT OF THE FINANCIAL RESOURCES – SUSTAINABLE DEVELOPMENT

The concern for social, ethical and environmental aspects in the sense of art. 76 of the law of 20 July 2004 with regard to some forms of collective management of investment portfolios is an integral part of the daily management of Leasinvest Real Estate and is part of its ongoing striving for quality.

Leasinvest Real Estate is conscious of the growing concern for sustainability and an increased attentiveness to the energy-saving aspects of its buildings. Except for a constant monitoring of the quality of its buildings regarding their energy-saving qualities, an important step has been taken towards the 'greener' energy consumption by the conclusion of a contract with energy supplier Electrabel for the supply of green energy (AlpEnergie). Next to the take-up of green energy, generating electricity by solar energy was started in February 2010, with the installation of solar panels on the roof surface of the logistics centre in Wommelgem.

## 5.4 COMMENTS ON THE CONSOLIDATED BALANCE SHEET AND THE RESULTS OF THE FINANCIAL YEAR 2009

### 5.4.1 RESULTS

The **rental income** amounted to € 39.2 million compared to € 33.6 million the previous year. The rents of the retail sites in

Luxembourg, acquired at the end of 2008, explain to a large extent this increase by 17%.

The **property charges** have slightly increased due to higher real estate agent's fees, mainly for the successful letting of the redeveloped office building Montimmo in Luxembourg. The management costs comprise as well the management fee paid to the statutory manager of the real estate investment trust (Leasinvest Real Estate Management SA), as the costs of the personnel of Leasinvest Services SA, a 100% subsidiary of Leasinvest Real Estate, responsible for the technical management of the buildings.

The **corporate operating charges** amounted to € 1.6 million compared to € 1.9 million in 2008.

The **result on the disposal of investment properties** (€ 15.2 million or € 3.80 per share) consists of a realized gain on the sale of the office building 'Bian' in Luxembourg at the end of June 2009.

The **changes in the fair value of the real estate portfolio** of € -17.8 million (€ 9.2 million on 31/12/08) is the consequence of a lower evaluation of the buildings by the independent real estate expert. The decrease of the value (non-cash) mainly relates to the Belgian portfolio (€ -19.1 million). In comparison with the Belgian portfolio, the buildings in Luxembourg were only subject to a slight decrease because the capitalization rates have increased to a lesser degree. The slight decrease of the Luxembourg portfolio (€ -1.2 million) was entirely compensated by the increase of the evaluation at the completion of the finished and fully let office building Montimmo (€ 2.5 million).

In the **financial result** are recorded, on the one hand, the negative changes in the fair value (non-cash) of the non-effective hedges (according to IAS 39) of € 0.6 million (31/12/08: € 3.5 million), and on the other hand, the paid premiums of € 1.6 million for new hedges.

Making abstraction of the impact of IAS 39 and the paid premiums, the total financing cost of Leasinvest Real Estate amounted to € 8.7 million compared to € 8.9 million in 2008 (12 months). Thanks to the lower market interest rate and the hedging strategy, the average financing cost (taking into account an amortization cost of the premiums of the hedges) has decreased from 4.7% to 3.7%.

Thanks to, on the one hand, the positive contribution of the retail sites in Luxembourg, acquired at the end of 2008, and on the other hand, the lower average financing cost, Leasinvest Real Estate has succeeded in increasing its net current result by 22% from € 17.7 million (or € 4.43 per share) on 31/12/08 to € 21.6 million, or € 5.41 per share.

The **net result**, group share, amounted to € 18.4 million compared to € 22.8 million in 2008. In terms of net result per share this results in € 4.6 for 31/12/09 compared to € 5.71 on 31/12/08 (12 months). This decrease is mainly due to a decrease of the portfolio result. Including the realized capital gain, in cash, on the sale of the office building Bian of € 15.2 million, the total portfolio result amounted to € - 2.6 million in 2009 compared to € 9.2 million in 2008.

#### 5.4.2 BALANCE SHEET

The decrease of the investment properties valued at their fair value is the consequence of the sale of the office project Bian on the one hand, and of negative changes of the estimated value by the independent real estate expert on the one hand. These negative changes in the value of the portfolio (€ 17.8 million or 3.2% of the portfolio) mainly relate to the Belgian portfolio, and are due to the higher market capitalization rates applied by the independent real estate expert due to the general trend in the real estate market.

The shareholders' equity, group share (based on the fair value of the investment properties) stands at € 274.9 million, or € 68.79 per share, compared to € 264.4 million per 31/12/08, or € 66.17 per share.

Thanks to the sale of the building Bian the financial debts have decreased from € 264.5 million on 31/12/08 to € 255 million on 31/12/09, resulting in a decrease of the debt ratio from 52.06% (on 31/12/08) to 47.61%.

## 5.5 APPROPRIATION OF THE RESULT – DIVIDEND PAYMENT

The board of directors of the statutory manager proposes to the ordinary general meeting of shareholders to pay a gross dividend of € 4.00, and net, free of withholding tax, € 3.40, on 24/05/10. The profit for appropriation of the current financial year 2009, based on the statutory accounts, amounts to € 16,756,589. Taking into account the profit carried forward from the previous financial year of € 4,388,995, this results in a profit for appropriation of € 21,145,584.

The board of directors of the statutory manager proposes to the ordinary general meeting of shareholders to appropriate the profit of € 21,145,584 as follows:

- € 5,159,592 to be carried forward to the next year
- € 15,985,992 to be paid out as dividend.

Subject to the approval of the ordinary general meeting of 17/05/10, dividends will be paid out on presentation of coupon nr. 11 as from 24/05/10 at the financial institutions Bank Delen (main paying agent), ING Bank, Dexia Bank, BNP Paribas Fortis Bank and Bank Degroof.

## 5.6 OUTLOOK FINANCIAL YEAR 2010

Thanks to our constant proactive commercial approach towards our tenants, the occupancy rate should keep up relatively well in 2010. The net current result of Leasinvest Real Estate for the financial year 2010 should be comparable to the net current result of the past financial year. The impact of the financial and economic crisis can however lead to further negative changes in the fair value of the investment properties and the financial assets. Leasinvest Real Estate will continue its dynamic management of the real estate portfolio in 2010, within the framework of investment and divestment opportunities.

## 5.7 ACQUISITION OF TREASURY SHARES

During the period 01/01/09-31/12/09 Leasinvest Real Estate has not acquired nor sold any treasury shares. On a consolidated basis, Leasinvest Real Estate holds 16,538 treasury shares in portfolio on 31/12/09 (idem 31/12/08). These have an accounting value of € 1,045,928, with a par value per share of € 10.99.

## 5.8 FINANCIAL STRUCTURE

For the financing of its real estate portfolio with debt capital Leasinvest Real Estate calls upon the issuing of commercial paper as well as on bank credits.

The commercial paper is issued at short term (1 week to 6 months) and is entirely hedged by back-up credit lines to guarantee its refinancing in case the issuing becomes unfeasible.

On 31/12/09 Leasinvest Real Estate has € 254.9 million of financial debts on a consolidated basis, of which € 54.3 million of commercial paper, € 13.6 million of used back-up credit lines and € 187 million of long-term bank credits. Moreover, the real estate investment trust disposes of € 68 million unused credit lines, which amply suffices to fulfil its obligations, on 31/12/09.

The average duration of the long-term bank credits amounts to 2.8 years on 31/12/09. The back-up credit lines have a shorter duration of 1.4 years. In 2010 and 2011 respectively € 26.7 million (8.3%) and € 117.5 million (36%) of the total credit lines, including the back-up lines, expire.

All bank credits are concluded at a variable interest rate. In order to hedge the risk of an increasing market interest rate, resulting in an increase of the financing costs, Leasinvest Real Estate has concluded interest rate hedges, such as spot & forward interest rate collars, interest rate swaps and swaptions.

The hedging policy is aimed at covering approximately 80% of the financial debts, over a 3-year period. The hedging degree on 31/12/09 amounts to 78%. The average duration is 3.3 years.

On 31/12/09 the real estate investment trust has € 145 million of current interest rate collars and interest rate CAP's (with a limit on the interest rates) and € 55 million of current interest rate swaps (IRS) (hedging at a fixed interest rate).

The strategy to only hedge through IRS to a limited extent has allowed in 2009 to partly benefit from the low interest rates. The average financing cost of Leasinvest Real Estate has namely decreased from 4.7% in 2008 to 3.7% in 2009.

In 2009 Leasinvest Real Estate has used the historic low interest rates to conclude new forward interest rate CAPs, interest rate swaps and payer interest rate swaptions for a notional amount of € 80 million.

For more details on the hedges, we refer to note 23 of the financial statements on page 94.

## 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 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.

## 5.10 RISK FACTORS

All risk factors specific to Leasinvest Real Estate are mentioned in the separate chapter 1 Risk factors in the front of this annual financial report on page 4.

## 5.11 CONFLICTS OF INTEREST: APPLICATION OF THE ARTICLES 523/524 OF THE COMPANY LAW

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 64 of the Corporate Governance Statement.

## 5.12 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 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 disposi-

tion 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 8 Corporate Governance.

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 \_ of the votes attached to the present or represented shares en 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.

A new authorisation was granted to the manager by the extraordinary general meeting of shareholders of 18/5/09, with regard to the conditions defined by law, with the available resources in the sense of article 617 of the company law, during a term of 5 years as from the date of the general meeting which has adopted this proposal, to acquire on the stock market or, as soon as admitted by regulation, in any other way offering the necessary guarantees for the equal treatment of shareholders in the same circumstances by means of the equality of the price offered, a maximum of 20% of the number of existing shares of the Company, for which all the already acquired (and still held) shares by the Company and

its direct subsidiaries have to be taken into account cumulatively. This acquisition has to take place at a minimum price per share which corresponds to the lowest of the twenty last closing prices of the share of the Company on Euronext Brussels before the acquisition date, decreased by 15% and at a maximum price per share which corresponds to the highest of the twenty last closing prices of the share of the Company on Euronext Brussels before the acquisition date, increased by 15%.

The manager is also again authorised to sell treasury shares of the Company, taking into account the conditions and terms defined by law, on the stock market or in any other way, at a minimum price per share which corresponds to the lowest of the twenty last closing prices of the share of the Company on Euronext Brussels before the selling date, decreased by 15% and at a maximum price per share which corresponds to the highest of the twenty last closing prices of the share before the selling date increased by 15%.

The boards of directors of the direct subsidiaries of the Company are also authorised to acquire and de-realise shares in the Company within the limits of the authorisations above.

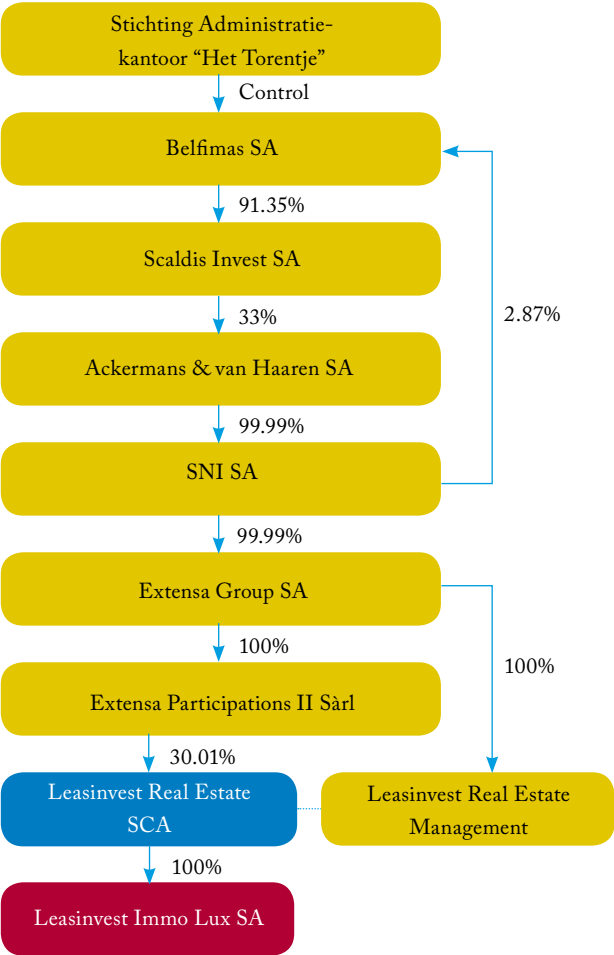
There are no important agreements concluded by Leasinvest Real Estate that enter into force, change or end in case of a change in the control over Leasinvest Real Estate after a public take over bid.

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.

5.13 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).

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.





## 5.14 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 that are part of the consolidation scope of the company.

## 5.15 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 31/12/09.

Drawn up in Antwerp on 23/03/10.

**Jean-Louis Appelmans**

Managing director

**Luc Bertrand**

Chairman of the board of directors



# REAL ESTATE REPORT

■ Our tenants are our most important asset, represented by our high occupancy rate of **97.7%**

## 6.1 REAL ESTATE MARKET IN 2009<sup>1</sup>

### 6.1.1 BELGIUM

#### RENTAL MARKET

The crisis has had its full impact in 2009 and this will continue in 2010. The real estate values have seriously decreased due to a substantial increase of the capitalisation yields and lower rental values.

Nevertheless, the Brussels and Luxembourg real estate markets performed relatively better than more volatile markets such as Paris, London, or the Eastern bloc countries. Belgium, such as Luxembourg has a more steady past due to the presence of the European institutions and the lower spread between the top yields during the best periods and vice versa. This results in the Belux markets keeping up.

The coming additional offer in offices on these markets will probably have an accessory negative effect on the offices market if the demand for offices does not pick up.

The logistics market was faced with a direct effect of the crisis due to the absence of a real take-up. The prospects for the coming years are more promising.

The retail market in the Belux countries has almost not experienced any negative consequences of the crisis until now.

#### OFFICES MARKET

The first 3 quarters the offices market knew the weakest take-up of the last 10 years, with a take-up of approximately 190,000 m<sup>2</sup> (-62%). However, the take-up for the entire year ended at 411,000 m<sup>2</sup> which is only 18% less than in 2008 and still in line with an average take-up of 450,000 m<sup>2</sup>. The increased activity during the last quarter is exclusively due to some large transactions, as well from the government (Federal Chamber, Science Policy and the 'Hogeschool-Universiteit Brussel') as from the overriding transaction by GdF-Suez with a take-up of 75.000 m<sup>2</sup> in the North District.

The vacancy rate on the Brussels office market has increased, in the meanwhile, to 11.2%, mainly as a consequence of the completion of some larger speculative projects in the city centre. Approximately 360,000 m<sup>2</sup> have been built additionally in 2009

and 300,000 m<sup>2</sup> will be added in 2010, of which half is speculative. In the meanwhile a number of large transactions have been concluded in 2010, due to which the speculative volume will have further decreased.

Due to the increased offer and the lower demand rents are under pressure.

However, the downward pressure has come to an end in the last quarter of 2009.

The increased incentives and the 'battle for the tenant' will continue in 2010, although most companies are cautious and moving projects are not their priority. The renegotiation with the current owner is an option preferred by most companies from a financial point of view.

As for the Ghent offices market, Ghent has a low vacancy rate of 5%, resulting in the fact that the Axxes Business Park still has a high rental level and occupancy rate.

The coming years, a number of new projects will be completed (The Loop, Gent Sint-Pieters) representing 275,000 m<sup>2</sup> in the 10 coming years, which will change the Ghent offices market. Due to the crisis however a number of projects have been delayed. The take-up in Ghent was extremely high with a volume of 49,000 m<sup>2</sup>, partly explained by the new housing of KBC (25,000 m<sup>2</sup>) in the MG Tower.

For 2010 Leasinvest Real Estate does not expect major changes as to its tenants, as a large number of the (re-)negotiations have been finished before the crisis began. However, vigilance and a proactive asset management remain key for the coming 2 years.

#### RETAIL MARKET

The Belgian retail market has kept up well, although a downward pressure on take-up and rents has been recorded. The market is saturated to a certain degree and property developers are not starting up any speculative projects.

The past 12 months 680 transactions were recorded, representing a volume of 285,000 m<sup>2</sup>, of which retail warehousing took half. Rents for A-locations keep up well, but this is much less the case for B-locations. Nevertheless, retail turnover maintains its level, creating the expectation of a stabilization in 2010.

<sup>1</sup> Sources: Expertise, Snapshot Cushman & Wakefield, Luxembourg Office Markt DTZ, Presentation Retail Market Luxembourg Property Partners, Brussels City Report Jones Lang LaSalle, Belgian Property Insight CBRE, Office market Belux Savills.



In 2009 projects of a total of 115,000 m<sup>2</sup> (Mediacité, Anspachgalerij, Ikea Ghent) were completed, and in 2010 95,000 m<sup>2</sup> (K-Shopping, Guldenvliesgalerij) will be added.

In 2009 € 360 millions were invested in Belgian retail, which is much less than the previous year, but still resulting in retail being the most active asset class.

In general, the yields are supported by the large demand for small retail objects by private investors. The bigger sales were Gent Zuid, the centre de la Monnaie in Brussels, but mainly the K-Shopping center in Kortrijk.

### LOGISTICS AND SEMI-INDUSTRIAL

Last year, the take up in logistics closed at 464,000 m<sup>2</sup>, or half of last year, and 440,000 m<sup>2</sup> for semi-industrial real estate (-17%).

The SME buildings and smaller transactions were treated swiftly, but larger deals failed to occur. The rents have not substantially decreased because Belgium is one of the countries with the cheapest rents, and the increased construction and land prices enforce new projects not to be sold below market prices.

The 80,000 m<sup>2</sup> let to DHL in Bornem is one exception, a product with the same quality level as the Canal Logistics projects.

273.000 m<sup>2</sup> were completed in 2009, of which the 27.000 m<sup>2</sup> of Canal Logistics.

This means that the availability of state-of-the-art logistic buildings is limited, which can result in a possible take-up as soon as demand increases.

### INVESTMENT MARKET

The gross investment volume has finally closed at € 1.3 billion, of which € 225 million is invested in the Brussels office market, or a decrease by half compared to the previous year.

It is obvious that 2009 will be the year of stand-by or rather stand still, showing more activity during the last quarter. The reasons for this huge delay are many, but the main reasons are the lack of bank financing, the immobilization of many investors focusing on cash revenues from tenants, the lack of project sales, and a slower reaction of the capitalisation yields on the Belgian market, compared to more volatile markets, as well downward as upward.

2010 announces more active, but probably at a double speed. A market where still high prices are paid (prime yield at 5.2%) for buildings let in the long term and sustainable buildings on the one hand, and a market where buildings with shorter leases are practically illiquid when it comes to sales, on the other hand. Nevertheless, a slow recovery is expected.

The logistics investment market has neither known a good year, with a transaction volume of € 107 million, except for the acquisition by Fortis RE of the distribution centre of Carrefour, sold at a yield of 6.75%.

The yields experienced a substantial swift, resulting in 100 to 155 base points.

### 6.1.2 LUXEMBOURG

#### OFFICE MARKET

Luxembourg also experienced an important drop in the take-up of offices and has closed at 114,000 m<sup>2</sup> or 32% less than in 2008 and 14% less than the 5 year average.

Nevertheless, Luxembourg, as well as Brussels, remains relatively stable. The impact of the financial crisis has not had the dreaded effect, although the growth of a large number of corporates has slowed down.

The increasing availability of around 7.5%, caused by completed speculative projects is particularly high as to Luxembourg standards and a point of special interest.

This vacancy is mainly situated in the periphery of Luxembourg (19%) and less in the city centre, namely 5.6%. The vacancy represents 280,000 m<sup>2</sup>, of which 156,000 m<sup>2</sup> of new office projects, which is considerable for a market of only 3.3 million m<sup>2</sup>.

The elements mentioned above entail a downward pressure on the rents, but less important in the city centre than in the periphery.

The investment market in Luxembourg closed at almost € 500 million, representing almost no classical investments. € 200 million consisted of sales to end users, and the rest of buildings sold to developers for important renovations. Yields are therefore hard to define, but are situated around 6.15% compared to 5.75% the previous year.

## RETAIL MARKET

The healthy economy and the strong buying power of the Luxembourg population are the reasons why the retail sector in Luxembourg has not really suffered from the economic crisis.

Due to the write off of the shopping complex in Wickrange, which had to yield its place to a new complex with football stadium in Livange, the prelet take-up has not been recorded in the figures anymore. This results in 22,000 m<sup>2</sup> of rents during the past months, which is considerable.

The crisis entailed a certain level of caution and different, mainly speculative projects are delayed. A tender has been issued by the city of Luxembourg for an inner city retail project, called Hamilius, of 12,000 m<sup>2</sup>, which will also have a positive effect on the further development of the inner city shopping centre of Luxembourg.

No significant investment transactions took place, resulting in prime yields keeping up at around 5.25% to 6%.

## 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 23.8% and 25.4%, or 49% of the total real estate portfolio.

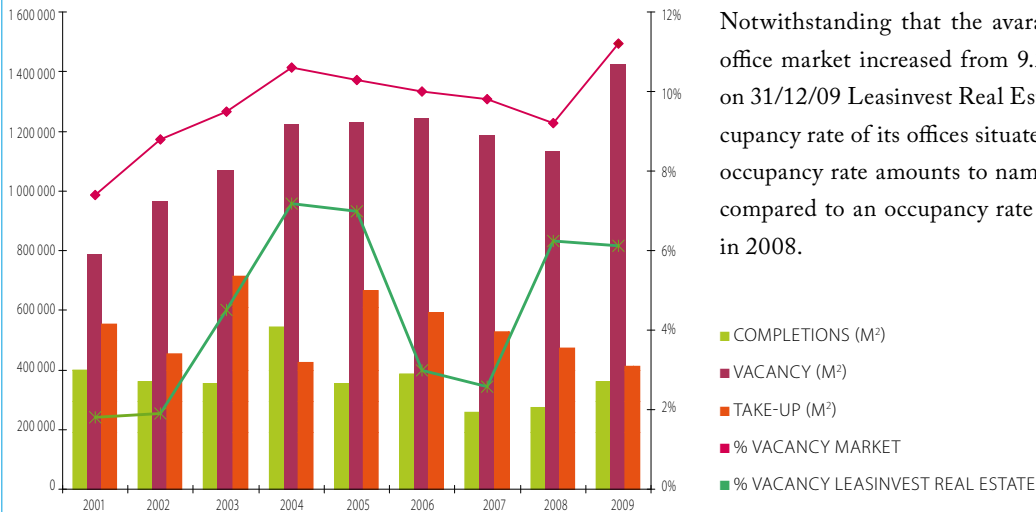
The conclusions presented hereafter can not, just like that, be applied to the other market segments. For the uniformity of our information, we base our analysis, as was the case the previous years, on the figures of the research department of Jones Lang Lasalle.

The total occupancy of the portfolio remains high and amounts to 97.74%.



BRIXTON BUSINESS PARK - ZAVENTEM





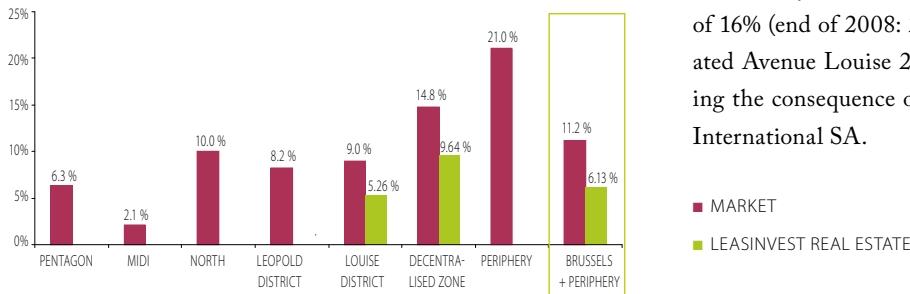
## 6.2.1 BRUSSELS

### COMPLETIONS, TAKE-UP AND VACANCY

Notwithstanding that the average vacancy rate of the Brussels office market increased from 9.2% at the end of 2008 to 11.2% on 31/12/09 Leasinvest Real Estate succeeded in keeping the occupancy rate of its offices situated in Brussels at a high level. The occupancy rate amounts to namely 93.9% (or a vacancy of 6.1%) compared to an occupancy rate of 93.8% (or a vacancy of 6.2%) in 2008.

### VACANCY PER REGION 31/12/09

The vacancy rate of 6.1% of our offices in Brussels is mainly due to the vacancy in the Riverside Business Park (Decentralized zone) of 16% (end of 2008: 20%) and the vacancy of the building situated Avenue Louise 250 of 7% (end of 2008: 1%), the latter being the consequence of the departure of 1 tenant, namely Unit International SA.

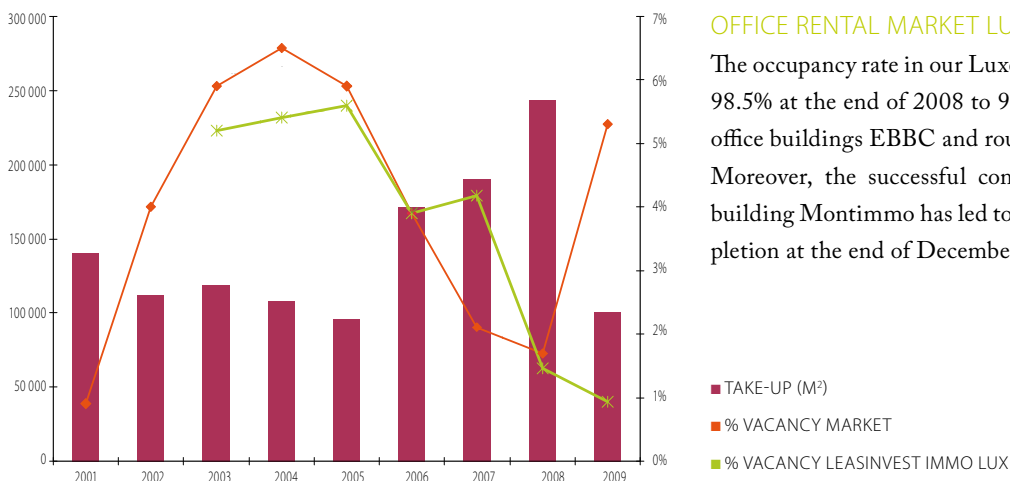


## 6.2.2 GRAND DUCHY OF LUXEMBOURG

### OFFICE RENTAL MARKET LUXEMBOURG

The occupancy rate in our Luxembourg offices has increased from 98.5% at the end of 2008 to 99.1% thanks to new lettings in the office buildings EBBC and route d'Esch 25.

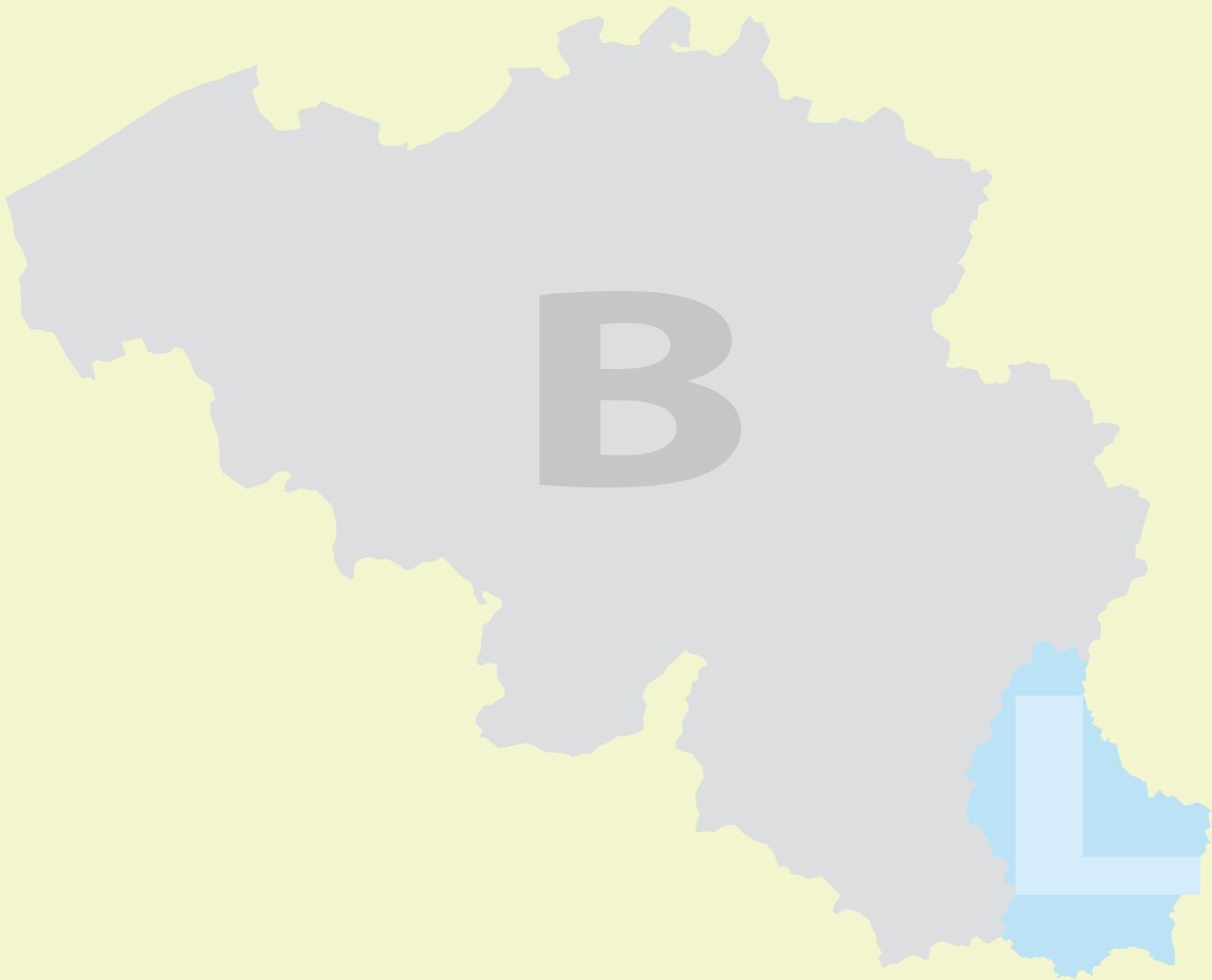
Moreover, the successful commercialization of the new office building Montimmo has led to a complete letting before the completion at the end of December 2009.





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)

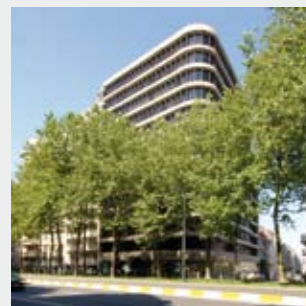
**Area rented 5,965 m<sup>2</sup>**



**rue Montoyer 63,  
1000 Brussels**

Extremely well situated  
office building  
Year of construction 1974,  
partially renovated in 2003  
– renovation of entrance hall  
and sanitary fittings 2009-2010

**Area rented 6,745 m<sup>2</sup>**



**Avenue Louise 250,  
1000 Brussels**

Prestige office complex  
consisting of 12 floors  
Year of construction 1975/76,  
technical facilities renovated  
since 2003 – entrance hall  
renovated in 2008

**Area rented 9,948 m<sup>2</sup>**

**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 m<sup>2</sup>**



**Route de Lennik 451  
(The Crescent),  
1070 Anderlecht**  
Office building in the Erasmus  
Science Park in Anderlecht  
Year of construction 2002  
– to be renovated into a green  
intelligent building' in 2010  
– completion foreseen  
by spring 2011

**Area rented 15,132 m<sup>2</sup>**



**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  
2005-2010

**Area rented 26,826 m<sup>2</sup>**





## BELGIUM



**rue Lusambo,  
1190 Forest**

Semi-industrial building  
consisting of offices and storage  
Year of construction 1993

**Area rented 3,191 m<sup>2</sup>**



**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 m<sup>2</sup>**



**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  
on floor

**Area rented 23,719 m<sup>2</sup>**

**Prins Boudewijnlaan 7  
2550 Kontich**

Distribution centre  
Year of construction 1989,  
extension in 2000

**Area rented 27,589 m<sup>2</sup>**



**Delta Business Park  
Kontichsesteenweg  
Technologiepark  
Satenrozen,  
Satenrozen 1A bus 1  
2550 Kontich**

Office building situated in a  
business park  
Year of construction 2000

**Area rented 1,792 m<sup>2</sup>**



**Nijverheidsstraat 96  
2160 Wommelgem**

Storage and distribution site  
with offices  
Year of construction 1992-1993  
– installation of solar panels  
in 2009

**Area rented 26,590 m<sup>2</sup>**



## BELGIUM



**Riyadhstraat 21  
2321 Meer**

Warehouse with offices  
Year of construction 2002

**Area rented 5,015 m<sup>2</sup>**



**Wenenstraat 1  
2321 Meer**

Warehouse with offices  
Year of construction 1989-1990

**Area rented 8,071 m<sup>2</sup>**



**Vierwinden Business Park  
Leuvensesteenweg 532  
1930 Zaventem**

Semi-industrial business park  
Year of construction 1973,  
renovated in 1994 and 1998

**Area rented 13,624 m<sup>2</sup>**

**Motstraat-Zeustestraat,  
2800 Malines**

Office building and logistics  
centre  
Year of construction 2002

**Area rented 21,536 m<sup>2</sup>**



**SKF,  
3700 Tongres**

Distribution centre consisting of  
storage halls and offices  
Year of construction 1993/2003

**Area rented 25,872 m<sup>2</sup>**



LUXEMBOURG<sup>1</sup>
**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 m<sup>2</sup>**


**Montimmo  
Avenue Monterey 35  
2163 Luxembourg**

Situated in one of the most important streets of the Central Business District of the City of Luxembourg  
Year of construction – completed at the end of 2009

**Area rented 1,760 m<sup>2</sup>**


**Mercure  
Avenue de la Gare 4  
1611 Luxembourg**

3 office floors of a complex with shopping galleries, apartments and offices  
Year of construction 1989

**Area rented 807 m<sup>2</sup>**  
Co-ownership

**Avenue Pasteur 16  
2520 Luxembourg**

Office building situated nearby the wellknown Glacis, in a semishopping street  
Year of construction 1980  
renovation common parts 2009-2010

**Area rented 4,928 m<sup>2</sup>**


**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 m<sup>2</sup>**


**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 m<sup>2</sup>**  
Co-ownership



<sup>1</sup> All buildings are held by Leasinvest Immo Lux, a 100% subsidiary of Leasinvest Real Estate.

## LUXEMBOURG



**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 m<sup>2</sup>**



**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 m<sup>2</sup>**  
 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 m<sup>2</sup>**

**CFM, Rue Guillaume Kroll**  
**1822 Luxembourg**

Industrial complex which serves as service centre, distributor, wholesale in sanitary fittings, on the one hand, and office complex of 3,400 m<sup>2</sup> on the other hand  
 Year of construction 1990  
 – renovated in 2008 and extended to 4,788 m<sup>2</sup> of inside and outside storage space and 1,214 m<sup>2</sup> of offices  
**Area rented 19,987 m<sup>2</sup>**



**Place Schwarzenweg**  
**3474 Dudelange**

Commercial building consisting of galleries, commercial spaces, bakeries, reserves, sales points, offices and a cafeteria  
 Year of construction 1991

**Area rented 3,759 m<sup>2</sup>**



**Rue du Curé**  
**9217 Diekirch**

Mixed-use building commercial/residential  
 Year of construction 1994

**Area rented 3,100 m<sup>2</sup>**  
 Co-ownership





LUXEMBOURG



**Rue du Cimetière/  
An der N7  
Diekirch**

Retail building situated at  
the N7 in Diekirch  
Year of construction 1996

**Area rented 8,843 m²**



**Route d'Arlon 2  
Strassen**

Retail site situated a an  
important approach to the  
City of Luxembourg, namely  
the Route d'Arlon  
Year of construction 1988

**Area rented 22,721 m²**

**Rue du Brill  
Foetz**

Retail building situated  
next to Cora  
Year of construction 1987

**Area rented 4,219 m²**



## 6.3.2. DEVELOPMENT PROJECTS

## BELGIUM


**Baarbeek-Zwijndrecht  
Alpha Campus**

Situated in the business park  
'Alpha Campus' in Zwijndrecht  
(Antwerp)  
Year of construction – completed  
at the end of 2009

**Area rented 4,321 m<sup>2</sup>**


**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 2010

**Area rented 2,019 m<sup>2</sup>**

## 6.3.3. INVESTMENTS AND DIVESTMENTS

## INVESTMENTS

## BELGIUM

## STATE ARCHIVES IN BRUGES

At the end of 2009 the tender contract for the construction of the State Archives with underground parking in Bruges has definitively been granted to the consortium Algemene Aan-nemingen Van Laere-Leasinvest Real Estate. This relates to the renovation of a building (the previous Red Cross-building), the construction of new State Archives with a library, 29 running km of archives and a public underground parking for 200 cars. This development project (except for the parking), situated along the Predikherenrei 4 and the Langestraat in the centre of Bruges, will be rented for a fixed term of 25 years by the Belgian government (Buildings Agency). The building permit has been requested.

After the provisional completion of the new State Archives, expected by 01/11/12, Leasinvest Real Estate will acquire 100% of the shares of the adhoc company RAB Invest, created by Van Laere, who will be owner-landlord of the new State Archives.

## DIVESTMENTS

## LUXEMBOURG

## BIAN

On 24/06/09 Leasinvest Immo Lux, a 100% subsidiary of Leasinvest Real Estate, has sold the entirely renovated and extended office building 'Bian'. Thanks to this sale Leasinvest Real Estate has realized a consolidated total net capital gain of € 15,2 million in the first half-year.

For more information on the investments and divestments we refer to the management report, the press releases on [www.leasinvest.be](http://www.leasinvest.be) and note 4.1.2. of the financial statements.



STATE ARCHIVES - BRUGES  
(SALENS ARCHITECTS)



BIAN LUXEMBOURG

## 6.4 COMPOSITION OF THE REAL ESTATE PORTFOLIO<sup>1</sup>

### 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	309.81	317.86	57.6	24.45	7.88	7.69	96.7
Grand Duchy of Luxembourg	219.54	225.17	40.8	15.15	6.90	6.73	99.4
<b>Buildings in operation</b>	<b>529.35</b>	<b>543.03</b>	<b>98.5</b>	<b>39.60</b>	<b>7.48</b>	<b>7.29</b>	<b>97.7</b>
Projects Belgium	8.17	8.37	1.5				
Projects Grand Duchy of Luxembourg	0	0	0				
<b>Total investment properties</b>	<b>537.52</b>	<b>551.40</b>	<b>100</b>				

### 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 (%)
<b>Offices</b>							
Offices Brussels	127.71	130.92	23.8	9.74	7.62	7.44	93.9
Offices Malines	27.24	27.92	5.1	2.11	7.76	7.57	100
Offices Antwerp	2.29	2.52	0.4	0.22	9.11	8.89	97.6
Offices Ghent	42.47	43.52	7.9	3.48	8.20	8.00	97.5
Offices Grand Duchy of Luxembourg	136.34	139.89	25.4	9.17	6.73	6.56	99.1
<b>Total offices</b>	<b>336.05</b>	<b>344.77</b>	<b>62.5</b>	<b>24.72</b>	<b>7.35</b>	<b>7.17</b>	<b>96.8</b>
<b>Logistics/semi-industrial</b>							
Logistics/semi-industrial Belgium	86.71	89.01	16.1	8.06	9.30	9.06	98.4
Logistics/semi-industrial Grand Duchy of Luxembourg	19.87	20.36	3.7	1.36	6.85	6.68	100
<b>Total logistics/semi-industrial</b>	<b>106.58</b>	<b>109.37</b>	<b>19.8</b>	<b>9.42</b>	<b>8.84</b>	<b>8.61</b>	<b>98.6</b>
<b>Retail</b>							
Retail Belgium	23.39	23.97	4.4	0.83	3.55	3.47	100
Retail Grand Duchy of Luxembourg	63.33	64.92	11.8	4.62	7.30	7.12	99.9
<b>Total retail</b>	<b>86.72</b>	<b>88.89</b>	<b>16.1</b>	<b>5.45</b>	<b>6.29</b>	<b>6.13</b>	<b>100</b>
<b>Buildings in operation</b>	<b>529.35</b>	<b>543.03</b>	<b>98.5</b>	<b>39.60</b>	<b>7.48</b>	<b>7.29</b>	<b>97.7</b>
Projects Belgium	8.17	8.37	1.5				
Projects Grand Duchy of Luxembourg	0	0	0				
<b>Total investment properties</b>	<b>537.52<sup>(1)</sup></b>	<b>551.40</b>	<b>100</b>				

(1) The difference between the fair value as accounted for into the valuation report by the experts Cushman & Wakefield (€ 537.77 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 77).

<sup>1</sup>For more information regarding the segment information we refer to note 4 of the financial statements.

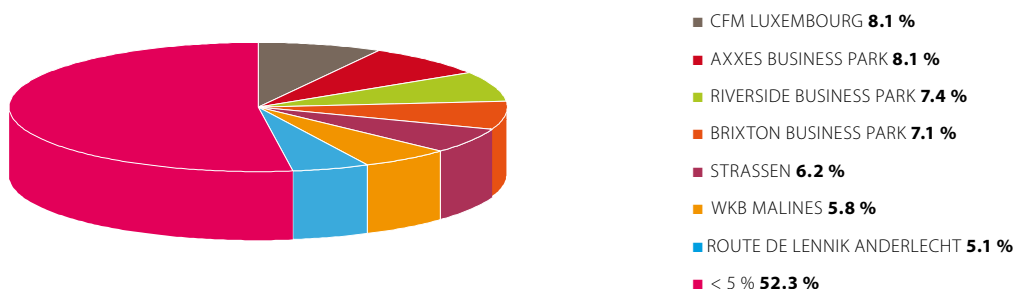
### 6.4.3 TOTAL BREAKDOWN OF THE REAL ESTATE PORTFOLIO<sup>1</sup>

	Total surface (in m²)	Contractual rents (€ mio/year)	Occupancy rate	Contractual rents + estimated rents on vacancy (€ mio/year)	Estimated rental value (€ mio/year)
<b>PART I: OFFICES</b>					
Square de Meeûs 5-6	5,965	1.31	100%	1.31	1.11
Rue Montoyer 63	6,745	1.44	100%	1.44	1.44
Avenue Louise 250	9,948	1.62	93%	1.73	1.53
Avenue Louise 66	3,398	0.60	99%	0.60	0.56
Riverside BP - Phase I, III and IV	21,645	2.46	84%	2.94	2.89
Route de Lennik, Anderlecht	15,132	2.31	100%	2.31	2.09
<b>Total Offices Brussels (Belgium)</b>	<b>62,833</b>	<b>9.74</b>	<b>94%</b>	<b>10.33</b>	<b>9.62</b>
WKB offices, Motstraat	14,174	2.11	100%	2.11	1.89
<b>Total Offices Malines (Belgium)</b>	<b>14,174</b>	<b>2.11</b>	<b>100%</b>	<b>2.11</b>	<b>1.89</b>
Delta Business Park	1,792	0.22	98%	0.23	0.20
<b>Total Offices Antwerp (Belgium)</b>	<b>1,792</b>	<b>0.22</b>	<b>98%</b>	<b>0.23</b>	<b>0.20</b>
Axxes BP	23,719	3.48	97%	3.57	3.39
<b>Total Offices Ghent (Belgium)</b>	<b>23,719</b>	<b>3.48</b>	<b>97%</b>	<b>3.57</b>	<b>3.39</b>
EBBC	4,473	1.54	98%	1.57	0.78
CFM Offices	5,559	1.24	100%	1.24	1.45
ESCH	1,839	0.62	99%	0.63	1.56
Kennedy	2,270	0.86	100%	0.86	0.55
Kiem	1,834	0.52	99%	0.52	0.84
Mercure	807	0.21	100%	0.21	0.53
Monnet	3,866	1.41	100%	1.41	0.16
Monterey	1,555	0.68	100%	0.68	1.46
Montimmo	1,760	0.85	98%	0.87	0.57
Pasteur	4,928	1.24	99%	1.26	1.24
<b>Total Offices Grand Duchy of Luxembourg</b>	<b>28,891</b>	<b>9.17</b>	<b>99%</b>	<b>9.26</b>	<b>9.15</b>
<b>Total Offices LRE</b>	<b>131,409</b>	<b>24.73</b>	<b>97%</b>	<b>25.49</b>	<b>24.25</b>
<b>PART II: LOGISTICS/SEMI-INDUSTRIAL</b>					
SKF, Tongres	25,872	1.13	100%	1.13	1.04
Prins Boudewijnlaan 7	27,589	1.70	100%	1.70	1.32
Meer - Dobla	5,015	0.14	100%	0.14	0.17
Meer - Helios	8,071	0.34	100%	0.34	0.28
Wommelgem - Nijverheidsstraat	26,590	1.28	100%	1.28	1.27
Riverside BP - Phase II	5,181	0.42	97%	0.43	0.42
Brixton BP	21,668	1.43	98%	1.45	1.26
Vierwinden BP	13,624	0.89	89%	0.97	0.74
Alcan	3,191	0.27	100%	0.27	0.20
WKB Warehouses. Zeutestraat	7,362	0.47	100%	0.47	0.33
<b>Total Logistics/semi-industrial Belgium</b>	<b>144,163</b>	<b>8.06</b>	<b>98%</b>	<b>8.17</b>	<b>7.03</b>
CFM logistics	14,428	1.36	100%	1.36	1.17
<b>Total Logistics/semi-industrial Grand Duchy of Luxembourg</b>	<b>14,428</b>	<b>1.36</b>	<b>100%</b>	<b>1.36</b>	<b>1.17</b>
<b>Total Logistics/semi-industrial</b>	<b>158,591</b>	<b>9.42</b>	<b>99%</b>	<b>9.54</b>	<b>8.20</b>
<b>PART III: RETAIL</b>					
Brixton BP - Unit 4/5/6	14,454	0.83	100%	0.83	2.10
<b>Total Retail Belgium</b>	<b>14,454</b>	<b>0.83</b>	<b>100%</b>	<b>0.83</b>	<b>2.10</b>
Diekirch	3,100	0.63	100%	0.63	0.45
Dudelange	3,759	0.34	100%	0.34	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	2.32	100%	2.32	2.49
<b>Total Retail Grand Duchy of Luxembourg</b>	<b>42,642</b>	<b>4.62</b>	<b>100%</b>	<b>4.63</b>	<b>4.77</b>
<b>Total Retail</b>	<b>57,096</b>	<b>5.45</b>	<b>100%</b>	<b>5.46</b>	<b>6.86</b>
<b>General total without projects</b>	<b>347,096</b>	<b>39.60</b>	<b>97.74%</b>	<b>40.49</b>	<b>39.32</b>
<b>PART IV : PROJECTS</b>					
Baarbeek - Zwijndrecht	4,321				
Torenhof (Axxes BP)	2,019				
<b>Total Offices Belgium</b>	<b>6,340</b>				
<b>General total investment properties</b>	<b>353,436</b>				

<sup>1</sup> 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 IN OPERATION



#### 6.4.5 5 INSURED VALUE<sup>1</sup>

In 2009 the value of the buildings has been valued by an external party in terms of 'construction' value (including VAT). The insured values have been adapted accordingly.

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

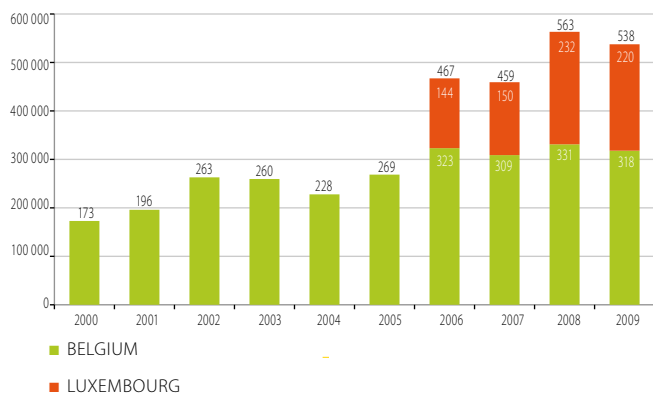
Belgium	(in € million)	Luxembourg	(in € million)
Offices	254.50	Offices	559.72
Logistics	128.43 <sup>2</sup>	Logistics	5.00
Retail	10.32	Retail	54.24
<b>TOTAL</b>	<b>393.25</b>	<b>TOTAL</b>	<b>618.96<sup>3</sup></b>

<sup>1</sup> 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, EBBC, 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.

<sup>2</sup> Excluding SKF: takes care of the insurance of the buildings by means of a group insurance for a total amount of € 500,000,000.

<sup>3</sup> These amounts take into account 100% of the insured value, while Leasinvest Immo Lux is co-owner of the buildings: Mercure, Monterey, Diekirch, EBBC and Kennedy. The total insured value for the buildings, which Leasinvest Immo Lux owns for 100%, amounts to € 101.15 million.

## 6.5. ANALYSIS OF THE REAL ESTATE PORTFOLIO BASED ON THE FAIR VALUE



- OFFICES **64.0 %**
- LOGISTICS **19.8 %**
- RETAIL **16.2 %**



- OFFICES LUXEMBOURG **25.4 %**
- OFFICES BRUSSELS **23.8 %**
- LOGISTICS BELGIUM **16.1 %**
- RETAIL LUXEMBOURG **11.8 %**
- OFFICES GHENT **8.1 %**
- OFFICES MALINES **5.1 %**
- RETAIL BELGIUM **4.4 %**
- LOGISTICS LUXEMBOURG **3.7 %**
- OFFICES ANTWERP **1.8 %**

### EVOLUTION OF THE FAIR VALUE

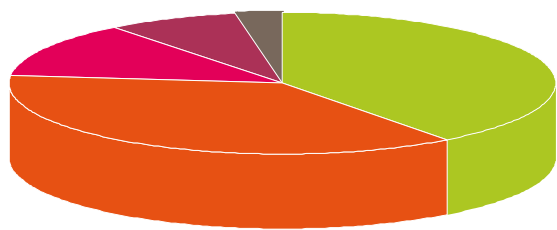
The fair value of the investment properties (including development projects) on 31/12/09 (€ 538 million) has decreased compared to 31/12/08 (€ 563 million). The diminution of the Luxembourg portfolio from € 232 million on 31/12/08 to € 220 million on 31/12/09 is mainly the consequence of the sale of the office building 'Bian'. The value decrease of the Belgian portfolio from € 331 million (31/12/08) to € 318 million is entirely due to the decrease of the value of the buildings by the independent real estate experts following the crisis on the real estate market.

### TYPE OF ASSETS

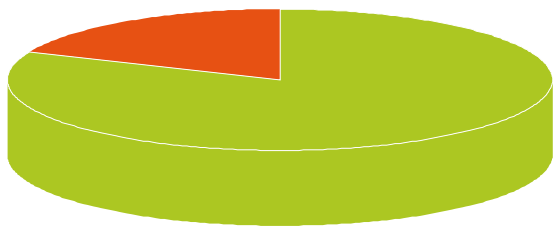
The portfolio of Leasinvest Real Estate is well balanced according to the type of assets. 64% of the real estate portfolio of Leasinvest Real Estate consists of offices (31/12/08: 64.7%), followed by logistics (19.8% - idem 31/12/08) and retail (16.2% compared to 15.5 % on 31/12/08).

### BREAKDOWN OF THE PORTFOLIO

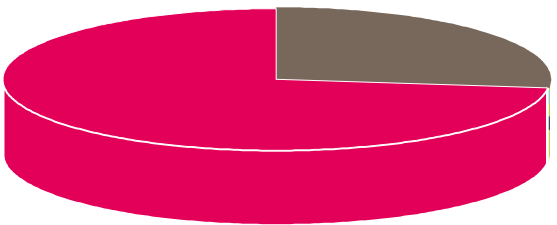
Due to the decrease in value of the offices part in Brussels by the independent real estate expert, the offices part in the Grand Duchy of Luxembourg has become the largest segment of the total portfolio with 25.4% or € 136.3 million. Second is the offices part in Brussels with 23.8% or € 127.7 million. Logistics in Belgium remain third with € 86.7 million or 16.1% of the total portfolio. Retail in the Grand Duchy of Luxembourg is fourth with 11.8% or € 63.3 million. The Axxes Business park in Merelbeke (Ghent) is fifth with € 43.5 million or 8.1%.



- OFFICES LUXEMBOURG 39.6 %
- OFFICES BRUSSELS 37.1 %
- OFFICES GHENT 12.6 %
- OFFICES MALINES 7.9 %
- OFFICES ANTWERP 2.8 %



- LOGISTICS BELGIUM 81.4 %
- LOGISTICS LUXEMBOURG 18.6 %



- RETAIL BELGIUM 27.0 %
- RETAIL LUXEMBOURG 73.0 %

## OFFICES PORTFOLIO

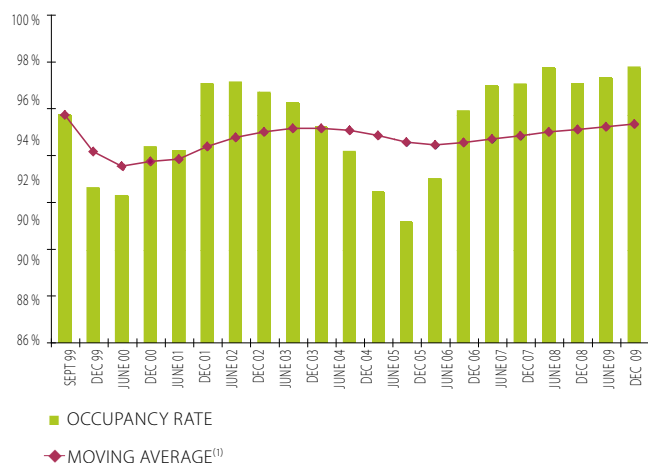
Just as it is the case for the total portfolio, the offices part in Luxembourg represents the largest part with € 136.3 million or 39.6% of total offices. 37.1% is taken up by the Brussels offices. Then follow the offices in Ghent, in Malines and in Antwerp.

## LOGISTICS PORTFOLIO

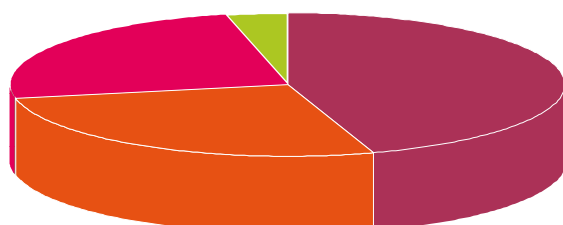
The largest part is taken up by the logistic sites/buildings in Belgium: the building situated in Wommelgem (Antwerp), Prins Boudewijnlaan (Kontich, Antwerp), the Brixton Business Park (Zaventem), the ‘SKF’ building (Tongres) and the Vierwinden Business Park (Zaventem). In Luxembourg Leasinvest Real Estate has only 1 logistic building, namely the ‘CFM’ building.

## RETAIL PORTFOLIO

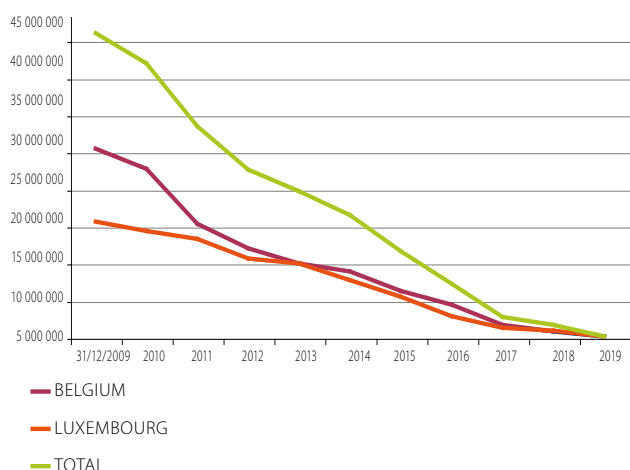
Retail in Luxemburg is situated in Strassen, Diekirch, Dudelange and Foetz. Retail in Belgium mainly consists of the shops in the Brixton Business Park in Zaventem.



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



0-3 YEARS – 45 %  
 3-6 YEARS – 27 %  
 6-9 YEARS – 24 %  
 > 9 YEARS – 4 %



<sup>1</sup> For more information we refer to note 5 of the financial statements.

## OCCUPANCY RATE

The occupancy rate on 31/12/09 amounted to 97.74% (97.29% on 31/12/08). Thanks to a continuous follow-up of the needs of our tenants and different marketing programs Leasinvest Real Estate succeeds in maintaining its occupancy rate at a high level.

## REMAINING LEASE TERMS AND CONTRACTUALLY GUARANTEED RENTAL INCOME<sup>1</sup>

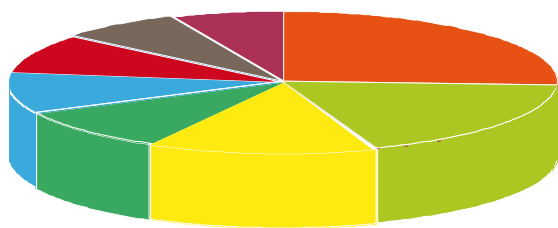
The graph is based on the first break date of the current rental contracts and on the contractual rents. 55% of the annual contractual rents are guaranteed until 31/12/12.

In 2009 € 3.5 million expired, of which 88% (€ 3.1 million) was extended and 12% (€ 0.4 million) was terminated.

In 2010 9.9% or € 4 million of the contractual rents on an annual basis expire. In 2011 there are important breaks, namely 20.7% and in 2012 14.4%.

The portfolio of Leasinvest Real Estate mainly consists of 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 3.9 years (31/12/08: 4.6 years).

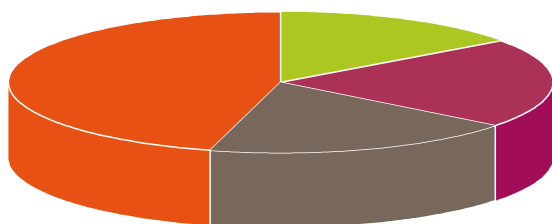




- SERVICES 25 %
- RETAIL & WHOLESALE 19 %
- FINANCIAL SECTOR 14 %
- INDUSTRY 10 %
- GOVERNMENT & NON-PROFIT 9 %
- TRANSPORT & DISTRIBUTION 9 %
- ICT 7 %
- MEDICAL & PHARMACEUTICAL 7 %

## 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 9% of the portfolio. The main sectors of the portfolio are services (25%), retail & wholesale (19%), the financial sector (14%), industry (10%), public/non-profit (9%), and transport/distribution (9%). Regarding the financial sector the Grand Duchy of Luxembourg represents 12.4% of the 14%.



- 0-5 YEARS 15 %
- 5-10 YEARS 20.6 %
- 10-15 YEARS 18.5 %
- >15 YEARS 45.9 %

## AVERAGE AGE

More than 34% of the buildings have less than 10 years. 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 average age is calculated as from the construction year or possible important renovation.



## 6.6 VALUATION REPORT<sup>1 2</sup>

Valuation update as at 31 December 2009 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 CVA portfolio as at 31 December 2009.

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 3.04% higher than the market rent (respectively 4.33% and 1.03% for the Belgian and Luxembourg portfolios).
3. The occupancy rate of the total portfolio (excluding the Projects) is 97.74% (respectively 96.72% and 99.39% for the Belgian and the Luxembourg portfolios)
4. The office building Bian, located Rue Emile Bian 1 in Luxembourg, has been sold and is consequently not a part of the portfolio (dd 30/06/09) anymore.

5. The office building Montimmo, located Avenue Monterey in Luxembourg, is now finished and is completely let in accordance to the market. This property is not considered as project anymore, as at 31/12/09, and is now a part of the active portfolio.

For all buildings of Leasinvest Real Estate CVA, we determined the following values as at 31 December 2009, including the part that has been valued by Winssinger & Associés:

1. an investment value of € 551,400,000 (five hundred fifty-one million four hundred thousand euro), with respectively € 326,230,000 and € 225,170,000 as investment values for the Belgian and Luxembourg portfolios; and
2. a fair value of € 537,770,000 (five hundred thirty-seven million seven hundred seventy thousand euro), with respectively € 318,220,000 and € 219,550,000 as fair values for the Belgian and Luxembourg portfolios.

On this basis, the initial yield of the complete portfolio (excluding the Projects) in terms of investment value is 7.29% (with respectively 7.69% and 6.73% for the Belgian and Luxembourg portfolios) and the initial yield of the complete portfolio in terms of fair value is 7.48% (respectively 7.88% and 6.90% for the Belgian and Luxembourg portfolios).

CUSHMAN & WAKEFIELD

## 6.7 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, since mid-2007, all buildings previously managed by Bopro Real Estate Services SPRL.

The decision to in source the property management of the Belgian portfolio has been taken to reinforce direct communication with our tenants. 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

<sup>1</sup> The conclusions of the valuation report concern, unless mentioned otherwise, the real estate portfolio of Leasinvest Real Estate, including the development projects.

<sup>2</sup> The valuation report has been reproduced with the agreement of Cushman & Wakefield and Winssinger & Associés.

<sup>3</sup> The occupancy rate is valid on the date of the valuation and does not take into account future availability (already known or not) nor with future new contracts (signed or not). This figure is calculated on the basis of the following formula: (market rent of all let areas) / (market rent of the complete portfolio).

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 7 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 of 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 receives a remuneration of 3% (excluding 21% VAT) of the rental income of the buildings managed.

For un-let 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 Leasinvest Real Estate has paid a remuneration of € 177,205 (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.

## 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.

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 mainly a team of 32 employees, solidly implanted in Luxembourg, driven by the common will to find tailor-made solutions to its clients' real estate questions, within the framework of a long-term relationship. Since its establishment in 1999, Property Partners is active in the offices, retail and logistics segment and offers a number of services regarding management, investments, advice, expertise

and research. Property Partners is also part of the Cushman & Wakefield network, the third largest international network active in professional real estate services, as an Alliance Partner. 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 € 19,326 (excl. VAT) to Property Partners.

## 6.8 INVESTMENT ADVICE LUXEMBOURG

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 year 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 year;
- next to that, Leasinvest Immo Lux Conseil will receive a premium equal to 5% of the net gain on sold buildings.

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

Leasinvest Immo Lux Conseil is a 100% subsidiary (directly and indirectly) of Leasinvest Real Estate. The remuneration, which it received from Leasinvest Immo Lux for the past financial year amounted to € 2,489,732.

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.



NIJVERHEIDSSTRAAT - WOMMELGEM





# CORPORATE GOVERNANCE STATEMENT

■ **Sustainability** in our buildings, with green energy from solar panels and solar electricity

## 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.

### 4.1.1 THE STATUTORY MANAGER

The real estate investment trust Leasinvest Real Estate is being managed by its limited (managing) partner and sole manager pursuant to the articles of association, Leasinvest Real Estate Management NV, with its registered office at 2000 Antwerp, Schermersstraat 42 (Register of legal persons number 0466.164.776), a wholly-owned subsidiary of Extensa Group NV. The only activity of the manager is (and always has been) the management of Leasinvest Real Estate.

Leasinvest Real Estate Management NV had shareholder's equity of € 1,064,309.34 on 31/12/09.

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

### TERM OF THE MANDATE

Leasinvest Real Estate Management NV 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 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 19 persons on 31/12/09<sup>1</sup>.

### AUTHORITY

The statutory manager is empowered to perform all management operations which are necessary or useful to fulfill 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 for the daily management (see further 'daily management-effective leadership').

### REMUNERATION OF THE MANAGER

Besides entitlement to reimbursement of expenses directly associated with its mission of running the real estate investment trust, the statutory manager is entitled to receive a fixed-rate remuneration pursuant to the articles of association of 0.415% of the assets of the company. For the past financial year, this remuneration was € 2,353,273. No other remuneration is attributed to the statutory manager.

### 4.1.2 THE BOARD OF DIRECTORS OF THE STATUTORY MANAGER<sup>2</sup>

### COMPOSITION OF THE BOARD OF DIRECTORS

At present, the board of directors of the statutory manager, Leasinvest Real Estate Management NV, is composed of eleven directors, of whom four directors are appointed on the proposal of Extensa Group NV, four independent directors and three directors appointed on the proposal of AXA Belgium NV.

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 manager and in a shareholders' agreement.

Furthermore, according to agreements between AXA Belgium and Extensa Group NV, a maximum of 3 directors may be appointed on the proposal of AXA Belgium NV.

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 guaranteeing that they receive equal treatment.

The articles of association of the manager also comprise specific provisions regarding the majorities within the board of directors of the manager, which relate, inter alia, to decisions regarding the strategy (see below) and in that way, confirm the exclusive control of Extensa Group NV over Leasinvest Real Estate.

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

<sup>2</sup> For statements by the directors and the management, please refer to chapter 10 Permanent document.



All directors and the members of the executive management, taking into account their previous and current functions, directors' mandates and education, possess 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 NV



**Marcus Van Heddeghem,**  
Managing Director of  
Redevco Retail Belgium  
Comm. V.



**Bernard de Gerlache de  
Gomery,**  
independent director  
of companies including  
Floridienne NV and Sipef NV



**Christophe Desimpel,**  
Managing Director of  
De Speyebeek NV

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 Companies Act. 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  
(non-executive director)



**Jean-Louis Appelmans,**  
CEO and managing director  
of Leasinvest Real Estate  
Management NV (executive  
director)



**Jan Suykens,**  
member of the executive  
committee of Ackermans  
& van Haaren NV (non-  
executive director)



**Kris Verhellen,**  
CEO<sup>1</sup> of Extensa Group NV  
(non-executive director)

## 3 The directors proposed by AXA Belgium NV are:



**Guy Van Wymersch-Moons,**  
General Manager of Real  
Estate at AXA Belgium NV  
(non-executive director)



**Thierry Rousselle,**  
company director  
(non-executive director)



**Alfred Bouckaert,**  
Chairman of the board of  
directors of AXA Belgium  
NV (non-executive director)

The addresses of the directors may be obtained on request, at the registered office of the company.

Pursuant to the Corporate Governance Charter of the real estate investment trust, the non-executive directors do not hold more than 5 mandates in listed companies.

<sup>1</sup> Via SITAS BVBA, who appointed Mr. Verhellen as a permanent representative.



## TERM OF THE MANDATE

Messrs. Appelmans, Suykens, Verhellen, de Gerlache de Gomery and Van Heddeghem were 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 until the annual general meeting in 2010. Mr. Desimpel was co-opted on 18/12/02, appointed as a director with effect from 20/10/03 to 2004, and re-appointed until 2010. Messrs. Rousselle and Van Wymersch-Moons were appointed as from 26/01/06 until 2010. Mr. Bouckaert was appointed with effect from 17/08/09 until 2010.

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

At the annual general meeting of shareholders of the statutory manager, Leasinvest Real Estate Management NV, which will be held on 17 May 2010, it will be proposed to re-appoint the following directors for a 4-year term, lasting until the annual meeting to be held in 2014: Messrs. Bertrand, Appelmans, Suykens, Verhellen, Bouckaert, Van Wymersch-Moons, Rousselle and Desimpel;

and, taking account of the independence requirements of article 526ter of the Companies Act (which provides that an independent director may not have served more than 3 successive mandates as a non-executive director on the board of directors, and that period of time may not exceed 12 years), to re-appoint Messrs. Van Heddeghem, de Gerlache de Gomery en De Keuleneer for a period of 1 year, i.e. until the annual meeting to be held in 2011.

## 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 met 5 times during the financial year.

The overall attendance quotient was 80%. The attendance quotient of individual members was 100% in the case of Messrs. Bertrand, Suykens, Appelmans and Bouckaert. Messrs. Desimpel, Verhellen, De Keuleneer and de Gerlache de Gomery were excused once. Messrs. Van Heddeghem, Rousselle and van Wymersch were excused twice.

## COMPETENCIES OF THE BOARD OF DIRECTORS AND ACTIVITY REPORT OF THE MEETINGS 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 fulfill the objective of the statutory manager, in particular, the management of Leasinvest Real Estate, and to perform all acts which are not subject to the authority of the general meeting, according to the law or the articles of association.

In addition to the mandatory matters, such as drawing-up the accounts, the 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.

Director	start of mandate	end of mandate	attendance quotient board of directors
Eric De Keuleneer	18/06/99	2010	4/5
Bernard de Gerlache de Gomery	03/06/99	2010	4/5
Christophe Desimpel	20/10/03	2010	4/5
Marcus Van Heddeghem	03/06/99	2010	3/5
Luc Bertrand	18/06/99	2010	5/5
Jean-Louis Appelmans	03/06/99	2010	5/5
Jan Suykens	03/06/99	2010	5/5
Kris Verhellen	03/06/99	2010	4/5
Guy Van Wymersch-Moons	26/01/06	2010	3/5
Thierry Rousselle	26/01/06	2010	3/5
Alfred Bouckaert	17/08/09	2010	5/5

In 2009, the following specific agenda items were dealt with by the board of directors:

- approval of major divestment of the BIAN office project in Luxembourg;
- investment in solar panels on the building in Wommelgem;
- approval of the open tendering procedure for the construction of a new national archive in Bruges.

Prior to the meeting, the directors receive an agenda with the list of items to be discussed, accompanied by a documentation bundle, in order to prepare the meetings of the board of directors. The subjects dealt with by the board of directors are explained comprehensively by the management before the deliberation by the Board<sup>1</sup>. 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. Furthermore, the directors can request prior advice from an independent expert.

The minutes of the meetings present a summary of the deliberations, specify the decisions taken and mention any reservations 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.

The Board always endeavors to take decisions unanimously.

If for a certain decision, no consensus can be reached, the decision of the board of directors is taken by a simple majority of votes of the directors present or represented, and in the case of abstention by one or more directors, by a 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 an associated company) and provided that there is no conflict of interest between them in the sense of art. 523 of the Companies Act;
- b) decisions regarding the proposal for appropriation of the result of Leasinvest Real Estate: these decisions are only taken by a special majority of eighty percent of the votes of the directors present or represented.

## EVALUATION

On the initiative of the Chairman, the board of directors is starting the following evaluation procedures, with effect from the current financial year:

Once every 4 years, the directors, assisted if appropriate by external experts, shall evaluate the size, composition and workings of the board of directors and its consultative committees. Particular attention will be paid to the current composition of the board of directors which will be compared with its preferred composition.

Once per year, the non-executive directors, meeting without the presence of the CEO, shall evaluate the relationship between the board of directors and the effective leadership.

With regard to the re-appointment of a director, the other directors shall evaluate the individual contribution of the director concerned to the proper operation, deliberation and decision-making of the board of directors.

If the aforementioned evaluation procedures reveal specific weaknesses, the board of directors shall adopt the appropriate solutions. If appropriate, this may lead to amendments to the composition of the board of directors, or proposals to nominate new directors or not to re-appoint existing directors.

### 4.1.3 CONSULTATIVE COMMITTEES<sup>2</sup>

The board of directors has consultative committees as defined in the Corporate Governance Code and further explained in the Corporate Governance Charter of the real estate investment trust.

Also, a committee of independent directors was established, holding a specific consultative remit, broader than that defined in Article 524 of the Companies Act.

The function of the consultative committees is purely advisory. They are charged with examining specific matters and formulating advice to the board of directors.

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

The committees endeavor to take decisions unanimously.

<sup>1</sup> Two of the four members of the management have the function of effective leaders as defined by Article 38 of the law of 20 July 2004 on certain forms of collective management of investment products (in this regard, we also refer the reader to point 4.1.4 Day-to-day management – Effective leadership.).

<sup>2</sup> The complete text of the latest version of the Corporate Governance Charter can be found on the website [www.leasinvest.be](http://www.leasinvest.be).

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

## AUDIT COMMITTEE

The oversight 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 checks in particular the annual and periodic financial statements before they are published and ensures correct and consistent application of the accounting standards and valuation rules of Leasinvest Real Estate. Furthermore, the audit committee evaluates the systems of internal audit and risk management established by the management.

The audit committee also evaluates the independence of the auditor and makes recommendations about 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 assigned to it by law and of which the remunerations exceed that for the audit mission (i.e. it may grant derogations from the prohibition of Article 133, §5 of the Companies Act).

The tasks of the audit committee are carried out pursuant to Art. 526bis, §4 of the Companies Act).

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 Chairman of the audit committee (non-executive director)
4. **Thierry Rousselle** (AXA Belgium NV), company director (non-executive director).

Messrs. Suykens and De Keuleneer have the necessary experience in the field of audit and accounts as defined in Appendix C, point 5.2.4. of the Corporate Governance Code.

The Audit Committee met 5 times during the past financial year. The attendance quotient of the members of the committee was 40% overall, and 100% in the case of Mr. Jan Suykens individually. Mr. De Keuleneer was excused twice and Messrs. Rousselle and Van Heddeghem three times.

The following points were among those discussed by the audit committee:

- discussion of the quarterly financial reports;
- amendment of the valuation rules;
- discussion of the internal audit (performed by BDO);
- discussion of the hedging strategy of Leasinvest Real Estate.

The auditor was invited to the meetings of the audit committee. Unless the audit committee decides otherwise, the CEO has the right to attend the meetings of the audit committee.

## APPOINTMENTS & REMUNERATION COMMITTEE

The appointments & remuneration committee ensures objective and professional development of the appointments procedure and assists the Board regarding the remuneration of the members of the Board and of the management and makes recommendations 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 Chairman of the appointments & remuneration committee
4. **Guy Van Wymersch-Moons** (AXA Belgium NV), director.

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

Unless the appointments & remuneration committee decides otherwise, 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 on the board of directors. The committee is chaired by one of its members, in principle, the member having most seniority in his function.

Based on the Corporate Governance Charter of the real estate investment trust, a specific mission was assigned to the committee of independent directors. This mission was defined in the articles of association (Article 8 of the articles of association of the manager).

The committee of independent directors intervenes in the cases defined in Article 524 of the Companies Act.

Furthermore, this committee is always consulted prior to any project of decision or transaction by the board of directors relating to one of the following matters:

- decisions or transactions to which Article 523 of the Companies Act applies;
- amendment of the purpose or the investment policy of the real estate investment trust;
- in case of large transactions regarding the real estate investment trust, in as far as these relate to more than 30% of the estimated value of the real estate portfolio of the real estate investment trust, at the time of the realization of the transaction;
- important modifications to the organization of the real estate investment trust or its manager pursuant to the articles of association, resulting in a modification of the license of Leasinvest Real Estate as a real estate investment trust.

The committee draws up a reasoned report in writing to the board of directors. If the case arises, the board of directors shall record in the minutes, the grounds on which it deviated from the advice of the committee. The written advice shall remain appended to the minutes of the board of directors meeting.

During the past financial year, no specific meeting was held of the committee of independent directors.

#### 4.1.4. DAY-TO-DAY MANAGEMENT – EFFECTIVE LEADERSHIP - MANAGEMENT

##### MANAGEMENT

The members of the management are:

##### JEAN-LOUIS APPELMANS (CEO)

Since it was established in 1999, Jean-Louis Appelmans (57), has been 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 fulfills a number of other director's mandates, including being an 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 (now JPMorgan Chase) from 1979 until 1986.

##### MICHEL VAN GEYTE (COO)

Michel Van Geyte (44) was appointed as commercial manager of Leasinvest Real Estate Management NV in August 2004. He is also a director of companies including Leasinvest Immo Lux. Previously, he worked at Knight Frank as a managing partner and has sixteen years of experience in real estate.

##### MICHELINE PAREDIS

Micheline Paredis (43) is secretary general and group counsel and fulfills the role of compliance officer. She has 19 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 (36) was appointed as CFO in June 2007. Previously she was a controller at Ackermans & van Haaren for 6 years. She has 12 years of experience in accounting & finance, among which the last 3 years at Leasinvest Real Estate Management NV.

##### EFFECTIVE LEADERSHIP

The daily management during the past financial year was entrusted to two members of the Management, who have exercised the effective leadership in accordance with Article 38 of the law of 20/07/04 regarding certain forms of collective management of investment portfolios since 13/02/07. They are the Managing Director, Jean-Louis Appelmans, and Mr. Michel Van Geyte, COO, who has powers to carry out the day-to-day management.

##### THE PERMANENT COMMITTEE

The permanent committee meets regularly to discuss the current affairs of Leasinvest Real Estate, to ensure 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, the commercial manager, the legal counsel, the senior accountant and the property manager or one or more representatives of the technical management of the buildings.



## THE INVESTMENT COMMITTEE

The investment committee meets as the schedule requires, 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 stake of 10% in Leasinvest Real Estate.

## EXTERNAL REPRESENTATION

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

## PERMANENT REPRESENTATIVE

Pursuant to the provisions of Article 61, §2, of the Companies Act, the statutory manager has appointed a permanent representative among its directors, charged with the execution of the mandate of the manager, in the name and on behalf of Leasinvest Real Estate Management NV, and who is authorized 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 manager pursuant to the articles of association, without infringing art. 18 of the aforementioned RD.

## ACTS OF DISPOSAL REGARDING ITS REAL ESTATE

Pursuant to art. 18 of the aforementioned RD, the real estate investment trust is represented by its manager pursuant to the articles of association, acting through its permanent representative, together with one director, both acting jointly, for each act of disposal with regard to its real estate as defined by Article 2, 4° of the aforementioned RD.

### 4.1.5 REMUNERATION REPORT

In relation to the past financial year, the directors of the statutory manager of Leasinvest Real Estate Comm. VA received, directly and/or indirectly, for all services rendered on behalf of the statutory manager, remuneration amounting to a total of € 495,700.

The remuneration policy and the remuneration level for the non-executive directors and the members of the effective leadership were developed during the past financial year in accordance with the procedures laid down by the appointments & remuneration committee.

#### 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-rate 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 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 as a 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 contract comprises the usual possibilities for giving notice and severance arrangements.

#### 3 The effective leadership

The effective leadership is provided 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 contract comprises the usual possibilities for giving notice and severance arrangements.

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

In €			
effective leadership	fixed (*)	variable	total
Jean-Louis Appelmans	311,700	110,000	421,700
Michel Van Geyte	214,500	75,000	289,500
Total	526,200	185,000	711,200
(*) including insurance premium: 42,733			

The remuneration of the effective leadership is based on the one hand on their existing capabilities and experience in various fields such as commercial, real estate, legal, fiscal, financial, accounting and general policy, and on the other hand, on achieving qualitative and quantitative targets such as the overall occupancy rate of the portfolio, control of maintenance & renovation costs, (re-)financing and hedging facilities, letting activities, rent receipts, improvement in risk profile of buildings, etc.

The variable remuneration relates to exceptional performance related to factors including improvement and optimization of the aforementioned criteria and the net current result.

#### 4.2 CORPORATE GOVERNANCE CHARTER<sup>1</sup>

On 09/12/04 the Corporate Governance Committee, on the initiative of the Banking, Finance and Insurance Commission, Euronext Brussels and the FEB announced the Belgian Corporate Governance Code.

The Corporate Governance Charter of Leasinvest Real Estate, established as an implementation of this code, aims to lay down the rules for efficient internal functioning and organization of the management of the real estate investment trust, without infringing the legal provisions regarding the functioning and powers of the board of directors (including the legal oversight 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 to reflect changes in corporate governance policies so that a correct view on the management of the real estate investment trust is provided at any given time.

The most recent version of the Charter can be found on the website ([www.leasinvest.be](http://www.leasinvest.be)).

#### COMPLY OR EXPLAIN - DEROGATIONS FROM THE CORPORATE GOVERNANCE CHARTER COMPARED TO THE BELGIAN CORPORATE GOVERNANCE CODE

Generally, it should be explained that the Belgian Corporate Governance Code 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 C, respectively of 5.1 of appendix D 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 the appointments and remuneration committee should be independent directors and that the audit committee should have at least one independent director as a member.

The composition of the audit committee was brought into line with the requirements of Article 562bis §2 of the Companies Act, in other words exclusively non-executive directors and at least one independent director. The Code is rather stricter than Article 526bis of the Companies Act, and requires that at least half the members of the audit committee be independent directors (point 5.2./4 of Appendix C).

This derogation from the Code is justified, taking into account the relatively limited size of the board of directors (eleven members, of whom four are independent directors); this structure does not prevent efficient deliberation and decision-making by the board of directors.

<sup>1</sup> The complete text of the latest version of the Corporate Governance Charter can be found on the website [www.leasinvest.be](http://www.leasinvest.be).

### **Frequency of the meetings of the appointments & remuneration committee**

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 were (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 by the annual general meeting to be held 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 must own to be able to submit proposals for the general meeting, is 20%, and not a maximum of 5%, as foreseen in recommendation 8.8 of the Code. The board has chosen not to comply with this recommendation as the shareholders of Leasinvest Real Estate can put any questions, related to the items on the agenda, to the board of directors and the auditor during the general meeting of shareholders.

## **4.3 SETTLEMENT OF CONFLICTS OF INTEREST**

### **4.3.1 ARTICLE 523 AND 524 OF THE COMPANIES ACT**

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

The board of directors declares that, to its knowledge, no situations of conflicts of interest as defined by Article 523 of the Companies Act 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 Companies Act, with regard to the procedure for the prevention of conflicts of interest in listed companies, Mr. Appelmans 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 the going rate. As regards the consequences in terms of the assets of the company, please refer to the aforementioned details about remuneration<sup>1</sup>.

As described above in section 4.1 (Decision-making bodies – Consultative committees – Committee of independent directors) the board of directors took the following decisions the past financial year, for which the applicability of the rules on the conflicts of interest contained in Article 524 of the Companies Act was examined:

- Art 524 of the Companies Act did not have to be applied to the letting of a works contract with Van Laere (a wholly-owned subsidiary of Ackermans & van Haaren) for the construction of the new office building commissioned by Cegelec in Zwijndrecht, since this transaction falls within the scope of the exemption foreseen in Article 524 of the Companies Act (transactions representing less than 1% of the net assets shown on the consolidated balance sheet).
- Art. 524 of the Companies Act does apply to the tender submitted in December 2007 (financial year 2007/2008) by Algemene Aannemingen Van Laere and Leasinvest Real Estate in response to an open call for tenders for the new state archives in Bruges, including the award of a contract for the construction of the new state archives to Van Laere, which is a wholly-owned subsidiary of Ackermans & van Haaren, an associated company of Leasinvest Real Estate.

The committee of independent directors had already issued written, reasoned advice in relation to this investment on 5/12/07, prior to the decisions of the board of directors on the subject, according to the acquisition structure foreseen at that time, and concerning some elements of the specifications on which basis the

<sup>1</sup> Mr. Appelmans was not present during the deliberation and decision-making by the Board of Directors about the agenda item relating to remuneration. The Board of Directors approved the proposals relating to remuneration.

tender was submitted. This was mentioned in the annual financial report concerning the financial year 2007/2008 (p. 29).

Only in the last quarter of the 2009 financial year was the tender submitted finally accepted, and the project was definitively awarded to Van Laere - Leasinvest Real Estate.

Taking account of the conditions and areas posing potential risks for Leasinvest Real Estate (mainly construction risk and maintenance risk) which were referred to in the aforementioned advice from the committee of independent directors, the acquisition structure between Van Laere and Leasinvest Real Estate was completely suitable in that Leasinvest Real Estate will only acquire the shares of the project consortium RAB Invest NV, which will be the owner and lessor of the new state archives and therefore not bear any construction risk after the provisional acceptance of the new state archives and the lease with the Buildings Agency actually comes into effect. The provisional acceptance of the new state archives is scheduled by 1/11/2011.

Art. 524 of the Companies act does apply to the contract that will be signed between Leasinvest Real Estate and Algemene Aannemingen Van Laere for the acquisition of RAB Invest NV. The committee of independent directors will write an addendum to its written advice of December 2007 with regard to the changed circumstances (i.e. the acquisition of the shares in the ad hoc subsidiary) and the joint and several liability towards the Buildings Agency. The auditor will also have to write a report about this. If the case arises, this transaction will also have to be explained in the annual financial report on the 2012 financial year.

#### 4.3.2 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 eventuality that 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 to the signature of a works contract with Algemene Aannemingen Van Laere for the construction of the office building of Cegelec in Zwijndrecht subject to this article (notwithstanding the fact that Article 524 of the Companies act does not apply). The same applies for the tender submitted jointly by the consortium Algemene Aannemingen Van Laere - Leasinvest Real Estate for the open call for tenders for the construction of the new state archives in Bruges. During the past financial year, this project was definitively awarded to the consortium Algemene Aannemingen Van

Laere - Leasinvest Real Estate.

Both transactions occurred under normal market conditions, fit within the investment policy of the real estate investment trust and are in the interest of the real estate investment trust, for reasons including the long-term lease with the Buildings Agency after acceptance of the new state archives. In addition, in as far as applicable<sup>1</sup> and taking account of the provisions of Art. 24 § 2 of the RD on real estate investment trusts, which provides that the valuation pursuant to Article 59 § 1 is binding on the real estate investment trust if a transaction has taken place with an associated company.

#### 4.3.3 CORPORATE GOVERNANCE CHARTER

In its Corporate Governance Charter, Leasinvest Real Estate has subscribed to the policy that a director or member of the management (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 cases other than those referred to by the legal rules on conflicts of interest contained in Article 523 of the Companies Act –, that person should immediately inform the Chairman. The Chairman shall assess whether to report the matter to the board of directors.

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

#### 4.3.4 GENERAL COMMENTS REGARDING POTENTIAL CONFLICTS OF INTEREST OF THE DIRECTORS

The possibility that potential conflicts of interest could 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 rules on conflicts of interest contained in Article 523 of the Companies Act does not apply) could arise with directors appointed on a proposal by 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, apart from the transactions relating to the works contract with Van Laere referred to above, no transactions have occurred between Leasinvest Real Estate and companies associated with Extensa Group NV. – see above with regard to Article 524 of the Companies Act and Article 24

<sup>1</sup> As far as the new state archives is concerned, a valuation report in accordance with the provisions of Article 59 of the RD on real estate investment trusts will only be drawn up after the building has been accepted.

of the RD on real estate investment trusts); or with directors appointed on a proposal by AXA Belgium NV, if transactions occur or decisions are made in which AXA Belgium NV has an interest that conflicts with an interest of the statutory manager and/or Leasinvest Real Estate.

Leasinvest Services is a wholly-owned subsidiary of Leasinvest Real Estate, to which the property management is outsourced (see Real estate report, point 6.7). 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 guarantees equal treatment of all shareholders and respects their rights. The statutory manager encourages the shareholders to attend to the meeting in person. At the request of one or more shareholders who represent, individually or jointly, 1/5 of the subscribed capital, the statutory manager is obliged to convene a special or extraordinary general meeting.

The invitations to the general meeting state the agenda and the proposals for decisions and are published in the Belgian Official Journal and in at least one national newspaper, at least twenty-four days before the meeting.

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

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 wholly-owned subsidiary of Leasinvest Real Estate currently holding the Luxembourg portfolio, is at present composed of five directors, four of whom are directors of Leasinvest Real Estate Management NV:

**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 Ackermans & van Haaren NV

**Guy Van Wymersch-Moons,**

General Manager of real estate at AXA Belgium NV

**Michel Van Geyte,**

COO of Leasinvest Real Estate

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

The mandates of the directors of Leasinvest Immo Lux each last 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 'Instituut der Bedrijfsrevisoren' (Institute of Company Auditors), De Kleetlaan 2, 1831 Diegem, were reappointed in 2005 for a term of three years to fulfill the function of auditor of Leasinvest Real Estate.

The remuneration of the auditor for auditing the annual accounts of Leasinvest Real Estate is estimated at € 30,000 (excl. VAT).

The fees for auditing subsidiaries of Leasinvest Real Estate were € 36,500 (excl. VAT). In addition, fees amounting to € 2,650 (excl. VAT) were paid for other assignments relating to tax advice.



At the annual general meeting of shareholders of Leasinvest Immo Lux which will be held in April 2010, a request will be renewed to renew the mandate of the auditor Ernst & Young (Luxembourg), with its registered office at 7, Parc d'Activités Syrdall, L-5365- Munsbach, represented by Mr. Bruno Di Bartolomeo for a further period of one year (which is usual practice for Leasinvest Immo Lux).

The remuneration of the auditors for auditing the annual accounts of Leasinvest Immo Lux for the past financial year was estimated at € 31,000.

## 4.8 INTERNAL AUDIT AND RISK MANAGEMENT

Pursuant to Article 40 of the law on various forms of collective management of investment portfolios of 20 July 2004, Leasinvest Real Estate has the financial, human and technical resources required for the administrative, accounting, financial and technical organization specific and appropriate to its activities. In particular, it also has controls and security mechanisms relating to its information technology that are tailored to its activities.

Leasinvest Real Estate has also arranged appropriate internal audit, whose operation is checked at least annually. These procedures must guarantee, among other things, that each of the company's transactions can be reconstructed with regard to the origin and the nature of the transaction, the parties involved and the time and place where it occurred, and that the assets of the company are invested in accordance with its articles of association and the prevailing legal and regulatory provisions.

As regards its administrative and accounting organization, Leasinvest Real Estate has established a system of internal audit which creates a reasonable degree of certainty about the reliability of its financial reporting process, so that in particular, the yearly and half-yearly accounts, as well as the annual report and half-yearly report are in accordance with the prevailing accounting regulations.

In addition, it has established an appropriate integrity policy that is updated regularly, and takes the necessary measures to be able to have at its disposal an appropriate, independent compliance function, in order to ensure compliance by the company, its directors, its effective leadership, employees and representatives with the legal rules in connection with the integrity of its business.

Leasinvest Real Estate applies a risk management methodology which is specifically tailored to real estate investments and with which it can monitor and measure the risk of its positions at all times, and can ascertain its relative importance in the overall risk profile of the portfolio.

The company is organized in such a way that if requested, besides the information that is published in the prospectus and the yearly and half-yearly reports, it can provide shareholders with additional information about the quantitative limits that apply to its risk management, about the methods used to enforce compliance with these limits and about the recent developments in relation to risks and returns on its assets.

## 4.9 VALUATION OF THE PORTFOLIO

The quarterly valuations of the real estate portfolio are produced 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. For the past financial year, for the valuation of the portfolio in Luxembourg and that in Belgium, a total remuneration of € 140,968 (excl. VAT) was provided for, of which € 82,537 was for Leasinvest Real Estate and the balance for Leasinvest Immo Lux (the value of the remuneration was determined as follows: 0.00625% on the investment value for the quarterly estimates and 0.0625% on the investment value for special assignments). In the course of this financial year, the remuneration for the valuation of the portfolio will be renegotiated, in that henceforth, the remuneration of the valuer shall no longer be linked, either directly or indirectly, to the value of the real estate which is the subject of the valuation.

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 its registered office at Amstelveenseweg 760, 1081 JK Amsterdam, The Netherlands. The administrative and registered offices of Cushman & Wakefield VOF are established at Avenue des Arts 58 boîte 7, 1000 Brussels (the company is registered in Brussels, under 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 was changed to Cushman & Wakefield Healey & Baker. In 2006 the name Cushman & Wakefield was changed to 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. Christophe Ackermans, director. Winssinger & Associates SA (company number 0422.118.165), with its registered office at Chaussée de le Hulpe 166, 1170 Brussels, was incorporated 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.

## 4.10 DEPOSITARY

Bank Delen NV<sup>1</sup>, (company number 0453.076.211), with its registered office at 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 onward of the RD on real estate investment trusts. Bank Delen receives a fixed remuneration of € 30,000 (incl. VAT) on an annual basis.

In its capacity as the 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.

RBC Dexia Investor Services Bank, with its registered office at 14, Porte de France, L- 4360 Esch-sur-Alzette, subject to the supervision of the 'Commission de Surveillance du Secteur Financier', was 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 bound to comply with the provisions imposed, including the Luxembourg law of 13 February 2007 on specialized investment funds. In that capacity the depositary is put in possession of, among other things, 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.

Leasinvest Immo Lux provided for remunerations for a total amount of € 102,816 in the past financial year for RBC Dexia Investor Services Bank.

## 4.11 LIQUIDITY PROVIDER

Bank Degroof rendered services as liquidity provider of Leasinvest Real Estate during the past financial year and received a total remuneration of € 25,500 (excl. VAT) on an annual basis.

## 4.12 DIVIDEND POLICY LEASINVEST REAL ESTATE

In accordance with Article 7 of the RD of 21 June 2006 on the accounting, annual accounts and consolidated annual accounts of public real estate investment trusts, in case a profit is recorded for the financial year, at least the surplus has to be paid out between the following amounts 80% of the sum of the corrected result and the net realized gains on real estate, not exempt of the mandatory distribution (always calculated according to the aforementioned RD of 21/06/06); and the net decrease in debt during the financial year.

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

<sup>1</sup> The depositary contract is governed by Article 24 of the RD on real estate investment trusts, since Bank Delen NV forms part of the Ackermans & van Haaren group.

## 4.13 FINANCIAL SERVICE PROVIDERS

The financial service during the past financial year was entrusted to Bank DelenNV as the main paying agent in the context of the introduction of ESES (Euroclear Settlement for Euronext-zone Securities)<sup>1</sup>.

<sup>1</sup> The 'main paying agent' is governed by Article 24 of the RD on real estate investment trusts, since Bank Delen NV forms part of the Ackermans & van Haaren group.

# FINANCIAL STATEMENTS

■ The rental income and the portfolio have **tripled** over **10 years**

## CONSOLIDATED RESULTS

(in 1,000 €)	Note	31/12/2009 (12 months)	31/12/2008 (18 months)	30/06/2007 (12 months)	31/12/2008 (a) (12 months)
(+) Rental income		39,196	49,058	33,154	33,559
(+) Write-back of lease payments sold and discounted		0	0	0	
(+/-) Rental-related expenses		42	-117	0	-117
<b>NET RENTAL INCOME</b>	<b>5</b>	<b>39,238</b>	<b>48,941</b>	<b>33,154</b>	<b>33,442</b>
(+) Recovery of property charges	6	65	952	228	876
(+) Recovery income of charges and taxes normally payable by tenants on let properties	7	3,446	3,910	2,168	2,583
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	6	0	-483	-143	-483
(-) Charges and taxes normally payable by tenants on let properties	7	-3,446	-3,910	-2,168	-2,581
(+/-) Other rental-related income and expenditure		-56	-176	-236	14
<b>PROPERTY RESULT</b>		<b>39,247</b>	<b>49,234</b>	<b>33,003</b>	<b>33,851</b>
(-) Technical costs	8	-1,090	-1,784	-2,406	-1,192
(-) Commercial costs	9	-778	-810	-400	-399
(-) Charges and taxes on unlet properties	10	-255	-581	-569	-432
(-) Property management costs	11	-2,996	-3,808	-2,004	-2,841
(-) Other property charges		-278	-497	-514	-324
<b>PROPERTY CHARGES</b>		<b>-5,397</b>	<b>-7,480</b>	<b>-5,893</b>	<b>-5,188</b>
<b>PROPERTY OPERATING RESULT</b>		<b>33,850</b>	<b>41,754</b>	<b>27,110</b>	<b>28,663</b>
(-) Corporate operating charges	12	-1,646	-2,796	-1,944	-1,940
(+/-) Other current operating income and expenditure		-245	260	417	277
<b>OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO</b>		<b>31,959</b>	<b>39,218</b>	<b>25,583</b>	<b>27,000</b>
(+/-) Gains or losses on disposals of investment properties	13	15,175	3,600	1,486	3
(+/-) Changes in fair value of investment properties	14	-17,804	13,371	16,609	9,166
<b>OPERATING RESULT</b>		<b>29,330</b>	<b>56,189</b>	<b>43,678</b>	<b>36,169</b>
(+) Financial income	15	1,048	4,936	3,406	2,891
(-) Interest charges	16	-8,946	-16,331	-10,316	-11,421
(-) Other financial charges	17	-3,020	-4,939	-364	-3,812
<b>FINANCIAL RESULT</b>		<b>-10,918</b>	<b>-16,334</b>	<b>-7,274</b>	<b>-12,342</b>
<b>PRE-TAX RESULT</b>		<b>18,412</b>	<b>39,855</b>	<b>36,404</b>	<b>23,827</b>
(+/-) Corporate taxes	18	-395	-294	-469	-135
(+/-) Exit tax		364	1	-415	1
<b>TAXES</b>		<b>-31</b>	<b>-293</b>	<b>-884</b>	<b>-134</b>
<b>NET RESULT</b>		<b>18,381</b>	<b>39,562</b>	<b>35,520</b>	<b>23,693</b>
Attributable to:					
Minority interests		1	1,240	586	860
Group share		18,380	38,322	34,934	22,833

(a) As the previous financial year was an extended financial year that ran from 01/07/07 – 31/12/08 (18 months) comparative pro forma figures are presented for the period 01/01/08 – 31/12/08 (12 months) (un-audited). For more details we refer to note 47 of the financial statements recorded in the annual financial report 07/08.

## RESULTS PER SHARE

(in €)	31/12/2009 (12 months)	31/12/2008 (18 months)	30/06/2007 (12 months)	31/12/2008 (12 months)
Net result per share, group share (b)	4.60	9.59	8.71	5.71
Net result per diluted share, group share (b)	4.60	9.59	8.71	5.71

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



# CONSOLIDATED BALANCE SHEET

(in 1,000 €)

	Note	Period 31/12/2009	Period 31/12/2008	Period 30/06/2007
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>		<b>538,987</b>	<b>564,222</b>	<b>454,174</b>
Intangible assets	19	2	2	0
Investment properties, incl. development projects	20	537,518	563,234	449,773
Other tangible assets	21	31	33	17
Non-current financial assets	22,23	1,436	953	4,384
<b>CURRENT ASSETS</b>		<b>13,158</b>	<b>12,662</b>	<b>23,028</b>
Assets held for sale	20	0	0	9,483
Current financial assets	24	3,528	2,887	6,626
Trade receivables	25	5,782	4,762	4,000
Tax receivables and other current assets	26	746	1,659	252
Cash and cash equivalents	27	2,767	2,580	1,472
Deferred charges and accrued income	28	335	774	1,195
<b>TOTAL ASSETS</b>		<b>552,145</b>	<b>576,884</b>	<b>477,202</b>
<b>LIABILITIES</b>				
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>274,918</b>	<b>264,431</b>	<b>272,046</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY</b>		<b>274,924</b>	<b>264,438</b>	<b>262,071</b>
Capital	29	44,128	44,128	44,128
Share premium account	29	70,622	70,622	70,622
Treasury shares (-)	29	-1,046	-1,046	-12
Reserves	29	152,435	121,506	117,205
Result	29	18,380	38,322	34,934
Impact on fair value of estimated transfer rights and costs	31	-8,129	-8,120	-6,219
Change in fair value of financial assets and liabilities	32	-1,466	-974	1,413
on financial assets available for sale		12	-630	336
on derivative financial instruments		-1,478	-344	1,077
<b>MINORITY INTERESTS</b>	<b>33</b>	<b>-6</b>	<b>-7</b>	<b>9,975</b>
<b>LIABILITIES</b>		<b>277,227</b>	<b>312,453</b>	<b>205,156</b>
<b>NON-CURRENT LIABILITIES</b>		<b>198,782</b>	<b>176,688</b>	<b>88,943</b>
Provisions	34	386	1,105	1,751
Non-current financial debts	35	193,050	172,460	86,300
a. credit institutions		192,856	163,901	86,300
b. other		194	8,559	
Other non-current financial liabilities	36	4,943	2,704	33
Other non-current liabilities		403	419	859
<b>CURRENT LIABILITIES</b>		<b>78,445</b>	<b>135,765</b>	<b>116,213</b>
Provisions		0	0	0
Current financial debts	35	62,001	92,021	100,321
a. credit institutions		7,750	22,167	
b. other		54,251	69,854	100,321
Trade debts and other current debts	37	6,141	11,141	6,698
Exit tax		0	3,298	0
Other		6,141	7,843	6,698
Other current liabilities	38	1,267	24,298	1,125
Accrued charges and deferred income	39	9,036	8,305	8,069
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>552,145</b>	<b>576,884</b>	<b>477,202</b>

## CONSOLIDATED CASH FLOW STATEMENT

(in 1,000 €)

	Note	Period 31/12/2009	Period 31/12/2008	Period 30/06/2007
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>27</b>	<b>2,580</b>	<b>1,472</b>	<b>5,518</b>
<b>1. Cash flow from operating activities</b>		<b>-6,703</b>	<b>52,351</b>	<b>12,551</b>
<b>Net results</b>		<b>18,380</b>	<b>39,562</b>	<b>35,520</b>
<b>Amendment of the profit for non-cash and non-operating elements</b>		<b>2,880</b>	<b>-14,010</b>	<b>-18,511</b>
<b>Depreciations and write-downs</b>		<b>-35</b>	<b>140</b>	<b>36</b>
- Depreciations and write-downs on intangible and other tangible assets (+/-)		7	23	36
- Write-downs on current assets (-)		-42	117	
<b>Other non-cash elements</b>		<b>18,090</b>	<b>-10,550</b>	<b>-17,061</b>
- Changes in fair value of investment properties (+/-)		17,804	-13,371	-16,609
- Movements in provisions (+/-)		303	-646	1,723
- Phasing of gratuities (+/-)		-619	-604	110
- Changes in the fair value of derivative financial instruments (+/-)		602	4,368	-959
- Other non-current transactions			-297	-1,326
<b>Non-operating elements</b>		<b>-15,175</b>	<b>-3,600</b>	<b>-1,486</b>
Gains on disposals of non-current assets		-15,175	-3,600	-1,486
<b>Change in working capital requirements</b>		<b>-27,963</b>	<b>26,799</b>	<b>-4,458</b>
<b>Movements in asset items</b>		<b>374</b>	<b>4,879</b>	<b>-3,538</b>
- Current financial assets			6,273	-3,670
- Trade receivables		-978	-678	697
- Tax receivables and other current assets		913	-1,185	104
- Deferred charges and accrued income		439	469	-669
<b>Movements in liability items</b>		<b>-28,337</b>	<b>21,920</b>	<b>-920</b>
- Trade debts and other current debts		-5,016	-226	-1,643
- Other current liabilities		-24,052	22,043	120
- Accrued charges and deferred income		731	103	603
<b>2. Cash flow from investment activities</b>		<b>23,712</b>	<b>-92,151</b>	<b>12,547</b>
<b>Investments</b>				
Investment properties in operation		-1,516	-51,942	28,614
Development projects		-14,787	-18,062	-1,910
Intangible and other tangible assets		-5	-40	
Non-current financial assets			-35,318	-14,157
Assets held for sale			13,083	
Effect in consolidation of new participations			128	
<b>Divestments</b>				
Investment properties in operation		40,000		
Non-current financial assets		20		
<b>3. Cash flow from financing activities</b>		<b>-16,822</b>	<b>40,908</b>	<b>-29,144</b>
<b>Change in financial liabilities and financial debts</b>				
Increase (+) / Decrease (-) of financial debts		-9,429	72,797	-16,703
<b>Change in shareholders' equity</b>				
Variation of capital and share premium account (+/-)				14
Increase (+) / Decrease (-) of treasury shares			-1,034	-12
Dividend of the previous financial year			-15,470	-12,443
Interim dividend of the current financial year			-15,385	
Closing dividend of the previous financial year		-7,393		
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>27</b>	<b>2,767</b>	<b>2,580</b>	<b>1,472</b>

## STATEMENT OF MUTATION OF SHAREHOLDER'S EQUITY

(in 1,000 €)

	Capital	Share premium account	Treasury shares (-)	Reserves + result	Impact on fair value of estimated transfer rights resulting from hypothetical disposal of investment properties	Change in fair value of financial assets and liabilities	Share-holders' equity attributable to the share-holders of the parent company	Minority interests	Total share-holders' equity
<b>Balance sheet under IFRS on 30/06/07</b>	<b>44,128</b>	<b>70,622</b>	<b>-12</b>	<b>152,139</b>	<b>-6,219</b>	<b>1,413</b>	<b>262,071</b>	<b>9,975</b>	<b>272,046</b>
- 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
- Comprehensive income of the financial year 2007-2008 (18 months)				38,322	-1,901	-2,387	34,034	1,240	35,274
- Treasury shares			-1,034				-1,034		-1,034
- Various							0	-11,222	-11,222
<b>Balance sheet under IFRS on 31/12/08</b>	<b>44,128</b>	<b>70,622</b>	<b>-1,046</b>	<b>159,828</b>	<b>-8,120</b>	<b>-974</b>	<b>264,438</b>	<b>-7</b>	<b>264,431</b>
- Distribution of closing dividend of the previous financial year				-7,393			-7,393		-7,393
- Comprehensive income of the financial year 2009 (12 months)				18,380	-9	-492	17,879	1	17,880
- Various							0		0
<b>Balance sheet under IFRS on 31/12/09</b>	<b>44,128</b>	<b>70,622</b>	<b>-1,046</b>	<b>170,815</b>	<b>-8,129</b>	<b>-1,466</b>	<b>274,924</b>	<b>-6</b>	<b>274,918</b>

## STATEMENT OF COMPREHENSIVE INCOME

(in 1,000 €)

	31/12/2009 (12 months)	31/12/2008 (18 months)
<b>Net result</b>	<b>18,381</b>	<b>39,562</b>
<i>Other elements of comprehensive income</i>	<i>-501</i>	<i>-4,288</i>
Impact on fair value of estimated transfer rights resulting from hypothetical disposal of investment properties	-9	-1,901
Change in fair value of financial assets and liabilities	-492	-2,387
<b>Comprehensive income</b>	<b>17,880</b>	<b>35,274</b>

## NOTE 1

### GENERAL BUSINESS INFORMATION

Leasinvest Real Estate SCA ('LRE') is a real estate investment trust (sicafi/investment company with fixed capital), under Belgian Law, with its administrative offices in Antwerp.

The consolidated annual accounts of LRE of the financial year ending on 31/12/09 comprise LRE and its subsidiaries.

The statutory and consolidated annual accounts were authorised for issue by the board of directors on 9 February 2010 and will be proposed to the annual general meeting of shareholders for approval, on 17 May 2010. 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 CONSOLIDATED ANNUAL ACCOUNTS LEASINVEST REAL ESTATE SCA

##### A. STATEMENT OF COMPLIANCE

The consolidated annual accounts are prepared in accordance with International Reporting Standards and IFRIC interpretations, entering into force as of 31/12/09, as adopted by the European Commission.

The past financial year a number of new or modified standards and interpretations have entered into force.

The modifications having had an impact on the presentation of the annual accounts or on the accounting principles of Leasinvest Real Estate per 31/12/09 are the following:

- the modified IAS 40/IAS 16 (entered into force as from 01/01/09) regarding assets under construction, held as investment properties afterwards. This adjustment has as a consequence that development projects are from now on recorded in the balance sheet item 'Investment properties' and are consequently valued at their fair value instead of at their acquisition value. The valuation rules have been adapted accordingly.

- the review of IAS 1 'Presentation of the annual accounts' (entered into force as from 01/01/09). This adjustment concerns the presentation of the comprehensive income in the new note 'Statement of comprehensive income' and the modified presentation of the statement of mutation of shareholder's equity.

The new or modified standards entered into force as from 01/01/09, but having had no impact on the financial statements of Leasinvest Real Estate are:

- IFRS 8 'operational segments' (in substitution for IAS 14 'Segment reporting')
- IAS 23 'Financing costs'. The revised IAS 23 requires the activation of the financing costs directly attributable to the acquisition or the construction of an investment property. As this was already applied by Leasinvest Real Estate in the past, this review has no impact on the annual accounts.
- IFRS 2 'Share based payment'
- IFRIC 15 'Contracts for the construction of real estate'
- IFRIC 16 'Hedging of net investments in foreign entities'
- IAS 32 'Financial instruments: presentation' and IAS 1 'Presentation of the annual accounts – puttable financial instruments and liabilities at liquidation'
- IFRIC 14, IAS 19 'The limit for an asset from a defined benefit plan, minimum coverage and their interaction'

For the next financial year, beginning on 1 January 2010, the following new or modified standards and interpretations will enter into force:

- IFRS 3 'Business combinations'. This review could have an impact on the recording of future take-overs.
- IAS 30 'Financial instruments: recording and valuation – hedges taken into account. This review will have no impact on the financial statements of Leasinvest Real Estate.
- IFRS 2 'Share based payment – share base payment, in cash, within the group'. This review will have no impact on the financial statements of Leasinvest Real Estate.

##### 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.



### 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.

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. Investment properties comprise as well buildings that are ready for letting (investment properties in operation), as buildings under construction or development for future use as an investment property in operation (development projects).

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, 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, 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, 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 in operation** 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 activated and consequently recorded in the book value of the concerned asset as far as an independent real estate valuer acknowledges a corresponding increase in value of the building.

Regarding the **development projects**, all costs directly related to the development of the building, including additional costs such as transfer rights and non-deductible VAT, are activated.

Interest charges on credits for financing the project are also activated as far as they relate to the period preceding the ready-for-use of the non-current tangible asset. For general credits concluded to acquire assets, the interest charge to be activated is defined based on the average credit cost of the group during the period.

#### H. 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.

#### I. 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.

## J. 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 re-valued 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.

## K. 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.

## L. 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.

## M. 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.

## N. CONTINGENT ASSETS AND LIABILITIES

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

## O. 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 li-

abilities 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.



## P. 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.

## Q. EVENTS AFTER THE BALANCE SHEET DATE

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

## R. 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.

## S. 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.

## T. 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.

## U. 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, issue of short term commercial paper (from 1 week to 6 months) and bank credit lines (from 1 to 5 years).

The financing and liquidity risks for Leasinvest Real Estate could consist of:

- 1 - insufficient liquidity to be able to meet its financial obligations. The net cash flow of Leasinvest Real Estate is more than adequate to meet its interest charges. Almost all the bank loans are of the "bullet loan" type, and therefore the principal only has to be reimbursed at the maturity date;
- 2 - the commercial paper market drying up completely. This risk is limited by the commercial paper issues being fully covered by back-up credit lines (€ 104.2 million);
- 3 - the existing bank loans and/or back-up credit loans not being extended. This risk is limited by diversifying the maturity date of the credit facilities. Leasinvest Real Estate was able to extend those bank loans and back-up credit lines that matured in 2009, but with an increase in the bank's margins. In 2010, no bank loans have to be extended, and only a proportion of the back-up credit lines (€ 26.7 million);
- 4 - the credit lines being withdrawn prematurely, due to the real estate investment trust no longer being able to meet its existing financial and other commitments imposed by its banks. The bank loans include financial covenants, which relate mainly to the status of real estate investment trust and the associated maximum debt ratio. The consolidated debt ratio<sup>1</sup> of Leasinvest Real Estate on 31/12/09 was 47.61% (31/12/08: 52.06%), which is significantly lower than the maximum debt ratio of 65% allowed by law and stipulated by the Royal Decree of 21/06/06;
- 5 - the credit lines have to be withdrawn prematurely due to the default of the financial institutions (counterparty risk). This risk is limited by spreading the bank loans across various banks.

#### INTEREST RATE RISK

The hedging policy is intended to cover the interest rate risk for approximately 80% of the financial debt for a 3-year period. 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 were to 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.

In 2009, Leasinvest Real Estate made use of historically low interest rates to extend the duration of its hedging from 2.6 years to 3.3 years, by entering into new forward caps, interest rate swaps and payer swaptions. The maturity dates of the interest hedging instruments are between 2010 and 2017. For more detail, please refer to note 23 of the financial statements on page 94.

For a real estate investment trust and in this case, Leasinvest Real Estate, which has a gross indexed rental yield of 7.48% (based on the fair value), low interest rates are a potentially profit-increasing factor. Normally this results in an increase of the gross margin between the received rental yield and the interest rate paid.

Notwithstanding the fact that Leasinvest Real Estate is financed mainly on the basis of floating interest rates, it could only partially take advantage of these lower interest rates, because Leasinvest Real Estate - due to its risk-averse profile - has taken out interest rate hedging instruments (such as IRS and interest collars) to cover that interest rate risk.

Nevertheless, due to its interest hedging policy, whereby the liability is covered largely by interest collars and interest caps (€ 145 million in current hedging with a ceiling on interest rates), and to a more limited extent via interest rate swaps (€ 55 million of current hedging with a fixed interest rate) Leasinvest Real Estate succeeded in reducing its average financing cost from 4.7% to 3.7% in 2009.

Moreover, a lowering of 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.

Due to the deep financial crisis, banks are systematically applying 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, this can offset, partially or entirely, the above mentioned positive effect of lower market interest rates. Since the end of 2009, a turning-point has been observed, and the credit margins for new loans or for credit extensions are going back down.

## 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 and therefore limiting the dependency of the real estate investment trust to the fall-out of a tenant due to termination of the lease or bankruptcy.

The breakdown per sector of our tenant portfolio remains healthy. The most prominent sectors are services (25% compared with 24% on 31/12/08), retail & wholesale (19%, same as 31/12/08), financial institutions (14% compared with 13% on 31/12/08), followed by industry (10% - same as 31/12/08) and public institutions, non-profit organizations and international professional associations (9% compared with 10% on 31/12/08).

The creditworthiness of our tenants' portfolio remains very good, which is demonstrated by the fact that Leasinvest Real Estate did not have to make any write-downs of doubtful receivables in 2009, either in Belgium or Luxembourg.

Ensuring tenant loyalty has always been very important to Leasinvest Real Estate. We respond to the needs of our tenants through a competent, dynamic and customer-focused commercial and operational management. In the 2009 financial year, various contracts with a break possibility were extended. In 2010 9.9% of the leases are due to expire. In 2011 a lot of leases have break possibilities, i.e. 20.7% and in 2012, the figure will be 14.4%. The real estate investment trust has already started negotiations for renewal with most of the large tenants with leases due to expire within the 3 coming years.

In the past, Leasinvest Real Estate has always succeeded in extending the majority of the leases due to expire, or in negotiating new leases, which has been reflected in the relatively constant duration of our leases over the years: the duration of the Luxembourg portfolio rose from 2.3 years (30/06/06) to 4.8 years on 31/12/08 and was 4.3 years on 31/12/09. The duration of the Belgian portfolio has shortened from 4.5 years on 31/12/08 to 3.7 years on 31/12/09.

The relatively low duration is explained by the fact that the leases in Belgium and Luxembourg, which are mainly entered into with companies (who constitute 90% of Leasinvest Real Estate's consolidated portfolio) are mainly of the classic type (3-6-9 years). Leasinvest Real Estate's pro-active management is also focused

on entering into leases with a longer duration than the classic 3-6-9 years.

Please refer to note 5 of the financial report for a list of the rental income on an annual basis that could potentially be lost if every tenant having a break possibility would actually leave their premises, and there would be no re-letting.

## **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	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009 (12 months)	31/12/2008 (18 months)
(+) Rental income	24,689	34,512	14,507	14,546			39,196	49,058
(+) Write-back of lease payments sold and discounted								
(+/-) Rental -related expenses	42	-117					42	-117
<b>NET RENTAL INCOME</b>	<b>24,731</b>	<b>34,395</b>	<b>14,507</b>	<b>14,546</b>	<b>0</b>	<b>0</b>	<b>39,238</b>	<b>48,941</b>
(+) Recovery of property charges	65	811		141			65	952
(+) Recovery income of charges and taxes normally payable by tenants on let properties	3,398	3,898	48	12			3,446	3,910
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease		-483						-483
(-) Charges and taxes normally payable by tenants on let properties	-3,398	-3,898	-48	-12			-3,446	-3,910
(+/-) Other rental-related income and expenditure	125	-70	-181	-106			-56	-176
<b>PROPERTY RESULT</b>	<b>24,921</b>	<b>34,653</b>	<b>14,326</b>	<b>14,581</b>	<b>0</b>	<b>0</b>	<b>39,247</b>	<b>49,234</b>
(-) Technical costs	-945	-1,489	-145	-295			-1,090	-1,784
(-) Commercial costs	-330	-493	-448	-317			-778	-810
(-) Charges and taxes on un-let properties	-209	-430	-46	-151			-255	-581
(-) Property management costs <sup>(1)</sup>	-2,840	-3,527	-156	-281			-2,996	-3,808
(-) Other property charges	-154	-364	-124	-133			-278	-497
<b>PROPERTY CHARGES</b>	<b>-4,478</b>	<b>-6,303</b>	<b>-919</b>	<b>-1,177</b>	<b>0</b>	<b>0</b>	<b>-5,397</b>	<b>-7,480</b>
<b>PROPERTY OPERATING RESULT</b>	<b>20,443</b>	<b>28,350</b>	<b>13,407</b>	<b>13,404</b>	<b>0</b>	<b>0</b>	<b>33,850</b>	<b>41,754</b>
(-) Corporate operating charges					-1,646	-2,796	-1,646	-2,796
(+/-) Other current operating income and expenditure		-156		537	-245	-121	-245	260
<b>OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO</b>	<b>20,443</b>	<b>28,194</b>	<b>13,407</b>	<b>13,941</b>	<b>-1,891</b>	<b>-2,917</b>	<b>31,959</b>	<b>39,218</b>
(+/-) Gains or losses on disposals of investment properties			15,175	3,600			15,175	3,600
(+/-) Changes in fair value of investment properties	-19,105	-6,669	1,301	20,040			-17,804	13,371
<b>OPERATING RESULT</b>	<b>1,338</b>	<b>21,525</b>	<b>29,883</b>	<b>37,581</b>	<b>-1,891</b>	<b>-2,917</b>	<b>29,330</b>	<b>56,189</b>
(+) Financial income					1,048	4,936	1,048	4,936
(-) Interest charges					-8,946	-16,331	-8,946	-16,331
(-) Other financial charges					-3,020	-4,939	-3,020	-4,939
<b>FINANCIAL RESULT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-10,918</b>	<b>-16,334</b>	<b>-10,918</b>	<b>-16,334</b>
<b>PRE-TAX RESULT</b>	<b>1,338</b>	<b>21,525</b>	<b>29,883</b>	<b>37,581</b>	<b>-12,809</b>	<b>-19,251</b>	<b>18,412</b>	<b>39,855</b>
(+/-) Corporate taxes					-395	-294	-395	-294
(+/-) Exit tax					364	1	364	1
<b>TAXES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-31</b>	<b>-293</b>	<b>-31</b>	<b>-293</b>
<b>NET RESULT</b>	<b>1,338</b>	<b>21,525</b>	<b>29,883</b>	<b>37,581</b>	<b>-12,840</b>	<b>-19,544</b>	<b>18,381</b>	<b>39,562</b>
Attributable to:								
Minority interests							1	1,240
Group shares							18,380	38,322

(1) The property management costs consist among other things of the fee paid by Leasinvest Real Estate 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 2009 (12 months) € 0.98 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	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>ASSETS</b>								
Intangible assets	2	2					2	2
Investment properties (incl. development projects)	317,979	331,119	219,539	232,115			537,518	563,234
Assets held for sale								
Other assets	12,039	10,576	2,586	3,072			14,625	13,648
<b>ASSETS PER SEGMENT</b>	<b>330,020</b>	<b>341,697</b>	<b>222,125</b>	<b>235,187</b>			<b>552,145</b>	<b>576,884</b>
<b>LIABILITIES</b>								
Non-current financial liabilities					193,050	172,460	193,050	172,460
Current financial liabilities					62,001	92,021	62,001	92,021
Other liabilities	12,202	16,492	4,094	27,113	5,880	4,366	22,176	47,972
<b>LIABILITIES PER SEGMENT</b>	<b>12,202</b>	<b>16,492</b>	<b>4,094</b>	<b>27,113</b>	<b>260,931</b>	<b>268,847</b>	<b>277,227</b>	<b>312,453</b>

## OTHER SEGMENT INFORMATION

The investment properties consist of the buildings in operation (incl. assets held for sale), as well as the development projects (see note 20).

	Belgium		Luxembourg		TOTAL	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>Buildings in operation</b>						
investments	509	28,111	1,007	49,894	1,516	78,005
divestments		-3,500				-3,500
<b>Assets held for sale</b>						
investments				8		8
divestments				-9,491		-9,491
<b>Development projects</b>						
investments	5,280	4,272	9,507	20,710	14,787	24,982
divestments			-24,834		-24,834	
<b>Other tangible assets (other)</b>						
investments		36	5	2	5	38
divestments	-6	-22	-1		-7	-22
net book value at the end of the financial year	26	31	5	2	31	33

During the financial year 2009 the investments in **buildings in operation**, as well in Belgium (€ 0.5 million) as in Luxembourg (€ 1 million), were limited to the execution of renovation works increasing the value of the building and activated, according to the valuation rules.

In the course of the previous financial year 2007/2008 however € 78 million was invested. The main investments were the acquisition of the storage buildings situated in the Antwerp region (€ 24.4 million) and the acquisition in Luxembourg of a retail site in Strassen and 2 retail buildings in Diekirch and Foetz (total € 47.5 million).

The sale of the **assets held for sale** the previous financial year relates to the building 'Aubépines' situated in the Grand Duchy of Luxembourg, sold in July 2007.

Regarding the **development projects**, € 14.8 million was invested in 2009 compared to € 25 million in the previous financial year. The investments in Luxembourg mainly consist of the investments in the office buildings Montimmo (€ 3.4 million) and Bian (€ 6.1 million).

The renovated office building Bian was sold at the end of June 2009 to a third party for € 40 million with a realized capital gain of € 15.2 million.

In Belgium the investments in development projects (€ 5.3 million) mainly relate to the investment in the office building (with storage space) situated in Zwijndrecht (Antwerp) and built for Cegelec.



## 4.1.3. MAIN KEY FIGURES (GEOGRAPHICAL SEGMENTATION)

(in 1,000 €)	Belgium		Luxembourg		TOTAL	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>REAL ESTATE PORTFOLIO</b>						
Fair value of the real estate portfolio	317,979	331,119	219,539	232,115	537,518	563,234
Investment value of the real estate portfolio	326,230	339,300	225,170	239,000	551,400	578,300
Yield (in fair value) of the segment	7.88%	7.53%	6.90%	6.86%	7.48%	7.27%
Yield (in investment value) of the segment	7.69%	7.35%	6.73%	6.69%	7.29%	7.09%
Total rentable surface (m <sup>2</sup> )	267,475	261,135	85,961	84,201	353,436	345,336
Occupancy rate	96.72%	96.19%	99.39%	99.15%	97.74%	97.29%
Weighted average duration till first break possibility (# years)	3.7	4.5	4.3	4.8	3.9	4.6

The fair value and the investment value of the real estate portfolio comprise as well the buildings in operation as the development projects. For the calculation of the other key figures (the yield, the total rentable surface, the occupancy rate and the weighted average duration ), only the buildings in operation are taken into account.

## 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	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Rental income	24,253	30,904	8,917	15,210	5,498	2,944	38,668	49,058
Fair value of the real estate portfolio	344,220	364,497	106,576	111,761	86,722	86,976	537,518	563,234
Investment value of the real estate portfolio	353,140	374,440	109,370	114,710	88,890	89,150	551,400	578,300
Occupancy rate	97.00%	95.83%	99.00%	99.17%	100%	100%	97.74%	97.29%
Yield (in fair value) of the segment	7.35%	7.16%	8.84%	8.42%	6.29%	6.24%	7.48%	7.27%
Yield (in investment value) of the segment	7.17%	6.98%	8.61%	8.20%	6.13%	6.09%	7.29%	7.09%
Weighted average duration till first break possibility (# years)	3.3	3.8	4.0	4.6	6.2	7.1	3.9	4.6

The real estate portfolio comprises as well the buildings in operation as the development projects.

For the calculation of the occupancy rate and the rental yield only the buildings in operation are taken into account. In 2009 no new buildings were acquired. The sale of the building Bian in Luxemburg however took place in the segment “Offices”.

Regarding the other assets, other than the real estate portfolio, it is irrelevant to apply the segmentation per type.

## NOTE 5

### NET RENTAL INCOME

(in 1,000 €)	31/12/2009 (12 months)	31/12/2008 (18 months)	30/06/2007 (12 months)
<b>Rental income</b>	<b>39,196</b>	<b>49,058</b>	<b>33,154</b>
Rents	38,049	48,454	32,979
Guaranteed income			
Rent-free periods	619	604	-110
Rental incentives			
Indemnities for early termination of the leases	528		285
Income from finance leases and comparable items			
<b>Write-back of lease payments sold and discounted</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Rental-related expenses</b>	<b>42</b>	<b>-117</b>	
Rent payable on rented premises			
Write-downs on trade receivables		-137	
Write-backs of write-downs on trade receivables	42	20	
<b>Net rental income</b>	<b>39,238</b>	<b>48,941</b>	<b>33,154</b>

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 €)	31/12/2009 (12 months)	31/12/2008 (12 months)
Within one year	4,046	3,540
Between one and five years	20,431	24,700
More than five years	16,409	10,761
<b>TOTAL</b>	<b>40,886</b>	<b>39,001</b>

## NOTE 6

(in 1,000 €)	31/12/2009 (12 months)	31/12/2008 (18 months)
<b>Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease</b>		<b>-483</b>
<b>Recovery of property charges</b>	<b>65</b>	<b>952</b>
Compensations received for rental damage	65	629
Recovery of refurbishment costs at end of lease		322
<b>TOTAL</b>	<b>65</b>	<b>469</b>

## NOTE 7

(in 1,000 EUR)	31/12/2009 (12 months)	31/12/2008 (18 months)
<b>Recovery income of charges and taxes normally payable by tenants on let properties</b>	<b>3,446</b>	<b>3,910</b>
Rebiling of rental charges paid by the landlord	823	445
Rebiling of taxes on let properties	2,623	3,465
<b>Rental charges and taxes normally payable by tenants on let properties</b>	<b>-3,446</b>	<b>-3,910</b>
Rental charges paid by the landlord	-823	-445
Taxes on let properties	-2,623	-3,465
<b>Rental charges borne by the landlord on let properties</b>	<b>0</b>	<b>0</b>

Under usual lease terms these charges and taxes are borne by the tenants through rebilling 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 re-billed.

## NOTE 8

### TECHNICAL COSTS

(in 1,000 €)

	31/12/2009 (12 months)	31/12/2008 (18 months)
<b>Recurring technical costs</b>	<b>-1,079</b>	<b>-1,739</b>
Maintenance	-1,061	-1,732
Compensation for total guarantees		
Insurance premiums	-18	-7
<b>Non-recurring technical costs</b>	<b>-11</b>	<b>-45</b>
Major repairs (building contractors, architects, engineering, ...)	-5	-7
Claims	-6	-39
<b>TOTAL</b>	<b>-1,090</b>	<b>-1,784</b>

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 €)

	31/12/2009 (12 months)	31/12/2008 (18 months)
Letting fees paid to real estate agents	-593	-562
Marketing expenses	-74	-164
Lawyer fees and legal expenses	-111	-84
<b>TOTAL</b>	<b>-778</b>	<b>-810</b>

The increase of the letting fees paid to real estate agents (on an annual basis) is explained by the successful letting of the redeveloped office building Montimmo in Luxembourg.

## NOTE 10

### CHARGES AND TAXES ON UN-LET PROPERTIES

(in 1,000 €)

	31/12/2009 (12 months)	31/12/2008 (18 months)
Charges on un-let properties of the financial year	-135	-424
Property taxes on un-let properties	-120	-157
<b>TOTAL</b>	<b>-255</b>	<b>-581</b>

The charges on un-let 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 €)

	31/12/2009 (12 months)	31/12/2008 (18 months)
External management costs	-2,353	-3,083
Costs of the internal management of the property	-643	-725
<b>TOTAL</b>	<b>-2,996</b>	<b>-3,808</b>

The company Leasinvest Real Estate SCA (on a statutory basis) has no own personnel. 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 ten persons on 31/12/09 under the direction of the permanent representative (eleven 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 (personnel: 4 people).

## NOTE 12

### GENERAL CORPORATE CHARGES

(in 1,000 €)	31/12/2009 (12 months)	31/12/2008 (18 months)
ICB tax	-266	-566
Depository	-140	-276
Auditor fees	-69	-170
Liquidity provider	-14	-23
Other expenses	-1,157	-1,759
<b>TOTAL</b>	<b>-1,646</b>	<b>-2,796</b>

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 €)	31/12/2009 (12 months)	31/12/2008 (18 months)
Net gains on investment properties (selling price - transfer rights)	40,000	13,091
Book value of real estate sold (fair value)	-24,825	-9,491
Write-back of impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties		
<b>TOTAL</b>	<b>15,175</b>	<b>3,600</b>

On 24 June 2009 Leasinvest Immo Lux has sold the redeveloped building Bian situated in the Grand Duchy of Luxembourg, with a realized capital gain of € 15.2 million.

In the previous financial year a capital gain of € 3.6 million was realized on the sale of the building Aubépines in Luxembourg.

The fixed transfer rights, accounted for in the item “Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties” have to be deducted directly from the capital gain on disposal of an investment property.

## NOTE 14

### CHANGES IN FAIR VALUE OF PROPERTY INVESTMENT

(in 1,000 €)	31/12/2009 (12 months)	31/12/2008 (18 months)
Positive changes in fair value of investment properties	4,638	24,434
Negative changes in fair value of investment properties	-22,442	-11,063
<b>TOTAL</b>	<b>-17,804</b>	<b>13,371</b>

The negative changes mainly relate to the buildings situated in Belgium (€ -19.1 million) and are the consequence of the higher capitalization yields applied by the external real estate expert.

On the office building situated at the Erasmus Campus in Anderlecht an extraordinary loss of € 5 million was accounted for as the tenant L'Oréal has announced no to occupy the office building anymore as from the end of May 2011.

On the Luxembourg portfolio only a slight decrease of € 1.2 million was recorded, entirely compensated by the realized capital gain of € 2.5 million on the new office building Montimmo, fully let since December 2009.

In comparison with the Belgian portfolio, the buildings in Luxembourg recorded only a slight decrease because the capitalization yields in Luxembourg have increased to a lesser degree.

In the previous financial year a net positive change of € 13.4 million was accounted for, thanks to the successful redevelopment of the CFM site in Luxembourg producing € 14.4 million (no cash).

## NOTE 15

### FINANCIAL INCOME

(in 1,000 €)	31/12/2009 (12 months)	31/12/2008 (18 months)
Interests and dividends received	227	157
Income from finance leases and comparable items	6	14
Income from derivative financial instruments	815	4,163
Change in the fair value of financial assets		
Net realised gains on the disposal of financial assets		602
<b>TOTAL</b>	<b>1,048</b>	<b>4,936</b>

In the item 'Interests and dividends received' are recorded, on the one hand, the dividends received for an amount of € 0.21 million on the Retail Estates shares and, on the other hand, the interests from temporary, short-term deposits of cash surpluses.

The income from financial instruments (€ 0.8 million) consists of variable interests from interest rate swaps, for which Leasinvest Real Estate always pays a fixed interest rate. This fixed interest rate can be found under the section "costs of derivative financial instruments" of the interest charges (see note 16).



## NOTE 16

### INTEREST CHARGES

(in 1,000 €)	31/12/2009 (12 months)	31/12/2008 (18 months)
Nominal interest charges on loans	-5,489	-13,722
Interest charges on non-current financial debts	-4,438	-7,126
Interest charges on current financial debts	-1,051	-6,596
Re-composition of the nominal amount of the financial debts		
Costs of derivative financial instruments	-3,447	-2,605
Other interest charges	-10	-4
<b>TOTAL</b>	<b>-8,946</b>	<b>-16,331</b>

The costs of derivative financial instruments comprise, among other things, the fixed interest rate which Leasinvest Real Estate pays within the framework of the interest rate swap's concluded as well as the interest paid on sold floors (see note 15).

## NOTE 17

### OTHER FINANCIAL CHARGES

(in 1,000 €)	31/12/2009 (12 months)	31/12/2008 (18 months)
Bank costs and other commissions	-830	-571
Charges of derivative financial instruments	-1,588	
Changes in the fair value of financial assets	-602	-4,368
<b>TOTAL</b>	<b>-3,020</b>	<b>-4,939</b>

The previous financial year Leasinvest Real Estate has paid an amount of € 1.6 million of premiums within the framework of hedges.

The changes in the fair value of financial assets relate to the negative changes in the fair value of ineffective hedges (see note 22).

## NOTE 18

### INCOME TAXES

(in 1,000 €)	31/12/2009 (12 months)	31/12/2008 (18 months)
<b>Parent company LRE</b>	<b>-97</b>	<b>-15</b>
Pre-tax result	-217	12,029
Result exempted from income tax due to the sicafi regime	-217	12,029
Taxable result based on non-deductible costs	398	432
Tax rate of 33.99%	-135	-147
Income tax provision		
Withholding tax	38	
Previous tax year adjustment		131
<b>Subsidiaries</b>	<b>66</b>	<b>-279</b>
<b>TOTAL</b>	<b>-31</b>	<b>-294</b>

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

Leasinvest Immo Lux, subsidiary (100%) 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

### NON-CURRENT INTANGIBLE ASSETS

(in 1,000 €)

	31/12/2009	31/12/2008
Software	0	0
<b>Other non-current intangible assets</b>	<b>0</b>	<b>0</b>
Movements in non-current intangible assets		
<b>Balance at the end of the previous financial year</b>	<b>2</b>	<b>0</b>
Gross amount	2	0
Accumulated depreciations (-)	0	0
Accumulated impairments	0	0
Investments	1	2
Depreciations (-)	-1	0
<b>Balance at the end of the financial year</b>	<b>2</b>	<b>2</b>

## NOTE 20

### INVESTMENT PROPERTIES AND ASSETS HELD FOR SALE (FAIR VALUE METHOD)

(in 1,000 €)	Buildings in operation		Development projects		Assets held for sale		Total	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>Balance at the end of the previous financial year</b>	<b>534,039</b>	<b>436,376</b>	<b>29,195</b>	<b>13,397</b>	<b>0</b>	<b>9,483</b>	<b>563,234</b>	<b>459,256</b>
Investments	1,516	50,041	14,787	18,101		8	16,303	68,150
Divestments	0	-3,500	-24,834			-9,491	-24,834	-12,991
Acquisitions through business combinations	0	27,964		6,880			0	34,844
Transfer from/(to) other items	12,868	9,183	-12,868	-9,183			0	0
Increase/(decrease) in fair value	-19,071	13,975	1,886				-17,185	13,975
<b>Balance at the end of the financial year</b>	<b>529,352</b>	<b>534,039</b>	<b>8,166</b>	<b>29,195</b>	<b>0</b>	<b>0</b>	<b>537,518</b>	<b>563,234</b>

Following a change of IAS 40 (see valuation rules), since 01/01/09, the development projects are recorded in the balance sheet item investment properties and are consequently valued at fair value (previously at acquisition value). This change in valuation only has a limited impact on the consolidated figures of Leasinvest Real Estate as all development project on which Leasinvest Real Estate has recorded a capital gain, have been completed in 2009.

No new buildings were acquired during the previous financial year. The investments (€ 16.3 million) mainly consist of, on the one hand, the activated renovation works for the buildings in operation, and on the other hand, the investments in the development projects Montimmo, Bian and Alpha Campus (Cegelec). For more details we refer to note 4.1.2. (Other segment information).

In the previous financial year 31/12/08 the investments consisted, among other things, of the acquisition of a retail site in Strassen and 2 retail buildings in Diekirch and Foetz (€ 47.5 million).

Moreover, Leasinvest Real Estate became, through the take-over of the companies the owner of storage spaces situated in the Antwerp region (€ 24.4 million).

At the end of June 2009 the redeveloped office building Bian in Luxemburg was sold with a capital gain of € 15.2 million.

The transfer from the development projects to the investment properties (€ 12.9 million) relates to the new office building Montimmo, completed mid-December 2009 an fully let. This project produced a non-realized capital gain of € 2.5 million.

The IAS 40 standard prescribes that the investment properties have to be recorded at their **fair value** (fair value model) 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, including the development projects, amounted to € 551.4 million on 31 December 2009 (31 December 2008: € 578.3 million).

Of the total transfer rights (€ 13.9 million), deducted from the investment value to calculate the fair value, € 8.13 million have been directly deducted from the shareholders' equity through the item 'Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties', or € 2.03 per share.

Leasinvest Real Estate has on 31/12/09 the contractual obligations for the acquisition of a logistic building situated in Brussels via the take-over of 100% of the company Canal Logistics Brussels SA. This acquisition is subject to a number of conditions precedent.

For more information on the take-over of the company Canal Logistics Brussels SA, we refer to the management report. Moreover, at the end of 2009 the public tender for the construction of the State Archives in Bruges had definitively been granted to the consortium Algemene Aannemingen Van Laere-Leasinvest Real Estate (for more details, we refer to the Management report).

After the provisional completion of the new State Archives, expected by 01/11/12, Leasinvest Real Estate will acquire 100% of the shares of the ad hoc company RAB Invest NV created by Van Laere, that will be the owner-letter of the new State Archives.

## NOTE 21

### OTHER TANGIBLE ASSETS

(in 1,000 €)	31/12/2009	31/12/2008
Installations, machines and equipment	18	21
Tangible assets for own use	13	12
Other	0	0
<b>Other tangible assets</b>	<b>31</b>	<b>33</b>
Changes in other tangible assets		
<b>Balance at the end of the previous financial year</b>	<b>33</b>	<b>17</b>
Gross amount	147	109
Accumulated depreciations (-)	-114	-92
Accumulated extraordinary write-downs	0	0
Investments	5	38
Acquisitions through business combinations		
Transfers and disposals (-)		
Transfers through splitting-up (-)		
Depreciations (-)	-7	-22
<b>Balance at the end of the financial year</b>	<b>31</b>	<b>33</b>

The item 'other tangible assets' is written off in a linear way over its economic life cycle (3 to 9 years).

## NOTE 22

### NON-CURRENT FINANCIAL ASSETS

(in 1,000 €)	31/12/2009	31/12/2008
Available for sale	0	0
Loans and receivables	66	85
Other	618	619
Derivative financial instruments	752	249
Participations in associated companies	0	0
<b>TOTAL</b>	<b>1,436</b>	<b>953</b>

The increase of the non-current financial assets is mainly explained by the positive market value of the new hedges concluded in 2009.

## NOTE 23

### DERIVATIVE FINANCIAL INSTRUMENTS

The 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 concluding the financial products listed below:

TYPE	Notional amount	Interest rate	Duration
<b>OPTIONS</b>			
<b>Active options</b>			
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
aankoop CAP	10,000,000	4.75%	2013
acquisition CAP	20,000,000	4.50%	2013
disposal FLOOR	20,000,000	3.17%	2013
<b>Future options</b>			
acquisition CAP	10,000,000	4.50%	2011-2016
acquisition CAP	10,000,000	4.00%	2011-2016
<b>SWAPS</b>			
<b>Active swaps</b>			
IRS	15,000,000	3.87%	2011
IRS	10,000,000	2.90%	2013
IRS	10,000,000	2.87%	2014
IRS	10,000,000	3.05%	2015
IRS	10,000,000	3.26%	2015
<b>Future swaps</b>			
IRS	20,000,000	3.10%	2011-2015
<b>OPTIONS ON SWAPS</b>			
<b>Notional amount</b>			
acquisition payer's swaption <sup>(1)</sup>	10,000,000	4.50%	2010-2015
acquisition payer's swaption	10,000,000	4.50%	2010-2015
acquisition payer's swaption	10,000,000	5.00%	2013-2016
acquisition payer's swaption	10,000,000	5.00%	2014-2017

(1) The acquired payer's swaption grant an option to Leasinvest Real Estate to enter into an IRS with the bank, for which Leasinvest Real Estate, as from the lifting of the option, pays a fixed interest rate to the bank against the reception of a variable interest rate, for the entire duration.

The derivative financial instruments are valued at fair value, which corresponds to the marked-to-market calculated by the financial institutions, based on the Black & Scholes model (category 2 according to IFRS 7).

Regarding IRS's, hedge accounting is followed and the effectiveness of the hedges has been proved. They concern cash flow hedges, hedging issued commercial paper at floating interest rates, reprised at short-term intervals (typically three months or less).

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

The caps / floors and swaptions are ineffective hedges, resulting in the fact that changes in the fair value are recorded in profit and loss.



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

(in 1,000 €)

	31/12/2009		31/12/2008	
	Assets	Liabilities	Assets	Liabilities
Bought caps	550		164	
Sold floors		-3,398		-1,831
Interest Rate Swaps	68	-1,545	85	-429
Acquired payer's swaption	134		0	
Sold receiver's swaption				-444
	<b>752</b>	<b>-4,943</b>	<b>249</b>	<b>-2,704</b>

Changes in the fair value of the hedge instruments:

(in 1,000 €)

Effective part of the fair value (cfr, Section in the shareholders' equity) (see note 32)

<b>Balance on 30/06/2007</b>	<b>1,077</b>
Variation in the effective part of the fair value of derivative financial instruments	-1,421
<b>Balance on 31/12/2008</b>	<b>-344</b>
Variation in the effective part of the fair value of derivative financial instruments	-1,134
<b>Balance on 31/12/2009</b>	<b>-1,478</b>

Ineffective part of the fair value

<b>Balance on 30/06/2007</b>	<b>2,256</b>
Variation in the ineffective part of the fair value of derivative financial instruments	-4,368
<b>Balance on 31/12/2008</b>	<b>-2,112</b>
Variation in the ineffective part of the fair value of derivative financial instruments	-601
<b>Balance on 31/12/2009</b>	<b>-2,713</b>

## NOTE 24

### FINANCIAL CURRENT ASSETS

(in 1,000 €)

	31/12/2009	31/12/2008
Assets held to maturity		
Assets available for sale	3,512	2,871
Assets at fair value through profit or loss		
Loans and receivables	16	16
Others		
<b>TOTAL</b>	<b>3,528</b>	<b>2,887</b>

On 31/12/09 the item 'Assets available for sale' consists of the Retail Estates shares (1,9%) held by Leasinvest Real Estate. The increase of the market value of the Retail Estates shares, based on the closing price, explains the increase of this item.

## NOTE 25

### TRADE RECEIVABLES

(in 1,000 €)

	31/12/2009	31/12/2008
Trade receivables	5,201	4,367
To be invoiced	576	390
Doubtful receivables	5	5
<b>TOTAL</b>	<b>5,782</b>	<b>4,762</b>

**NOTE 26****TAX RECEIVABLES AND OTHER CURRENT ASSETS**

(in 1,000 €)	31/12/2009	31/12/2008
Taxes	104	1,592
Salaries and social security	0	0
Other	642	67
<b>TOTAL</b>	<b>746</b>	<b>1,659</b>

**NOTE 27****CASH AND CASH EQUIVALENTS (SEE ALSO THE CONSOLIDATED CASH FLOW STATEMENT)**

(in 1,000 €)	31/12/2009	31/12/2008
Cash	2,767	2,580
Cash equivalents	0	0
<b>TOTAL</b>	<b>2,767</b>	<b>2,580</b>

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 28****DEFERRED CHARGES AND ACCRUED INCOME – ASSETS**

(in 1,000 €)	31/12/2009	31/12/2008
Accrued and not due rental income		
Rent free periods and incentives for appropriation		
Prepaid property charges	275	464
Prepaid interests and other financial charges	43	259
Other	17	51
<b>TOTAL</b>	<b>335</b>	<b>774</b>

## NOTE 29

### A. SUBSCRIBED CAPITAL

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

Date		Issued capital (in 1,000 €)	Number of shares
31/12/1998	Initial capital Brixton Zaventem	2,922	61,250
4/05/1999	New number of shares(1)		864,808
7/05/1999	Acquisition of own shares and annulment of the acquired shares		-24,603
8/06/1999	Contribution in kind of the "Extensa buildings"	2,788	727,818
8/06/1999	Contribution in kind of the Vierwinden Business Park	9,370	191,574
	<b>Total before the offering</b>	<b>15,080</b>	<b>1,759,597</b>
1/07/1999	Capital increase	20,334	370,851
1/07/1999	Merger with Brixton Louise	7,561	394,672
1/07/1999	Merger with Kapex		4
1/07/1999	Decrease of the capital	-15,209	
	<b>Capital and number of shares after the offering</b>	<b>27,765</b>	<b>2,525,124</b>
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
	<b>Issued capital and number of issued shares on 30/06/04</b>	<b>31,123</b>	<b>2,830,371</b>
23/12/2004	Partial splitting-up (Montoyer 63)	4,606	418,850
	<b>Issued capital and number of issued shares on 30/06/05</b>	<b>35,729</b>	<b>3,249,221</b>
29/05/2006	Contribution in kind of buildings Extensa-portfolio	8,397	763,407
	<b>Issued capital and number of issued shares on 30/06/06</b>	<b>44,126</b>	<b>4,012,628</b>
29/12/2006	Merger with Square de Meeûs 5-6 SA	2	204
	<b>Issued capital and number of issued shares on 30/06/07 &amp; 31/12/09</b>	<b>44,128</b>	<b>4,012,832</b>

(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 at the annual meetings of shareholders of Leasinvest Real Estate. All shares are fully paid. The shares are bearer shares, registered shares dematerialised.

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 € 44,128,326.64. More on this: see articles of association (Article 7).

#### d) Costs related to capital increases:

For the financial years ending on 31/12/08 (18 months) and 31/12/09 (12 months) no costs related to a capital transaction or issuing of new shares have been deducted from the capital.

### B. SHARE PREMIUM ACCOUNTS

(in 1,000 €)

Date	Transactions	
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
	<b>Share premium account on 30/06/05</b>	<b>31,280</b>
29/05/06	Contribution in kind of buildings Extensa-portfolio	39,331
	<b>Share premium account on 30/06/06</b>	<b>70,611</b>
29/12/06	Merger with Square de Meeûs 5-6 SA	11
	<b>Share premium account on 30/06/07 &amp; 31/12/09</b>	<b>70,622</b>

**C. RESULT**

(in 1,000 €)	31/12/2009	31/12/2008
Result to be carried forward	2,395	30,929
Proposed dividend	15,985	7,393
<b>TOTAL</b>	<b>18,380</b>	<b>38,322</b>

The consolidated net result, group share, of the past financial year 2009 amounted to € 18.38 million.

The board of directors of the statutory manager proposes to the ordinary general meeting of shareholders to distribute a gross dividend of € 4, which results in a total dividend of € 15.98 million, based on the dividend rights of all 4,012,832 shares, minus the consolidated number of treasury shares (16,538).

**D. ACQUIRED TREASURY SHARES**

The past financial year 2009 Leasinvest Real Estate did not acquire nor sell any treasury shares, resulting in an unchanged number of treasury shares of 16,538 (incl. the 204 shares held by Leasinvest Services SA, a subsidiary of Leasinvest Real Estate) on 31/12/09 (ditto 31/12/08).

**NOTE 30****COMMENTS ON THE NUMBER OF SHARES, DIVIDENDS AND PROFIT PER SHARE****30.1. CHANGES IN THE NUMBER OF SHARES**

	31/12/2009 Number of shares	31/12/2008 Number of shares
Number of shares at the beginning of the financial year	4,012,832	4,012,832
Change in the number of shares	0	0
Number of shares at the end of the financial year	4,012,832	4,012,832
Number of shares with dividend rights	4,012,832	4,012,832
Number of treasury shares (on a consolidated basis)	16,538	16,538
Number of shares participating in the result of the period	3,996,294	3,996,294

**30.2. CALCULATION OF THE AMOUNT OF THE MANDATORY DIVIDEND DISTRIBUTION  
(ACCORDING TO THE STATUTORY ANNUAL ACCOUNTS)**

(in 1,000 €)	31/12/2009 (12 months)	31/12/2008 (18 months)
Net result according to the statutory annual accounts	(314)	12,015
+ Depreciations	0	17
+ Write-downs	(42)	117
+/- Other non-monetary elements	602	2,136
+/- Result disposal of real estate	0	0
+/- Changes in the fair value of property investments	17,070	5,545
Adjusted result (A)	17,316	19,830
Net gains from the realisation of investment properties not exempt from the mandatory distribution (B)	0	0
<b>A+B</b>	<b>17,316</b>	<b>19,830</b>
<b>Minimum mandatory distribution (80%)</b>	<b>0</b>	<b>15,864</b>
<b>Dividend (proposal)</b>	<b>15,986</b>	<b>22,779</b>
Interim dividend	0	15,386
Closing dividend	15,986	7,393

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

For the financial year 2009 there is no mandatory distribution, as there is no profit on the statutory level.

The profit for appropriation of the financial year 2009, defined, based on the statutory accounts, amounts to € 16,756,589 and is composed of the net result of the financial year (€ -313,549) minus the changes in the fair value of the investment properties (€ -17,070,138).

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.

## 30.3, CALCULATION OF THE PROFIT AND DIVIDEND PER SHARE

(in 1,000 €)	31/12/2009 (12 months)	31/12/2008 (18 months)
Net profit, group share	18,380	38,322
Number of shares participating in the result of the period	3,996,294	3,996,294
Net profit, group share, per share (€) (1)	4,60	9,59
Distributable profit per share (€) (2)	4,33	4,96
	<b>proposal 2009</b>	<b>paid 2008</b>
Gross dividend attributable to the ordinary shareholders (€)	15,985,176	22,778,876
Gross dividend per share (€) (3)	4,00	5,70
Net dividend per share (€)	3,40	4,85

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

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

(3) For the extended financial year 2007/2008 (31/12/08) of 18 months a total gross dividend of € 5,70 was distributed, composed of a unique interim dividend of € 3,85 and a closing dividend of € 1,85.

## NOTE 31

## IMPACT ON FAIR VALUE OF ESTIMATED TRANSFER RIGHTS AND COSTS RESULTING FROM HYPOTHETICAL DISPOSAL OF INVESTMENT PROPERTIES

(in 1,000 €)	31/12/2009	31/12/2008
Balance at the end of the previous financial year	-8,120	-6,219
Impact of disposal of investment properties		
Impact of acquisition of investment properties	-9	-1,901
<b>Balance at the end of the financial year</b>	<b>-8,129</b>	<b>-8,120</b>

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 change in the transfer rights, has been entirely recognized in the results, for the total current portfolio,

The change in the financial year 2009 is the consequence of the sale of the Bian project in Luxembourg,

## NOTE 32

## CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(in 1,000 €)	31/12/2009	31/12/2008
On financial assets available for sale	12	-630
On derivative financial instruments	-1,478	-344
<b>TOTAL</b>	<b>-1,466</b>	<b>-974</b>

## NOTE 33

## MINORITY INTERESTS

(in 1,000 €)		31/12/2009	31/12/2008
<b>Company</b>	<b>Percentage of participation</b>		
Leasinvest Services SA	99%	-6	-7
<b>Total minority interests</b>		<b>-6</b>	<b>-7</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>274,918</b>	<b>264,431</b>



## NOTE 34

### PROVISIONS

(in 1,000 €)	Provisions for guarantees	Other provisions	TOTAL
<b>Balance at the end of the previous financial year</b>	<b>1,079</b>	<b>26</b>	<b>1,105</b>
Additional provisions		303	303
Amount of provisions used (-)	-1,022		-1,022
Write-back of unused provisions			0
<b>Balance at the end of the financial year</b>	<b>57</b>	<b>329</b>	<b>386</b>

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 financial year 30/06/07.

The new provision created in 2009 relates to a settlement which will be concluded in the first semester of 2010.

## NOTE 35

### FINANCIAL DEBTS

(in 1,000 €)	31/12/2009	31/12/2008
<b>Non-current financial debts</b>	<b>193,050</b>	<b>172,460</b>
Credit institutions	192,856	163,901
Other	194	8,559
<b>Current financial debts</b>	<b>62,001</b>	<b>92,021</b>
Credit institutions	7,750	22,167
Other	54,251	69,854
<b>TOTAL</b>	<b>255,051</b>	<b>264,481</b>

The financial debts with credit institutions are composed of, on the one hand, long-term credit facilities (31/12/09: € 187 million), and on the other hand, of back-up lines as a guarantee for the commercial paper program in case issuing becomes unfeasible (31/12/09: € 13.6 million).

The other current financial debts mainly consist of the commercial paper (31/12/09: € 54.3 million).

The received rental guarantees (€ 0.2 million) are recorded in the other non-current financial debts.

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

(in 1,000 €)	31/12/2009				31/12/2008			
	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
<b>Financial debts – credit institutions</b>								
Credit lines	0	218,931	565	219,496	13,700	205,000	600	219,300
Credit draw-downs	0	186,411	565	186,976	13,605	149,816	647	164,068
% share (credit draw-downs/credit lines)	0.0%	85.1%	100.0%	85.2%	99.3%	73.1%	107.8%	74.8%
<b>Commercial paper and back-up credit lines</b>								
Commercial Paper program			210,000	210,000			210,000	210,000
Commercial Paper draw-downs	54,251	0		54,251	69,854	8,415		78,269
Back-up credit lines	26,670	77,500		104,170	104,100			104,100
Back-up credit draw-downs	7,750	5,880		13,630	22,000			22,000
% share CP / back-up credit lines				52.1%				75.2%
% share back-up draw-downs/credit lines				13.1%				21.1%
% share CP / CP program				25.8%				37.3%

Of all credit lines, only back-up credit lines for an amount of € 26.7 million expire in 2010.

All credit lines are based on a floating interest rate, for which the interest risk is mainly (78%) covered by derivative financial instruments.

For more details we refer to note 23 (Derivative financial instruments).

**NOTE 36****OTHER NON-CURRENT FINANCIAL LIABILITIES**

(in 1,000 €)	31/12/2009	31/12/2008
Derivative financial instruments	4,943	2,704
Other	0	0
<b>TOTAL</b>	<b>4,943</b>	<b>2,704</b>

The other non-current financial liabilities mainly consist of the negative fair value of the derivative financial instruments recorded in the balance sheet according to IAS 39. For more details we refer to note 23.

**NOTE 37****TRADE DEBTS AND OTHER CURRENT DEBTS**

(in 1,000 €)	31/12/2009	31/12/2008
<b>Exit tax</b>	<b>0</b>	<b>3,298</b>
Other		
Suppliers	5,381	7,685
Tenants	0	0
Taxes, salaries and social security	760	158
<b>TOTAL</b>	<b>6,141</b>	<b>11,141</b>

**NOTE 38****OTHER CURRENT LIABILITIES**

(in 1,000 €)	31/12/2009	31/12/2008
Other current liabilities	1,267	24,298
<b>TOTAL</b>	<b>1,267</b>	<b>24,298</b>

The other current liabilities on 31/12/08 comprise, a.o., 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).

At the end of 2008 Leasinvest Immo Lux has launched a repurchase procedure for its shares still owned by third parties, within the framework of the conversion of Leasinvest Immo Lux SICAV to a SICAV-FIS. Consequently, Leasinvest Real Estate has become the 100% shareholder of Leasinvest Immo Lux on 31/12/08.

**NOTE 39****ACCRUED CHARGES AND DEFERRED INCOME - LIABILITIES**

(in 1,000 €)	31/12/2009	31/12/2008
Property income received in advance	8,066	6,642
Interests and other charges accrued and not due	937	1,662
Other	33	1
<b>TOTAL</b>	<b>9,036</b>	<b>8,305</b>

## NOTE 40

### 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 2007/2008 a rental guarantee was granted by Leasinvest Real Estate.

In relation to this risk, the accounts of Leasinvest Real Estate per 31/12/09 contain a provision of € 0.06 million (see note 34), hedging this risk to a maximum degree.

Leasinvest Real Estate has concluded an agreement for the acquisition of logistic site situated near Brussels via the take-over of 100% of the company Canal Logistics Brussels SA.

This acquisition is subject to a number of conditions precedent.

The acquisition price of this site will amount to approximately € 36 million.

At the end of 2009 the tender contract for the construction of the State Archives with underground parking in Bruges has definitively been granted to the consortium Algemene Aannemingen Van Laere-Leasinvest Real Estate. This relates to the renovation of a building (the previous Red Cross-building), the construction of new State Archives with a library, 29 running km of archives and a public underground parking for 200 cars. This development project (except for the parking), situated along the Predikherenrei 4 and the Langestraat in the centre of Bruges, will be rented for a fixed term of 25 years by the Belgian government (Buildings Agency). The building permit has been requested.

To this end, Van Laere has created an ad hoc company (RAB Invest SA).

After the provisional completion of the new State Archives, expected by 01/11/12, Leasinvest Real Estate will acquire the shares of RAB Invest SA, based on a fixed construction cost of the building of € 17.7 million.

## NOTE 41

### CONSOLIDATION SCOPE

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

This consists in incorporating the entire assets and liabilities, 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 consolidated annual accounts are established at the same date as for the establishment of the annual accounts of the subsidiaries.

Name & address of the administrative office	national number	Direct or indirect part of the capital held and voting rights (in %)	
		31/12/2009	31/12/2008
<b>Leasinvest Services SA</b> Schermerstraat 42 - 2000 Antwerp	BE 878.901.063	99.00%	99.00%
<b>Leasinvest Immo Lux SA</b> 17, Route d'Esch - L-1470 Luxembourg	LU 16372655	100%	100%
<b>Leasinvest Immo Lux Conseil SA</b> 17, Route d'Esch - L-1470 Luxembourg	LU 10355144	100%	100%
<b>Zebra Trading SA<sup>(1)</sup></b> Schermerstraat 42 - 2000 Antwerp	BE 424.903.946	100%	100%
<b>Alm Distri SA<sup>(1)</sup></b> Schermerstraat 42 - 2000 Antwerp	BE 475.333.157	100%	100%

(1) On 01/01/10 Zebra Trading SA and Alm Distri SA were merged with Leasinvest Real Estate.

## NOTE 42

### RELATED PARTY TRANSACTIONS

The statutory manager Leasinvest Real Estate Management SA employs the personnel and receives an annual management fee of 0.415% on the consolidated investment value of the portfolio, including the real estate portfolio of Leasinvest Immo Lux. The remuneration for the financial year 2009 (12 months) amounted to € 2.4 million.

Algemene Aannemingen Van Laere SA has built an office building with storage space for Leasinvest Real Estate for Cegelec SA. The building was completed on 16/12/09.

De total contracting price of Van Laere amounts to € 2.95 million (excl. VAT).

## NOTE 43

### REMUNERATION OF THE AUDITOR ERNST & YOUNG (EXCL VAT)

(in 1,000 €)

	Leasinvest Real Estate	Subsidiaries	Total 31/12/2009
Remuneration of the auditor for the audit mandate	30	37	67
Remuneration for extraordinary activities or special assignments:			
- Other auditing assignments			0
- Tax consulting		3	3
Other than audit assignments	0		0
<b>TOTAL</b>	<b>30</b>	<b>40</b>	<b>70</b>

## NOTE 44

### EVENTS AFTER THE CLOSING OF THE BALANCE SHEET

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

## STATUTORY AUDITOR'S REPORT

### Statutory auditor's report to the general meeting of shareholders of Leasinvest Real Estate on the consolidated financial statements for the year ended 31 December 2009

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 ended 31 December 2009, 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 2009, and the consolidated statements of income, changes in equity, recognised income and expense, and cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of € 552,145,000 and the consolidated statement of income shows a profit for the year, share of the Group, of € 18,380,000.

#### 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 stand-

ards 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 year ended 31 December 2009 give a true and fair view of the Group's financial position as at 31 December 2009 and of the results of its operations and its cash flows in accordance with IFRS as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

#### ADDITIONAL COMMENTS

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

Brussels, 23 March 2010

Ernst & Young Reviseurs d'Entreprises scrl  
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](http://www.leasinvest.be)).

The RD of 21/06/06 fixes the application of IFRS for the drawing up of the statutory annual accounts as from the financial years beginning on or after 01/01/07. To the sicafis, the possibility is given to apply IFRS already as from the financial years beginning on or after 01/01/05.

The manager of Leasinvest Real Estate has decided to bring its statutory annual accounts under IFRS as from the financial year 2006/2007, thus earlier than required.

The auditor has approved our statutory annual accounts without reservations.

## INCOME STATEMENT

(in € 1,000)	Period 31/12/2009 IFRS 12 months	Period 31/12/2008 IFRS 18 months	Period 30/06/2007 IFRS 12 months
Rental income	22,902	33,008	19,356
Write-back of lease payments sold and discounted	0	0	0
Related rental expenses	42	-117	0
<b>NET RENTAL INCOME</b>	<b>22,944</b>	<b>32,891</b>	<b>19,356</b>
Recovery of property charges	64	811	64
Recovery income of charges and taxes normally payable by tenants on let properties	2,733	3,569	1,851
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	-483	-143
Charges and taxes normally payable by tenants on let properties	-2,733	-3,569	-1,851
Other rental-related income and expenditure	-308	-396	-236
<b>PROPERTY RESULT</b>	<b>22,700</b>	<b>32,823</b>	<b>19,041</b>
Technical costs	-857	-1,462	-2,115
Commercial costs	-326	-493	-393
Charges and taxes on un-let properties	-222	-430	-264
Property management costs	-2,353	-3,083	-1,801
Other property charges	-303	-487	-245
<b>PROPERTY CHARGES</b>	<b>-4,061</b>	<b>-5,955</b>	<b>-4,818</b>
<b>PROPERTY OPERATING RESULT</b>	<b>18,639</b>	<b>26,868</b>	<b>14,223</b>
Corporate operating charges	-793	-1,290	-1,390
Other current operating income and expenditure	3	2,186	2,959
<b>OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO</b>	<b>17,849</b>	<b>27,764</b>	<b>15,792</b>
Results on disposals of investment properties			1,486
Changes in fair value of investment properties	-17,070	-5,545	9,926
<b>OPERATING RESULT</b>	<b>779</b>	<b>22,219</b>	<b>27,204</b>
Financial income	10,212	15,779	11,936
Interest charges	-8,273	-21,039	-11,830
Other financial charges	-2,935	-4,930	-330
<b>FINANCIAL RESULT</b>	<b>-996</b>	<b>-10,190</b>	<b>-224</b>
<b>PRE-TAX RESULT</b>	<b>-217</b>	<b>12,029</b>	<b>26,980</b>
Corporate taxes	-97	-14	58
Exit tax	0	0	-65
<b>TAXES</b>	<b>-97</b>	<b>-14</b>	<b>-7</b>
<b>NET RESULT</b>	<b>-314</b>	<b>12,015</b>	<b>26,973</b>

## BALANCE SHEET

(in € 1,000)

	Period 31/12/2009 IFRS 12 months	Period 31/12/2008 IFRS 18 months	Period 30/06/2007 IFRS 12 months
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>	<b>486,112</b>	<b>496,731</b>	<b>481,489</b>
Investment properties	286,096	302,288	259,218
Development projects	8,166	3,393	1,545
Other tangible assets	0	0	17
Non-current financial assets	191,850	191,050	220,709
<b>CURRENT ASSETS</b>	<b>15,093</b>	<b>13,431</b>	<b>9,516</b>
Assets held for sale			
Current financial assets	10,915	8,062	4,847
Trade receivables	2,683	3,844	3,613
Tax receivables and other current assets	122	54	30
Cash and cash equivalents	1,130	805	614
Deferred charges and accrued income	243	666	412
<b>TOTAL ASSETS</b>	<b>501,205</b>	<b>510,162</b>	<b>491,005</b>
<b>LIABILITIES</b>			
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>215,693</b>	<b>223,692</b>	<b>245,635</b>
Capital	44,128	44,128	44,128
Share premium account	70,622	70,622	70,622
Treasury shares (-)	-1,034	-1,034	0
Reserves	105,096	105,096	110,641
Legal reserves	602	602	602
Non-distributable reserves	80,372	80,372	84,883
Available reserves	24,122	24,122	25,156
Result	4,076	11,782	24,857
Results carried forward from previous financial years	4,389	9,608	7,810
Result of the financial year	-314	2,174	17,047
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	-5,929	-5,929	-5,929
Change in fair value of financial assets and liabilities	-1,266	-973	1,316
On financial assets available for sale	12	-630	
On derivative financial instruments	-1,278	-343	1,316
<b>LIABILITIES</b>	<b>285,512</b>	<b>286,470</b>	<b>245,370</b>
<b>NON-CURRENT LIABILITIES</b>	<b>146,413</b>	<b>139,043</b>	<b>88,843</b>
Provisions	387	1,105	1,725
Non-current financial debts	140,880	134,815	86,300
Other non-current financial liabilities	4,743	2,704	33
Other non-current liabilities	403	419	785
<b>CURRENT LIABILITIES</b>	<b>139,099</b>	<b>147,427</b>	<b>156,527</b>
Provisions	0	0	0
Current financial debts	128,657	134,781	144,343
Trade debts and other current debts	3,519	4,057	4,019
Other current liabilities	1,039	1,116	1,002
Accrued charges and deferred income	5,884	7,473	7,163
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>501,205</b>	<b>510,162</b>	<b>491,005</b>

# LEASINVEST REAL ESTATE ON THE STOCK EXCHANGE

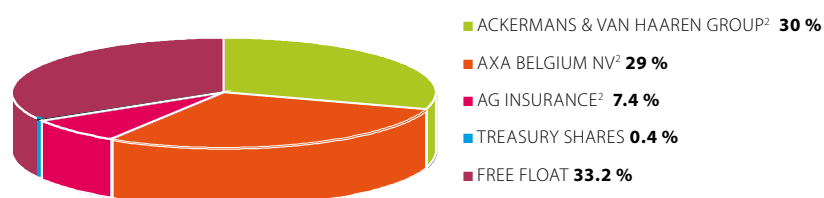
■ Since 1999 the **net asset value**  
has **doubled** to **€ 275 million**

## 9.1 SHAREHOLDERS

The Leasinvest Real Estate shares are listed in Belgium on Euronext Brussels (Bel small).

Extensa Group SA (Ackermans & van Haaren Group) is the founder and promoter 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)<sup>1</sup>



The number of issued shares on 31/12/09 amounted to 4,012,832.

On 31/12/09 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.

## 9.2 LEASINVEST REAL ESTATE ON THE STOCK EXCHANGE

### KEY FIGURES

(in €)	31/12/2009	31/12/2008 <sup>(1)</sup>	30/06/2007
Number of listed shares (#)	4,012,832	4,012,832	4,012,832
Number of issued shares (#)	4,012,832	4,012,832	4,012,832
Market capitalisation based on closing price (€ million)	236.64	192.82	313.40
Free float (%)	33.2%	33.2%	33.2%
Closing price	58.97	48.05	78.10
Highest price	64.01	78.00	84.50
Lowest price	45.68	46.13	65.80
Average price	54.87	64.37	75.96
Annual turnover (#)	383,879	367,948	720,881
Average monthly traded volume (#)	31,990	30,662	60,073
Velocity <sup>(2)</sup> (%)	9.6%	9.2%	18.0%
Free float velocity (%) <sup>(3)</sup>	28.8%	27.6%	54.1%
Gross dividend <sup>(4)</sup>	4.00	3.80	3.80
Net dividend <sup>(4)</sup>	3.40	3.23	3.23
Gross dividend yield (%) <sup>(5)</sup>	6.78%	7.91%	4.87%

(1) Notwithstanding the fact that the financial year closed at 31/12/08 was an extended financial year of 18 months, the key figures presented in the table above are calculated for the calendar year 2008 (12 months).

(2) Number of traded shares / total number of listed shares.

(3) Number of traded shares / (total number of listed shares \* free float).

(4) During the financial year 2007/2008 of 18 months, ending at 31/12/08 a total gross dividend of € 5.70 (net € 4.845) was distributed, composed of a unique interim dividend of € 3.85 (net: € 3.2725) and a closing dividend of € 1.85 (net: € 1.5725). In the table above the pro rata of the total gross dividend of € 5.70 is presented (€ 3.80).

(5) Gross dividend / closing price.

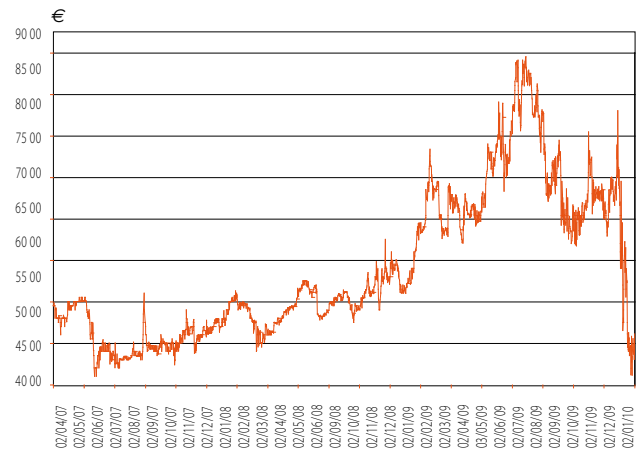
<sup>1</sup>In the periodical press releases, the net asset value per share is communicated.

<sup>2</sup>For more information on the transparency notifications by Ackermans & van Haaren Group, AXA Belgium and AG Insurance including the relevant chains of control, we refer to the related press release on the website [www.leasinvest.be](http://www.leasinvest.be).

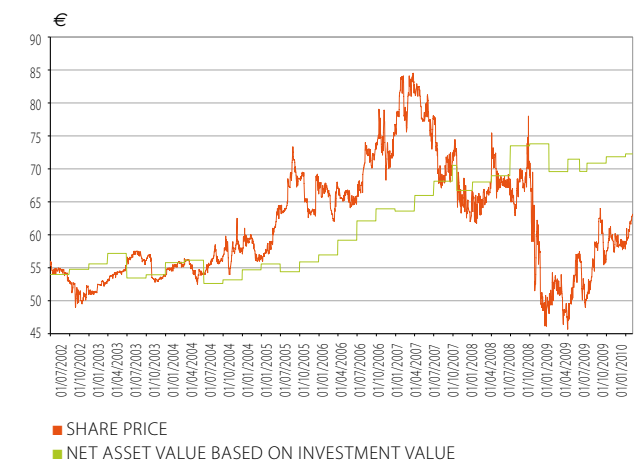


GRAPHS

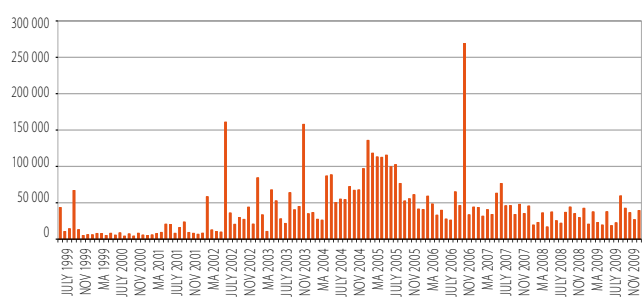
Evolution of the share price over the last 3 years



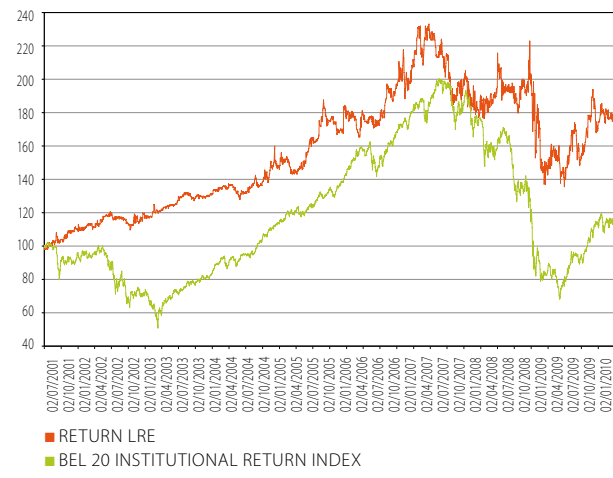
Price premium/discount Leasinvest Real Estate share since 01/07/02 compared with net asset value



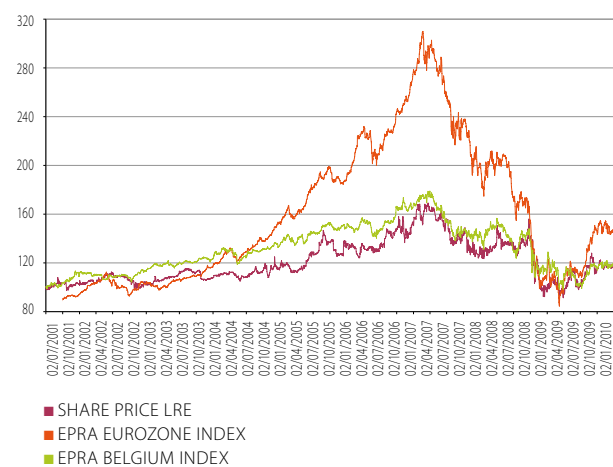
Monthly volume of the Leasinvest Real Estate share since the IPO on 02/07/99



Comparison of return of Leasinvest Real Estate with the return on BEL20 Index<sup>1</sup>



Comparison of Leasinvest Real Estate share price with the return of the EPRA Index



<sup>1</sup>Index to consult in the financial newspapers, i.e. l'Echo and De Tijd in the stock market pages.

After the all-time low in 2008 the Leasinvest Real Estate share partially recovered in 2009. The share price evolved from € 48.05 on 31/12/08 to € 64.01 (highest price) on 01/09/09, to finally close at € 58.97 (31/12/09).

Since the end of September 2008 the share has continually recorded a discount compared to the net asset value. The discount (compared to the net asset value based on the fair value) decreased from -27% on 31/12/08 to -14% on 31/12/09.

The past financial year, the average monthly transaction volume of the share amounted to 31,990 shares in comparison with 30,662 in 2008. The low velocity (9.6% over 2009) is mainly explained by the limited free float of the share (33.2%). If we only take into account the tradable shares, the free float velocity over 2009 amounts to 28.8%, to compare with 27.6% over 2008.

As shown by the graph, the Leasinvest Real Estate share records quasi systematically a higher return than the BEL20 Index. After the drop in 2008, the Leasinvest Real Estate share as well as the BEL20 Index recorded an increase again.

In comparison with the EPRA Belgium Index, the index of the main listed real estate companies in Belgium, the Leasinvest Real Estate share records a comparable evolution. The EPRA Eurozone Index, the index of the main listed real estate companies in Europe, dropped below the level of the Leasinvest Real Estate share in 2008, but recorded a revival in 2009 and rose again above the level of the EPRA Belgium Index and the Leasinvest Real Estate share.

## 9.3 ANALYSTS' COVERAGE

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# PERMANENT DOCUMENT

- The debt ratio amounts to **47,6%** only



## 10.1 GENERAL INFORMATION

### 10.1.1 COMPANY PROFILE

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

The fair value of the real estate portfolio on 31/12/09 amounts to € 537.52 million, the investment value to € 551.40 million. The consolidated real estate portfolio represents a surface of 353,000 m<sup>2</sup>, with 58 buildings, of which 43 in Belgium and 15 in the Grand Duchy of Luxembourg.

Geographically, the portfolio is situated for 40.8% in the Grand Duchy of Luxembourg (through its 100% subsidiary Leasinvest Immo Lux) and for 59.2% in Belgium.

The real estate fund is listed on Euronext Brussels (Bel Small) and is part of the EPRA Eurozone Total Return Index.

### INVESTMENT POLICY

#### Art. 5 of the coordinated articles of association dated 27/06/08:

‘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.’

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 investment trust 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.

### 10.1.2 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. On 31/03/10 the statutory manager has decided to transfer its registered office as from 15/04/10 to Bld. De la Woluwe 2, 1150 Brussels.

#### 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 com-



pany 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 Small).

## **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 “sicafig”, 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 31/12/09 the registered capital amounted to € 44,128,326.64. The total number of shares was 4,012,832, and have a no-par value.

### Authorised capital

#### Art. 7 of the coordinated articles of association dated 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 EUR 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 Com-

pany Law, Article 11 of the Royal Decree of the 10th of April 1995 with regard to “sicafig”, 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 euro (€ 2,205,50).
- 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 euro (€ 1,152,162).

## ACQUISITION OF OWN 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.

A new authorisation was granted to the manager by the extraordinary general meeting of shareholders of 18/05/09, with regard to the conditions defined by law, with the available resources in the sense of article 617 of the company law, during a term of 5 years as from the date of the general meeting which has adopted this proposal, to acquire on the stock market or, as soon as admitted by regulation, in any other way offering the necessary guarantees for the equal treatment of shareholders in the same circumstances by means of the equality of the price offered, a maximum of 20% of the number of existing shares of the Company, for which all the already acquired (and still held) shares by the Company and its direct subsidiaries have to be taken into account cumulatively. This acquisition has to take place at a minimum price per share which corresponds to the lowest of the twenty last closing prices of the share of the Company on Euronext Brussels before the acquisition date, decreased by 15% and at a maximum price per share which corresponds to the highest of the twenty last closing prices of the share of the Company on Euronext Brussels before the acquisition date, increased by 15%.

The manager is also again authorised to sell treasury shares of the Company, taking into account the conditions and terms defined by law, on the stock market or in any other way, at a minimum price per share which corresponds to the lowest of the twenty last closing prices of the share of the Company on Euronext Brussels before the selling date, decreased by 15% and at a maximum price per share which corresponds to the highest of the twenty last closing prices of the share before the selling date increased by 15%.

The boards of directors of the direct subsidiaries of the Company are also authorised to acquire and de-realise shares in the Company within the limits of the authorisations above.

### 10.1.3 IDENTIFICATION LEASINVEST IMMO LUX

Since the extraordinary general meeting of Leasinvest Immo Lux of 18/12/08 Leasinvest Immo Lux is a SICAV-specialised investment fund ('SICAV-FIS'), subject to the law of 13 February 2007 regarding specialised investment funds.

Leasinvest Real Estate is, directly and indirectly, the 100% shareholder of Leasinvest Immo Lux.

On 31/12/09, the investment properties of Leasinvest Immo Lux represented 40.8% of the consolidated real estate portfolio of Leasinvest Real Estate.

On 31/12/09 Leasinvest Immo Lux owned 15 buildings in ownership or co-ownership, with a total surface of 85,961 m<sup>2</sup>, exclusively situated in the Grand Duchy of Luxembourg.

2 buildings represent more than 5% of the consolidated Leasinvest Real Estate portfolio, namely CFM (8.1%) and Strassen (6.2%).

The buildings are mostly multi-tenant and consist of offices (62%), one logistic building (9%) and retail (29%). Geographically, the buildings are well spread across Luxembourg city (68%) and the periphery (32%).

### 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

Leasinvest Immo Lux has its registered office at 17, route d'Esch, 1470 Luxembourg.

### CONSTITUTION AND TERM

Leasinvest Immo Lux has been established on 14/01/91 under the form of a public limited company (SA), in accordance with the modified Luxembourg Law of 10/08/15 on commercial companies, and the Luxembourg Law of 30/03/88 on collective investment institutions. The articles of association have been modified on 10/11/99, 27/12/05, 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

### 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 that 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.

## 10.2. 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 sav-  
ings 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 seven-  
teenth 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 aforemen-  
tioned 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 fol-  
lows:

- under a deed recorded by notary public Frank Celis in Ant-  
werp 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 Bel-  
gian 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", re-  
corded 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, an-  
nounced in the appendices to the Moniteur Belge on the twelfth  
of December thereafter under number 20031212-31932, includ-  
ing the merger by absorption of the public companies 'EKIPOINT'  
and 'BRUSSIMMO'.

- under a deed recorded by notary public Frank Liesse in Ant-

werp, 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 Ter-vueren 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 EUR 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 "sicafris".

Furthermore in accordance with Article 11, paragraph 2 of the Royal Decree of the tenth of April nineteen ninety five with regard to "sicafris", 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 "sicafris, 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 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.

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.

### 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. Abstinance 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 "sicafris".

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 major-

ity 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.

## 10.3 STATEMENTS

### 10.3.1 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.

### 10.3.2 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.

### 10.3.3 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 offence 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 investment 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, Thierry Rousselle and Alfred Bouckaert 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.

### 10.3.4 OTHER DIRECTOR MANDATES EXERCISED DURING THE 5 PREVIOUS YEARS<sup>1</sup>

#### 10.3.4.1 DIRECTORS

##### **Luc Bertrand**

Mandates in other companies, currently and during the 5 previous financial years:

Ackermans & van Haaren SA, Ackermans & van Haaren Coordination Center SA, Agridec SA\*, Algemene Aannemingen Van Laere SA, Anfima SA, Continentale Verzekeringen SA, Asco Leven SA, Atenor Group SA, Aviapartner SA\*, Axe Investments SA, Baarbeek BV, Bank J.Van Breda & Co SA, Bank Delen & De Schaetzen SA, Bracht Deckers & Mackelbert SA, Belcadi BV, Belfimas SA, Belgian Media Holding SA\*, BIAC SA\*, Blomhof SA\*, Bos SA, Brinvest SA, Cruiser BV\*, De Pijler vzw\*, De Speyebeek SA\*, Deme Coordination Center SA, Dredging International SA, "Dredging, Environmental & Marine Engineering" SA, "Electriciteit Voor Goederen-Behandeling, Marine En Industrie" (Egemin) SA\*, Egemin International SA, Finaxis SA, Fortis Private Equity Belgium SA\*, Gemini Natural Resources SA, Groupe Financière Duval SA, Groupe Flo, I.C.P. (Instituut Christian De Duve), Idea Strategische Economische Consulting SA, IlloSpear SA\*, ING België SA, 'Belgische Instituut Voor Vorming, Technische Bijstand En Overdracht Van Technologie' SA\*, Lamitref Industries SA\*, Extensa Group SA, Manuchar SA, Middelheim Promotors, Museum Mayer van den Bergh vzw, NMC SA, Prins Leopold Instituut voor Tropische Geneeskunde, Profimolux SA, Project T&T SA, Promofi SA\*, Protalux SA, Quick Restaurants SA\*, Scaldis Invest SA, Schroders Ltd. (London), Sipef SA, Nationale Maatschappij Der Pijpleidingen SA, Nationale Investeringsmaatschappij SA, Sofinim SA, Solvus SA\*, Virgin Express SA\*, Vlaamse Beleggingen BV, Leasinvest Immo Lux SA, Rent-a-port SA, IBF SA, Guberna VZW

##### **Jan Suykens**

Mandates in other companies, currently and during the 5 previous financial years: Ackermans & van Haaren SA, Continentale Verzekeringen SA\*, Bracht, Deckers en Mackelbert SA\*, Asco Leven SA\*, Bank Delen & De Schaetzen SA, Banque Delen Luxembourg SA, Bank J.Van Breda & C° SA, Extensa Group SA, Leasinvest Finance SA\*, Oleon SA\*, Oleon Holding SA\*, Bureau Van Dijk Computer Services SA\*, Solvus SA\*, Corelio SA (ex-VUM Media SA), Synvest SA, Algemene Aannemingen Van Laere SA, "Dredging, Environmental & Marine Engineering" SA, IlloSpear SA\*, Ackermans & van Haaren Coordination Center SA, Mabeco SA, Nationale Investeringsmaatschappij SA, Sofinim SA, Brantano SA\*, Anfima SA, Avafin-Re SA\*, Belcadi BV, Brinvest SA\*, Extensa SA, Finaxis SA, Gemini Natural Resources SA, Profimolux SA, Project T&T SA, Protalux SA, Legimco SA, Cobelguard SA, D&S Holding SA, Oleon Biodiesel SA\*, Leasinvest Immo Lux SA, Leasinvest Immo Lux Conseil SA, Anima Care, Groupe Financière Duval SA, T&T Koninklijk Pakhuis SA, T&T Openbaar pakhuis SA, T&T Parking SA

##### **Bernard de Gerlache de Gomery**

Mandates in other companies, currently and during the 5 previous financial years: Floridienne SA, SIPEF SA, Texaf SA, Belficor SA, 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 SA, Mobistar SA, Raad van Toezicht CBFA\*, Keytrade Bank SA, Amonis SA, Ad Valvas Group SA\*, Mediafin, Ackermans-Stroobants\*, Finasucre SA, Hydralis SA, Ethical Property Europe SA

##### **Christophe Desimpel**

Mandates in other companies, currently and during the 5 previous financial years: Remi Claeys Aluminium SA\*, De Cederboom SA\*, Telindus Group SA\*, De Speyebeek SA, Aluclaeys Invest SA, Aluclaeys Finance SA, RC Systems SA\*, Aleurope Holding SA\*, Cedes SA\*, Point Break SA\*, Te Lande SA, Val-I-Pac VZW\*, Levimmo SA, Accentis SA, Immo Desimpel SA, New Regence SA, Omroepgebouw Flagey SA, Fortales SA\*, Wellington Golf Oostende SA, Eurocrossroads Business Park SA, Marina Tower ESV, DML Composites SA, Valletta Invest SA, BVS-UPSI, BEM, Enfinity 2 CVBA, Parts & Components SA, Pathoeke Industries SA, Enfinity 4 CVBA, Enfinity 7 SA, Koninklijke

<sup>1</sup> Terminated mandates are indicated with an "\*".

Renvereniging Oostende SA, Creafund 2 CV, Ter Harte vzw, Pielos BVBA, ENG Invest CV, Resiterra SA, Mahora Invest SA, Pathoeke Plus SA, Desimpel Energy Group SA, Nutridix SA

#### **Marcus Van Heddeghem**

Mandates in other companies, currently and during the 5 previous financial years: Redevco Retail Belgium SCS, Redevco Offices Belgium Comm.V, Redevco Industrial Belgium Comm.V, Home Invest SA\*, City Hotels SA\*, Befimmo SA, Maatschappij van Het Zoute SA, Mons. Revitalisation SA, Bengali SA, Kinopolis Group SA

#### **Jean-Louis Appelmans**

Mandates in other companies, currently and during the 5 previous financial years: Retail Estates SA, Brussimmo SA\*, Ekiport SA\*, Extensa SA\*, Grossfeld Immobilière SA\*, I.D.I.M. SA\*, Extensa Group SA, Music City Brussels SA\*, Omroepgebouw Flagey SA\*, Project T&T SA\*, Stevibis SA\*, Granvelle Consultants & Co SPRL, Leasinvest Immo Lux SA, Leasinvest Immo Lux Conseil SA, De Leewe SA\*, Logistics Finance I SA\*, Warehouse Finance SA\*, Square de Meeûs SA\*, Leasinvest Services, Zebra Trading SA\*, Alm Distri SA\*, Montimmo SA\*

#### **Kris Verhellen**

Mandates in other companies, currently and during the 5 previous financial years: SRL, Axor SRL, Bel Rom Patru SRL, Bel Rom Sapte SRL, Bel Rom Uno SRL, Brussimmo SA\*, CBS-Invest SA, Citérim SA, Commtech SA\*, De Leewe SA\*, Développements et Promotions Immobiliers SA, Ekiport SA\*, Exparom I BV, Exparom II BV, Extensa Development SA (ex-Stevibis SA), Extensa Group SA, Extensa I SRO, Extensa Istanbul, Extensa Land I SA (ex-Kinna Residential SA), Extensa Land II SA (ex-Schulze SA), Extensa Luxembourg SA, Extensa Nederland BV, Extensa SA, 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 SA\*, Grossfeld Immobilière SA, Grossfeld PAP SA, Hypo-G, Implant SA, Kinna Finance SA\*, Kinna I SA, Kinna II SA, Leasinvest Development SA, Leasinvest Finance SA, Leasinvest Real Estate Management SA, Logistics Finance I SA\*, Metropool 2000 SA, Omroepgebouw Flagey SA, Project T&T SA, Sitas SPRL, T&T Koninklijk Pakhuis SA, T&T Openbaar Pakhuis SA, T&T Parking SA, Top Development AS, Upo Invest SA, Vilvolease SA, Warehouse Finance SA\*

#### **Guy Van Wymersch-Moons**

Mandates in other companies, currently and during the 5 previous financial years: Blauwe Toren SA, Brustar One SA, Cabesa SA, Cornaline House SA, EVERS Freehold SA, Immo Instruction SA, Immo Jean Jacobs SA, Immo du Parc Hotel SA, Immo Zellik SA, Instruction SA, La Tourmaline SA, LEG II MEER 15 SA, LEG II MEER 22-23 SA, LEG II MEER 42-48 SA, Lex 65 SA, Marina Building SA, Messancy Réalisation SA, MUCC SA, Parc Louise SA, QB19 SA, RAC HASSELT SA, Royaner SA, Royawyn SA, Sodimco SA, The Bridge Logistics SA, Transga SA, Trèves Freehold SA, Trèves Leasehold SA, Vepar SA, WaterLeau SA, Zaventem 1 SA, Zaventem 2 SA, Upar SA, Beran SA, WOM, AXA REIM Belgium SA\*, Leasinvest Immo Lux SA, Maison de l'assurance, Wathall SA

#### **Thierry Rousselle**

Mandates in other companies, currently and during the 5 previous financial years: Brustar One SA\*, Cabesa SA\*, Cornaline House SA\*, Immo Jean Jacobs SA\*, Immo Rac Hasselt SA\*, Immobilière du Parc Hotel SA\*, La Tourmaline SA\*, Les Résidences du Quartier Européen SA\*, Lex 65 SA\*, Marina SA\*, Messancy Réalisations SA\*, Mucc SA\*, Parc de l'Alliance SA\*, Parc Louise SA\*, QB19 SA\*, Royaner SA\*, Royawyn SA\*, Sodimco SA\*, Transga SA\*, Vepar SA\*, Water-Leau SA\*, Wathall SA\*, Zaventem 1 SA\*, Zaventem 2 SA\*, Immo Zellik SA\*, Trèves Leasehold SA\*, Trèves Freehold SA\*, UPSI

#### **Alfred Bouckaert**

Mandates in other companies, currently and during the 5 previous financial years: AXA Holdings Belgium, AXA Belgium SA, AXA Participations Belgium, AXA Bank Europe SA, AXA Luxembourg, AXA Assurances Luxembourg SA, AXA Assurances Vie Luxembourg, AXA Konzern AG, AXA Service AG, AXA ART Versicherung AG, AXA Versicherung AG, AXA Leben, AXA Lebensversicherung AG, AXA Versicherung AG, L'Ardenne Prévoyante, Contere, AXA Insurance SA, RESO, Consuco, Société patrimoniale familiale, De Waere (Belgique), Société patrimoniale familiale



#### 10.3.4.2 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 SA, IFMA VZW, Midhan SPRL, Zebra Trading SA\*, Alm Distri SA\*, Montimmo SA\*

##### **Micheline Paredis**

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

##### **Sophie Wuyts**

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

#### 10.3.5 OFFICE ADDRESSES

##### **Luc Bertrand**

President of the executive committee of  
Ackermans & van Haaren SA  
Begijnenvest 113, 2000 Antwerp

##### **Jan Suykens**

Member of the executive committee of  
Ackermans & van Haaren SA  
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 SA  
Guldensporenpark 82, 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 SA  
Schermersstraat 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

##### **Alfred Bouckaert**

President of the board of directors of AXA Belgium SA  
Boulevard du Souverain 25, 1170 Brussels

##### **Michel Van Geyte**

COO Leasinvest Real Estate Management SA  
Schermersstraat 42, 2000 Antwerp

##### **Micheline Paredis**

Secretary General/Group Counsel Leasinvest Real Estate  
Management SA  
Schermersstraat 42, 2000 Antwerp

##### **Sophie Wuyts**

CFO, Leasinvest Real Estate Management SA  
Schermersstraat 42, 2000 Antwerp

### 10.3.6 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 2006/2007 and 2007/2008 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 2006/2007, 2007/2008 and 2009 can be consulted on the Leasinvest Real Estate website ([www.leasinvest.be](http://www.leasinvest.be)) and may be consulted at the administrative office of the company.

The current annual financial report 2009<sup>1</sup> can also be consulted on the website [www.leasinvest.be](http://www.leasinvest.be) and the Euronext website ([www.euronext.com](http://www.euronext.com)).

The historical financial information of the previous financial years 2006/2007 and 2007/2008 of all subsidiaries of Leasinvest Real Estate (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](http://www.leasinvest.be).

Anyone interested can freely subscribe at [www.leasinvest.be](http://www.leasinvest.be) to receive all press releases and mandatory financial information per e-mail (contact – subscribe).

### 10.3.7 LIST OF REFERENCE INFORMATION<sup>2</sup>

Historical financial information and the description of the financial situation of the previous financial years 2006/2007 and 2007/2008 and transactions with related parties in the previous financial years 2006/2007 and 2007/2008

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 2006/2007 and 2007/2008 and the semester reports (half-yearly financial reports) including the report of the auditor drawn up in the financial years 2006/2007, 2007/2008 and 2009, which can be consulted on the Leasinvest Real Estate website ([www.leasinvest.be](http://www.leasinvest.be)).

<sup>1</sup>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 2009 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](http://www.leasinvest.be)).

<sup>2</sup>For transactions with related parties for the financial year 2006/2007, see also page 65 of this report.

### 10.3.8 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**

## INFORMATION TO SHAREHOLDERS

### Real estate investment trust (sicafi/bevak) – characteristics and fiscal regime

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

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

### SICAV-Specialised investment fund

#### (Leasinvest Immo Lux, Grand Duchy of Luxembourg)

- 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

### Dividend

The board of directors of the statutory manager proposes to the ordinary general meeting of shareholders to pay a gross dividend of € 4.00, and net, free of withholding tax, € 3.40, on 24/05/10.

Subject to the approval of the ordinary general meeting of 17/05/10, dividends will be paid out on presentation of coupon nr. 11 as from 24/05/10 at the financial institutions Bank Delen (main paying agent), ING Bank, Dexia Bank, BNP Paribas Fortis Bank and Bank Degroof.

### Website [www.leasinvest.be](http://www.leasinvest.be)

With regard to its communication Leasinvest Real Estate pursues the guidelines of the Banking, Finance and Insurance Commission.

The website has free access and comprises all mandatory financial information.

Anyone interested can freely subscribe at [www.leasinvest.be](http://www.leasinvest.be) to receive all press releases and mandatory financial information per e-mail (contact – subscribe).

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## GLOSSARY

### 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 per 31/12/09.

### 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.



### FREE FLOAT

The free float is the number of shares freely tradable on the stock exchange.

### 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 parent company, divided by the number of shares (excluding the consolidated number of treasury shares).

### NET CASH FLOW

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

### OCCUPANCY RATE

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

### SWAPTION

A swaption is an option on an interest rate swap. There are 2 types: a payer swaption and a receiver swaption. A payer swaption grants a right to the buyer to conclude an interest rate swap in the future, for which the buyer pays the fixed interest rate and receives the variable interest rate. A receiver swaption grants a right to the buyer to conclude an interest rate swap in the future, for which the buyer pays the variable interest rate and receives the fixed interest rate.

### 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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